WELSPUN ENTERPRISES
INFRASTRUCTURE AND ENERGY

STAYING FOCUSED. SEEING BEYOND.

Annual Report | **2020-21**

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)

Dr. Anoop Kumar Mittal
Independent Director (appointed w.e.f. 16.06.2021)

Dr. Aruna Sharma
Independent Director

Ms. Dipali Goenka
Non-Executive, Non-Independent Director (appointed w.e.f. 16.06.2021)

Mr. Mohan Tandon
Independent Director

Mr. Raghav Chandra
Independent Director

Mr. Rajesh R. Mandawewala
Non –Executive, Non-Independent Director

Mr. Sandeep Garg
Managing Director

Key Management Team

Mr. Balkrishan Goenka
Chairman (Executive)

Mr. Sandeep Garg
Managing Director

Mr. Akhil Jindal
Director, Group Finance & Strategy

Mr. Deepak Chauhan
Director, Legal

Mr. Asim Chakraborty
Director, COO – Highways

Mr. Yogen Lal
Director, COO – Water

Mr. Banwari Lal Biyani
Director, Audit & System
(retired w.e.f. 30.06.2021)

Mr. Ved Mani Tiwari
Deputy CEO
(01.04.2020 to 03.12.2020)

Mr. Sridhar Narasimhan
Chief Financial Officer
(18.05.2020 to 19.02.2021)

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

Corporate Office

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

Registered Office

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

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)

Mr. Raghav Chandra
Member (Independent Director)

Dr. Anoop Kumar Mittal
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)

Ms. Dipali Goenka
Member (Non-Independent Director)

Mr. Sandeep Garg
Member (Managing Director)

Mr. Mohan Tandon
Member (Independent Director)

Risk Management and Project Monitoring Committee

Mr. Raghav Chandra
Chairman (Independent Director)

Dr. Anoop Kumar Mittal
Member (Independent Director)

Mr. Sandeep Garg
Member (Managing Director)

Bankers

Aditya Birla Finance Company Ltd
Axis Bank Ltd
Axis Finance Ltd
Bank of Baroda
Bank of Maharashtra
Central Bank of India
IDBI Bank Ltd
IDFC First Bank Ltd
Indian Bank
IndusInd Bank Ltd
India Infrastructure Finance Company Ltd
Karnataka Bank Ltd
L&T Infrastructure Finance Company Ltd
PTC India Financial Services Ltd
Punjab National Bank
State Bank of India
Tata Capital Financial Services Limited
Union Bank of India
Yes Bank Ltd

STAYING FOCUSED.
SEEING BEYOND.

The COVID-19 outbreak made FY 2019-20 a year like no other, upending economic and social life around the world. At Welspun Enterprises Limited, along with contending with the multiple challenges ensuing the pandemic, we also had to brace ourselves for obstacles beyond our control at certain project sites. Battling against all odds, we recognized that the best, and probably the only way, to emerge unbeaten was to stay focused on our priorities and see beyond the challenges. And that is what we did.

As soon as Government restrictions were lifted and external conditions permitted, we quickly mobilized resources to resume operations at our sites, while always ensuring the health and safety of our people and workforce. Backed by our superior project monitoring skills, we were determined to make up for the lost time and expedite project execution. We also unleashed fast, agile teams by enabling them with the right structures, processes and technology, making it possible for the entire organization to move faster. Our strong focus on operational excellence enabled us to complete two of our projects as per the timelines, an extraordinary achievement in an extraordinary year. While delivering on our project commitments, we also demonstrated financial prudence through careful cash management, another important priority in uncertain times.

Even as the pandemic continues to grip the world and economies are only gradually returning to normalcy, we are looking beyond these speed breakers in our path. Our timely diversification into the water segment, wherein we have been awarded a marquee order, has strengthened our growth prospects. With the Government's focus targeted around improving the water infrastructure and providing clean drinking water to all households, we remain excited about future opportunities, with expectations to grow faster than ever before. As part of our value creation goal, we are also prudently exploring opportunities in the road segment that are being generated with the Government's thrust on building a strong infrastructure. Last but not least, by integrating sustainability into our business, we are better placed and able to look beyond the near future.

INSIDE THE REPORT

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

ABOUT US

Welspun Enterprises Limited (WEL), part of the globally reputed Welspun Group, is among India's fastest growing infrastructure development companies. We specialize in road and water projects under the Hybrid Annuity Model (HAM) and via large-value Engineering, Procurement and Construction (EPC) contracts. Besides developing infrastructure assets through the HAM and EPC mode, we selectively undertake Build-Operate-Transfer (BOT) projects as well. We also have investments in oil and gas exploration through our wholly-owned subsidiary.

Driven by the goal of unlocking capital for sustained value creation, we proactively look at divesting completed projects while always ensuring that the returns meet our threshold expectations. The proceeds are reinvested in new projects, thus bringing in growth opportunities without weakening the balance sheet.

OUR DIFFERENTIATED APPROACH

Across all project formats, we adopt a rigorous method of project evaluation and bid/buy only for those that fulfill our expected returns criteria. We remain sharply geared towards complex projects as these are marked with low competitive intensity with very few players having the necessary competencies to undertake such projects.

We pursue an asset-light model wherein our focus is largely on project management, engineering and key procurement, while construction is outsourced to best-suited contractors. Rigorous monitoring has enabled us to drive operational excellence, demonstrated in our timely project delivery without compromising on quality. Our differentiated approach also minimizes investments in plant and machinery and lowers our working capital requirements.

OUR PROJECT PORTFOLIO

We have a robust portfolio of 11 infrastructure projects in roads and water supply.

Our road portfolio stands at approximately ₹ 12,000 crore as on 31st March 2021.

The judicious and well-timed diversification into the water segment has provided a strong impetus to our growth potential as reflected in the recent inflow of ~ ₹ 2,500 crore EPC contract from UP State Water and Sanitation Mission, Namami Gange and Rural Water Supply Department. The project will be executed through a joint venture wherein we are the lead partners.

7
HAM projects

2
BOT projects

2
EPC projects

₹ 8,437 Cr.
Total Order Book

₹ 8,808 Cr.*
Total value of assets in operation/under implementation

(as on 31st March 2021)

** includes value of assets capitalized in JVs/ Subsidiaries (gross)*

KEY FACTS

1 Superior project execution leading to completion of 1 project ahead of schedule and 2 projects completed during the year under challenging circumstances

2 Among very few infrastructure developers with long-term credit rating at AA- and short-term credit rating at A1+

3 Experience of operating 500+km toll projects

4 Completed India's first 14 lane expressway in record time of 19 months (vs. 30 months)

5 Strong banking relationship ensures early financial closure at optimal rates

6 Experienced management with proven track record

STRONG PARENTAGE

Our penchant for excellence and sustainable value creation finds its roots in our parent company. A USD 2.7 billion enterprise and one of India's fastest growing conglomerates, the Welspun Group has operations in over 50 countries with 26,000 employees and over 1,000,000 shareholders. The Group's businesses encompass Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. In the Line Pipe and Home Textiles sectors, the Group has established global leadership. Manufacturing facilities have been strategically set up in India, USA and Saudi Arabia to serve a global clientele which includes most of the Fortune 100 companies.

Key Achievements of the Welspun Group

- Designed and built manufacturing plants and projects worth over USD 3 billion
- Set up Anjar Welspun City, spread across 2,500 acres in Gujarat
- Built renewable energy portfolio of 1,000+ MW worth ₹ 10,000 crore and successfully divested it
- Demonstrated excellent project execution with on or before time delivery
- Built one-of-its-kind anciliarization (captive outsourcing) model in Textiles
- Unlocked value from assets of more than ₹ 130 billion in the past five years

CHAIRMAN'S MESSAGE

> WEL BELIEVES IN CREATING AN IMPACT NOT JUST ECONOMICALLY BUT ALSO SOCIALLY. WE ALSO REMAIN COMMITTED TO CARRYING OUT OUR BUSINESS IN AN ENVIRONMENTALLY SUSTAINABLE WAY.

Dear Stakeholders,

The past year has been exceptional in terms of challenge and change for us as individuals, for our families and friends and for businesses and governments globally. During this unprecedented period of the COVID-19 pandemic, I am proud of the way how we as an organization have responded to the challenges and delivered on our priorities. While in the first half of the year our business was impacted by the lockdown, we emerged stronger than ever once post the unlocking of the economy. Throughout this period, we did not diverge from our mantra - to focus only on key infrastructure projects and prudent investment. This is in line with our strategy of following a differentiated asset-light model with efficient capital allocation thereby building a strong balance sheet. Our overall resilient performance demonstrates the strength of our business model as well as our commitment towards creating long-term sustainable value for our stakeholders.

YEAR UNDER REVIEW

During the first half of the year, activity in the road sector was sluggish. Project awarding as well as construction was impacted mainly due to the lockdown imposed to fight COVID-19. The manpower crisis due to the large-scale departure of migrant laborers also affected the progress of projects. Gradually as movement restrictions were eased, project awarding and executions picked up. In fact, this year has seen an all-time high in road construction.

However, like any other sector, infrastructure is also weighed down by challenges. Banks have continued to be extremely cautious, leading to difficulties in raising debt funding for the projects and delaying Financial closure and Appointed dates for smaller developers. Moreover, post the relaxation in the bidding norms by the National Highways Authority of India (NHAI) and Ministry of Road Transport and Highways (MoRTH), there has been a recent increase in the number of bidders, heightening the competitive intensity.

Despite all these challenges, WEL progressed and emerged stronger. Our strong focus on operational excellence ensured that our margins remained intact. We received Provisional Commercial Operation Date (PCOD) for two Hybrid Annuity Model (HAM) projects - Gagalheri-Saharanpur-Yamunanagar and Chutmalpur-Ganeshpur-Roorkee-Gagalheri. Achieving these milestones amid considerable headwinds reinforces our excellent project execution capabilities. Moreover, we are at an advanced stage of completion for two HAM projects - Chikhali-Tarsod and Amravati PWD projects, both in Maharashtra. We have also received the appointed date for the project Sattanathapuram-Nagapattinam.

The biggest highlight for the year undoubtedly was being awarded a landmark EPC contract in the water segment in the State of UP. More significantly, this order vindicates our strategy to foray into the water segment, which has at its foundation a commitment to drive better value creation. The previously completed and currently operational Dewas Water Project has been hailed as a PPP project that has breathed new life into an industrial cluster, lacking reliable water supply. Another feather in our cap was our HAM project Delhi-Meerut Expressway being premiered on the History Channel and being hailed as one of the "Engineering Marvels of India".

WEL believes in creating an impact not just economically but also socially. We also remain committed to carrying out our business in an environmentally sustainable way. As part of our corporate social responsibility, we regularly carry out myriad welfare activities such as health checkups for our employees and educational initiatives for the children living around the areas where we work. In these uncertain times, we put in additional measures to safeguard the health and wellbeing of our employees, including a dedicated

COVID-19 helpline and tie-ups with hospitals to ensure that our employees and their family can get vaccinations seamlessly.

LOOKING AHEAD

Business Scenario

We remain optimistic about the Company's growth buoyed by the sharp increase in capital outlay for the infrastructure sector in the Union Budget. Further, the Government has extended its ₹ 111 lakh crore (USD 1.5 trillion) National Infrastructure Pipeline, which is an umbrella program integrating multi-sector infrastructural projects, to cover more projects by 2025. There is also a renewed focus on the private sector by the Government as it seeks to drive efficiency and effectiveness in infrastructure development and lay a strong foundation for strong, multi-year infrastructure growth which will spur economic revival. At WEL, we are well-prepared to cater to India's growing infrastructural needs. Our continual endeavor is to help the nation grow from strength to strength, and I am convinced that our projects will improve road and water infrastructure, allowing for efficient transport, increased productivity, and overall better well-being for society.

While the unprecedented COVID-19 pandemic and consequential challenges have sharply plunged India's GDP for FY 2020-21, the economy is on a recovery path. This is being led by a pick-up in economic activity, steady growth in government capex, timely disbursements of payments, lower interest rate and various other government initiatives.

While driving excellence in project execution, we did not lose sight of opportunities to grow our business and diversify our risks. Our focus is mainly on selectively targeting to participate in the bidding of a few projects while preserving its threshold return expectations. With this mantra, we have forayed into the EPC water segment which has given us a single-large order of ₹2,500 crore. Bolstered by this huge win, we have a robust order book of ₹ 8,437 crore entering FY 2021-22.

Apart from primary bidding, we also believe that the current environment will throw up many opportunities to acquire distressed projects at attractive valuations. We have successfully displayed strength in our turnaround strategy in projects such as Gagalheri-Saharanpur-Yamunanagar as well as Chutmalpur-Ganeshpur-Roorkee-Gagalheri.

FOCUS FOR FY 2021-22

We enter the new fiscal year with 7 HAM projects of around ₹ 11,800 crore, of which 3 projects worth nearly ₹ 3,400 crore have achieved COD/ PCOD, and others are in an advanced stage of implementation. Additionally, 1 BOT road project of ₹ 2,122 crore is also in the advanced stage of implementation. Our relentless aim is to not only complete these projects on time or ahead of schedule and within anticipated costs, but also withstand all complexities, demonstrating our rock-solid foundation. At the same time, we will explore inorganic growth opportunities through a measured evaluation of risk-return parameters. Our overarching strategy to pursue an asset-light model, while focusing on operational excellence and prudent risk management, remains unchanged. While the threat of COVID-19 continues, we remain cautiously upbeat about our performance, our confidence stemming from the resilient growth and strong order book achieved in one of the most challenging years.

Keeping the continued uncertainty for COVID-19 in perspective, cost optimization remains the immediate order of the day. We will leverage our solid credit rating and strong relationship with banks and other financial institutions to optimize our financing costs. We continue to follow the refinancing route for completed projects as well, just as we did in Delhi-Meerut Expressway Project. We have just completed the refinancing of the projects Gagalheri-Saharanpur-Yamunanagar as well as Chutmalpur-Ganeshpur-Roorkee-Gagalheri. Like our first HAM project, the refinancing was done at a very attractive interest rate and with a significant top-up despite the difficult market conditions. In line with our asset-light strategy, we will also look at unlocking value through asset monetization, once we have a complete portfolio.

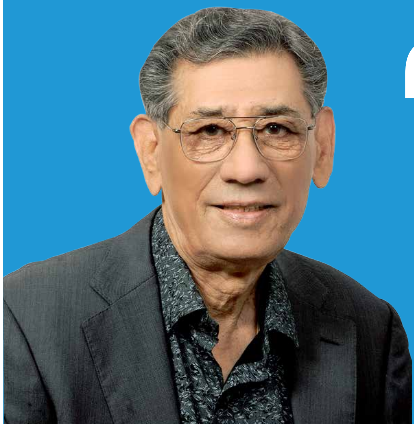
MY SINCERE GRATITUDE

We have emerged from the worst with our profitability and creditability intact thanks to all our stakeholders' support and encouragement. I express my sincere gratitude to our shareholders, bankers, customers, Board of Directors, and committed employees. I remain confident that we have just started towards a journey that intends to go only upwards. I hope that you, your family, and your colleagues are well and continue to take the necessary safety measures.

My best wishes to you and all your loved ones.

B. K. Goenka
Chairman
Welspun Group

MESSAGE FROM LEAD INDEPENDENT DIRECTOR



> YOUR BOARD IS COMMITTED TO MAINTAIN THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE, TRANSPARENCY AND FAIRNESS IN DEALING WITH ALL STAKEHOLDERS.

Dear Stakeholders

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

The last year has been a challenging year due to the pandemic and has inter alia necessitated escalated Board oversight.

Board's Key Priorities during the year

- Providing strategic guidance and support to the management in navigating through the uncertain times
- Oversight on risk management and strengthening resilience
- Ensuring safety of our people (Safety First)
- Focusing on sustainability and long-term value creation
- Accelerating digitization and analytics initiatives

Corporate Governance

Your Board is committed to maintain 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. Specifically, during the year, the Company re-assessed the corporate governance structures and practices and based on the deliberations and a benchmarking exercise by a leading business consulting firm, key enhancements stand as follows:

Themes	Key initiatives
I. Strengthening governance structure & policies	• Designated a Lead Independent Director • Audit Committee & Nomination and Remuneration Committee reconstituted such as to comprise wholly (100%) of independent directors • Board Succession Planning & Diversity framework planned • Review and revision of Ethics Framework in the Company policies to incorporate leading practices (whistle blower policy & mechanism, anti-bribery and anti-corruption, fraud prevention) • Review and revision of the Company's related party transaction policy to further enhance it in line with the evolving leading practices. Further, a holistic pricing framework formalized to serve as a guideline for all related-party transactions

Themes	Key initiatives
II. Unlocking ESG's strategic value	**Making ESG a strategic priority** ESG is a strategic priority for the Board and the Company has taken various initiatives to accelerate the ESG journey: • ESG Committee at the Board level • Development of ESG Committee Charter • ESG Materiality and Maturity assessment • Manifesting ESG Goals and targets across the Company enterprise level • ESG Rating preparedness • Benchmarking ESG Governance indicators • Linkage of ESG Goals with Executive remuneration • Formalizing ESG Organization structure, roles & responsibilities **Key initiatives planned** • ESG Governance – Operationalizing ESG into the overall governance structure • Environmental initiatives • ESG Data Governance • Whistle blower platform to facilitate anonymous reporting
III. Board effectiveness	• Dedicated meeting on strategy • Formalizing Board Charter & Committee Charters

As a Lead Independent Director of your Company, and speaking on behalf of all of my fellow Directors, I want to emphasize about the Board's collective commitment towards highest standards of governance, transparency and fairness in all aspects of Company working, and indeed in its dealing with all stakeholders.

Should you, as our valued stakeholder have any suggestions, please do 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 interests of all Stakeholders.

Sincerely,

Mohan Tandon
Lead Independent Director

FOCUSED ON OPPORTUNITIES BEYOND THE ORDINARY

With India set for a major expansion in water supply and distribution infrastructure, our planned and prudent diversification into the water segment has opened a new horizon to spur growth. Vindicating this strategy is the large EPC contract that we recently bagged in this segment.

At WEL, we have stayed focused on capturing newer opportunities where we can leverage our strong capabilities to extract better value. To safeguard our investments and generate higher rate of returns, we have also strategically chosen to avoid bidding for projects with intense competition. Our approach to seek opportunities beyond the ordinary encouraged us to foray into the less crowded yet compelling water segment.

Our strong belief and steadfast patience in the water segment has started to show fruition. During the year, WEL, in a joint venture (JV) with Kaveri Infraprojects Limited, Hyderabad, was empaneled by the UP State Water and Sanitation Mission, Namami Gange and Rural Water Supply Department (SWSM) for execution of rural water supply projects. We are the lead partner in this joint venture with a share of 70%.

The contract involves execution of EPC Projects of 2,544 villages for the project of survey, design, preparation of detailed presentation report (DPR), construction, commissioning, and operation and maintenance for 10 years of rural water supply.

THE CONTRACT INVOLVES EXECUTION OF EPC PROJECTS OF 2,544 VILLAGES FOR THE PROJECT OF SURVEY, DESIGN, PREPARATION OF DETAILED PRESENTATION REPORT (DPR), CONSTRUCTION, COMMISSIONING, AND OPERATION AND MAINTENANCE FOR 10 YEARS OF RURAL WATER SUPPLY.

The estimated value of the entire project is ₹ 2,544 crore. The final value will be determined once the Detailed Project Report (DPR) is prepared by the JV and its approval by the SWSM.

Preparation of DPR and construction of the project is to be progressively completed in 21 to 24 months and thereafter operated and maintained by the WEL for a period of 10 years.

This high-value EPC contract, we believe, is the beginning of stronger growth prospects. Under flagship Jal Jeevan Mission Scheme, which includes the 'Har Ghar Pe Nal Se Jal' program, the Government aims to provide to all households in rural India safe and adequate water through individual household tap connections by 2024. Aligning with this objective, the 2021-22 Union Budget has earmarked ₹ 50,000 crore for the Jal Jeevan Mission. Further underlining the priority being given to make to improve India's water infrastructure network, the Budget announced the scheme's urban segment that aims to provide tap water connections to 2.86 crore households. The ambitious urban segment of the mission will be implemented over five years with an outlay of ₹ 287,000 crore. With major expansion in water supply and distribution infrastructure expected in the coming years, we remain actively geared to focus on such projects to drive strong growth.

HARNESSING OPPORTUNITIES IN OIL & GAS SECTOR

We are tapping opportunities in the oil and gas sector through a joint venture; WEL has 35% stake in Adani Welspun Exploration Limited, with the Adani Group being the lead partner.

We currently have four blocks where exploration is underway. Of these four blocks, the Mumbai block (MBOSN2005) saw significant developments during the year, with the block being granted permission to enter Phase II. Spread across 714.6 sq. km., the block is in the prolific gas-prone Tapti-Daman Sector of Mumbai Offshore basin where production is already underway by another operator / other operators. Drilling for the second phase commenced in December 2020, and our geological findings are in accordance what we expected to meet till date. Post the drilling of Mumbai block, we are targeting to drill one well in the small field block B-9, which is a joining block to the major block.

The Mumbai block is expected to start generating revenues from FY 2023-24 and with other blocks also offering promising potential for value accretion, we are well-poised for the recovery of our investments and delivering better value.

FOCUSED ON RETURNS BEYOND THE REVENUE

Prudence in risk management is vital to us. Led by our unwavering focus on protecting our margins over growing our revenue, we follow a rigorous method of project evaluation and bid only for those that fulfill our expected returns criteria.

PRUDENT STRATEGY FOR ROAD PROJECTS

Stiff competition in the infrastructure sector, especially in the construction of roads and highways, has often resulted in aggressive project bidding, narrowing down profit margins and stretching liquidity of developers. At WEL, with our laser focus on driving sustained profitability, we firmly believe in treading with caution while selecting projects, be it through a bidding process or secondary acquisition. To us, more than just growing our order book, what is important is to keep the order book ratios healthy and select projects that offer a better internal rate of return.

Enabling a successful bidding/buying strategy are our competent teams that possess a deep understanding of projects and undertake detailed risk-return and geographical assessments. This comprehensive evaluation helps them to determine the projects that would generate the threshold return with minimal risks. Along with our bidding excellence, our differential also lies in achieving financial closure in the most cost-effective manner, a strength enjoyed by few pure EPC players.

In FY 2021-22, the National Highways Authority of India (NHAI) has announced that it would bid out projects worth ₹ 30,000 crore under HAM and BOT (Toll) model. We are selectively targeting to participate in bidding of a few projects, while preserving our threshold return expectations.

The NHAI is also expected to continue awarding EPC road projects. In this format, we remain geared towards bidding for large and complex projects to unearth greater value. Moreover, to capture the larger value chain in the EPC space, we are now carrying out engineering as well as partial procurement in-house while subcontracting the construction activities.

Apart from NHAI projects, we also evaluate road HAM projects and BOT projects in states and municipal agencies, where we believe we can meet our threshold return expectations.

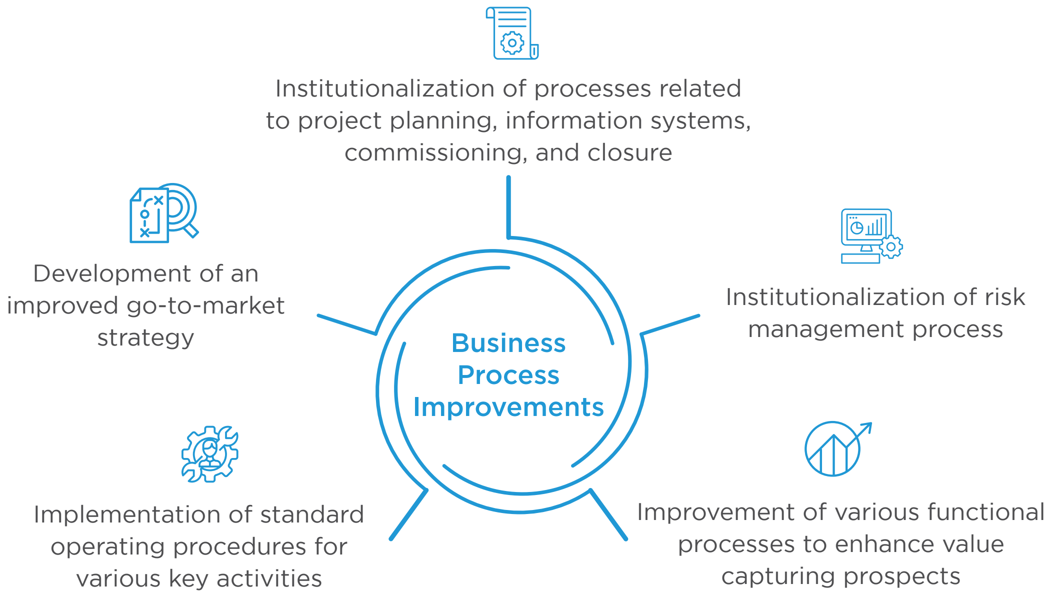
ENABLING A SUCCESSFUL BIDDING/BUYING STRATEGY ARE OUR COMPETENT TEAMS THAT POSSESS A DEEP UNDERSTANDING OF PROJECTS AND UNDERTAKE DETAILED RISK-RETURN AND GEOGRAPHICAL ASSESSMENTS.

FOCUSED ON EXCELLENCE BEYOND THE DISRUPTIONS

Even in a year that posed several changes and challenges, our attention to optimizing and digitizing our processes continued, with the single-minded goal to deliver the highest quality work, efficiently and safely.

DRIVING PROCESS IMPROVEMENT

The pursuit of operational excellence led us to engage with a leading consultant to leverage their expertise and experience towards streamlining our processes, reporting patterns and information collection, both at the organization as well as project level. The engagement has proved beneficial with improvements being made across several areas to build a more efficient business.



DIGITALIZING OUR PROCESSES

At Welspun, we recognize the power of digitalization in driving productivity, cost and time savings, reliability, and data integrity. During the year, we implemented a digital solution for providing analytics and decision support for integrated project controls.

This digital solution integrates and interconnects data silos. While the solution provides for de-centralized data entry by all stakeholders, it also eliminates the possibility of data entry duplication which often happens in a manual process. In addition, it enables data capturing via browser and mobile; removes information latency between site (action) to head office (decision); ensures traceability and accountability through interconnected time, cost and quality data; and auto-generates reports and MIS dashboards that deliver valuable insights. These features have had the combined effect of improving our internal operations and reporting.

Benefits from project control digitalization

- Improved planning reliability by interconnecting disparate information sources
- Automated pro-active alert mechanism
- Single version of truth on near real-time basis
- Improved project controls by integrating time, cost, and quality data
- All key stakeholders (internal and external) of operations are in sync

FOCUSED ON PURPOSE BEYOND PROFIT

At Welspun, we believe that a business can never be successful if the society around them fails. Therefore, it becomes our moral mission to identify and address the needs of our society.

In everything we do there is a strong commitment towards a wider, all-round social progress, as well sustainable development that balances the needs of the present with those of the future. Our corporate social responsibility endeavors are enshrined within the 3Es i.e., Education, Empowerment, and Environment & Health. Several projects encompassing the 3Es have been taken up under the banner of the Welspun Foundation for Health and Knowledge (WFHK). These projects either run independently powered by Welspun or through nurtured partnerships with the local government or with non-governmental organizations (NGOs).

EDUCATION

Through Project Wel-Accelerate, we aim to create a revolution through the grassroots by merging the previous three programs of Gyankunj, Para Teachers and Learning Levels and having volunteers from the villages to promote education.

Outreach

175
schools reached

330
classrooms digitalized

900
teachers trained

35,000
students impacted

EMPOWERMENT

Through Project Wel-Netrutva, we seek to empower women in rural areas by improving health practices and creating sustainable livelihood opportunities.

Outreach

588
women entrepreneurs across 90 villages

50
group enterprises created

100,000
people impacted

18,000+
sanitary packets sold

Under Welspun Super Sports Women Program, we are empowering female athletes coming from challenging backgrounds, in achieving their sporting endeavors and creating ambassadors of change.

Outreach

27
athletes across India

We have set up ‘Akankshita Center’ to empower women to become entrepreneurs in a manufacturing ecosystem, achieve a sustainable means of livelihood and equitably engage with local and global markets.

Outreach

75+
women reached

9 lakhs
worth of orders executed

ENVIRONMENT

Our approach to environmental protection is to continually identify opportunities that reduce our impact on the environment.

Outreach

10,400
plantations

HEALTH

As part of our health initiative, we provide medical services for the communities in the villages around our manufacturing sites.

Outreach

20,000
adolescent girls and women

2,500
children cured of malnutrition

50
villages

FOCUSED ON RESPONSIBLE GROWTH BEYOND ACHIEVING SCALE

BACKGROUND:

Construction sector accounts to significant environmental impacts, contributing to 30% of total GHG emission globally and using up to 32% of the world's natural resources; as per the study conducted by The Chartered Institute of Building. The sector has a greater opportunity to reduce resource consumption and emission through interventions across the breadth of its operations. It is important to commit and demonstrate actions in line with highest standards to attain broader benefits of ESG.

Moreover, in the Global Risk Report 2021, the World Economic Forum (WEF) has classified majority of the likelihood risks as environmental and social in nature. In addition to improving the efficiency, cost savings and improving stakeholder relationships, this suggests that ESG management is a critical risk mitigation action.

STRATEGIC APPROACH TO ESG

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

WEL strengthens its core values of Customer-Centricity, collaboration, technology and inclusive growth with its sustainability led initiatives to maximize Welspun Group's philosophy and corporate principles. Sustainability at Welspun is not a new notion as we have adopted environmental and social efforts over the years. However, we understand the need to formalize and structure our ESG strategy, embed it in business activities and communicate with our stakeholders accordingly. To achieve this, we have oriented our strategy to implementing ESG via environmental and social commitments, objectives and goals encompassing people, planet and profit aspects.

We believe it was critical for us to diagnose our current stance on ESG and where we desire to be. As part of the focus area identification, we streamlined our approach to identify 7 key ESG material issues across core values of WEL which are critical for our business operations.

The material issues are:

1. Occupational Health and Safety (including Employee Engagement and Well Being)
2. Local Communities
3. Climate Change, Energy & Carbon, Water, Waste Management
4. Diversity and Equal Opportunity
5. Operational Excellence (including Quality of Construction and EPC Services)
6. Business Ethics and Procurement Practices
7. Governance

These identified issues & focus areas were prioritized through consultation, sectoral research & national and global ESG standards and guidelines. Further, we have defined KPIs and undertaken initiatives to record and monitor the KPIs of sustainability in alignment with these metrices.

SUSTAINABILITY GOALS

The year FY 2020-21 was a crucial year as the foundation for our sustainable development objectives and KPIs extended to a range of environment and social factors. In line with recognized key material concerns, we have taken on targets for ESG. We lay emphasis on the integration of our operations with suppliers in order to generate a wave of transition throughout the value chain.

Environment

Climate change, energy, carbon, water and circular economy:
Achieve significant emission reductions and reduce water footprint to preserve and enhance natural capital. Implement initiatives that promote circular economy

KPIs	Measurement units	2025	2030
Energy Intensity	GJ / per lane km	5%	
Solar power at every toll plaza	numbers	100%	
Water neutrality	kL / lane km	-	Water neutral

Social

Occupational Health and Safety:
Creating a safe and harm-free work environment that promotes the physical and mental well-being

KPIs	Measurement units	2025	2030
Percentage reductions in Lost Time Injury Frequency Rate (LTIFR)	%	15% y-o-y	25% y-o-y

Diversity and Equal Opportunity:
Foster an inclusive workplace that focused on fairness and equal opportunity

KPIs	Measurement units	2025	2030
Percentage of women trainees hired	%	50%	50%

Responsible Procurement:
Strive to operate in a sustainable manner throughout the value chain

KPIs	Measurement units	2025	2030
Percentage of suppliers trained as per code of conduct	%	75%	100% Suppliers assessed as per suppliers' code of conduct (critical)
Percentage of suppliers assessed as per code of conduct	%		

WAY AHEAD

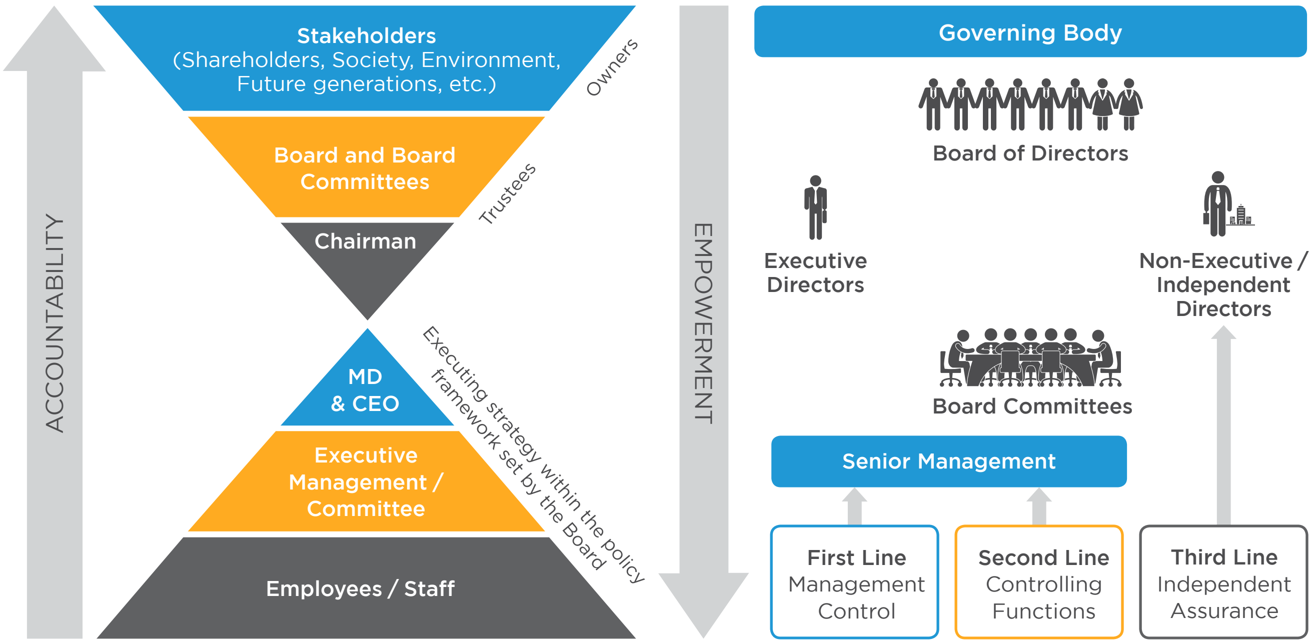
We realize that one of the largest crises the world is facing today is climate change. It has the potential to disrupt life and business operations. WEL thus acknowledges the need to alleviate climate change action and seeks to reduce its carbon impact across its operations. In addition, we are cognizant of the need to enhance water and waste management aspects; strengthen our safety culture and build on existing social aspects for the benefit of our people and the society. Our pursuit of excellence mirrors our business procedures, which aims for our supply chain partners to improve their sustainability performances and reap the benefits of the same. We ensure that sustainability is imbibed into our culture and supports in accomplishing the Sustainable Development Goals of the United Nations (SDGs).

We will build on the goals and commitments stated above and continue this journey to support creating a more resilient planet, nurturing communities and create a difference through high quality product delivery.

FOCUSED ON RESPONSIBLE GROWTH BEYOND ACHIEVING SCALE

Governance

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

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
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

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

First line (Prevent risks)	• 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	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.
Second line (Prevent & detect risks)	• Monitoring and Oversight functions • Monitors risks and controls, legal compliances, enterprise risk management; supports in establishing policies and procedures • Reports to the senior management	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)
Third line (Detect risks)	• Independent assurance (Internal Audit Function) • Reports to the governing body	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

GOVERNANCE GOALS

Business Ethics and Procurement:
Continue to operate in an ethical manner throughout the value chain

KPIs	Units	2025	2030
Percentage of suppliers trained on code of conduct	%	75%	100% Suppliers assessed as per suppliers code of conduct (critical)

FOCUSED ON RESPONSIBLE GROWTH BEYOND ACHIEVING SCALE

HIGHLY ENGAGED AND DIVERSE BOARD AND BOARD COMMITTEES

Board size: **8**

Independent directors: **4**

Non-independent directors: **4**

Number of Board Meetings (FY 2020-21): **8**

Board Attendance % (FY 2020-21): **98%**

Number of Committee Meetings (FY 2020-21): **10**

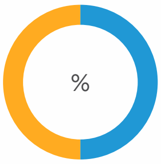
Average Tenure: **5** Years

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

Average Age: **61** Years

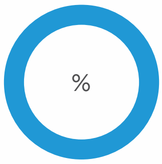
Age Diversity:
- 50 - 59 **38%**
- 60 - 69 **50%**
- 70 - 79 **12%**

Board Independence



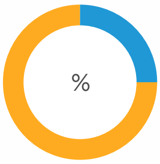
- Non-independent directors **50%**
- Independent directors **50%**

Audit Committee Independence



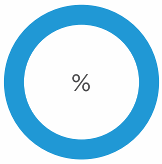
- Independent directors **100%**

Gender Diversity



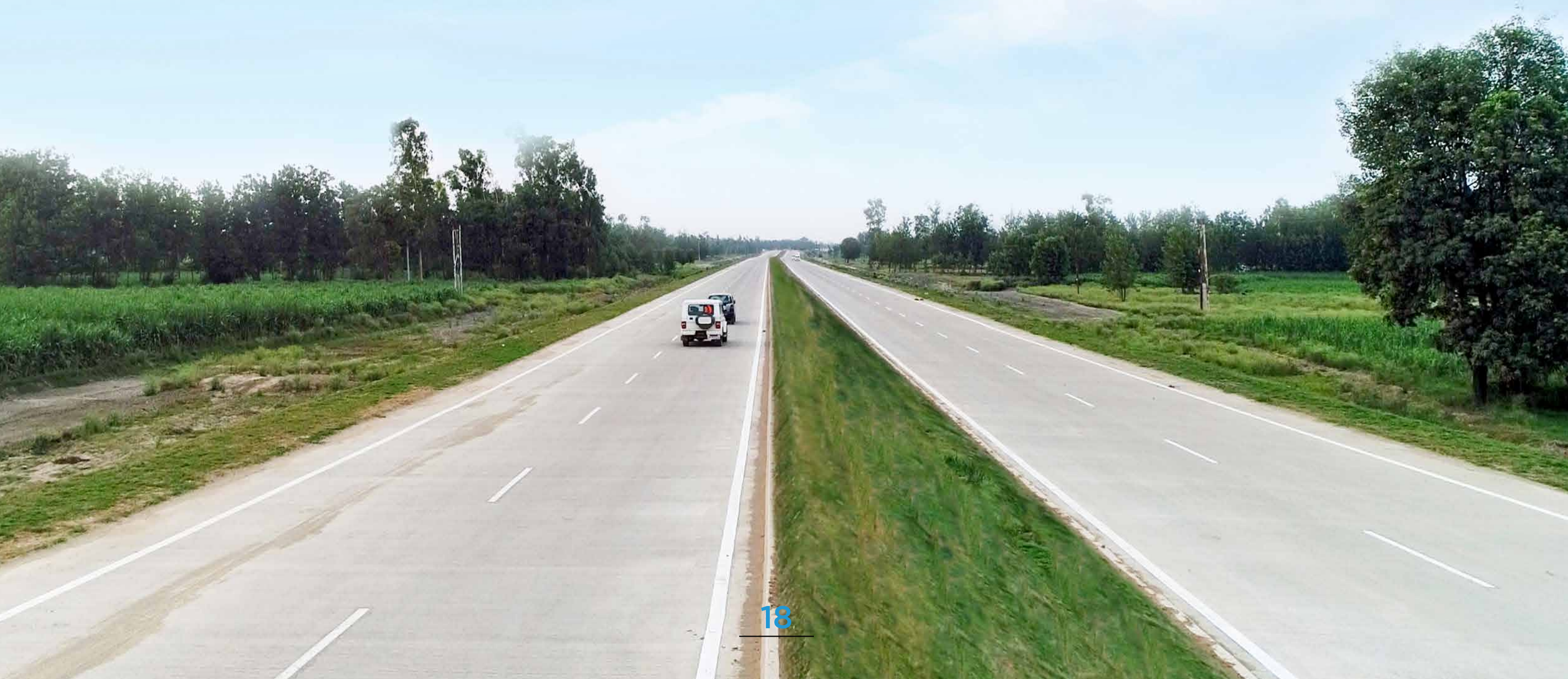
- Women **25%**
- Men **75%**

Nomination & Remuneration Committee Independence



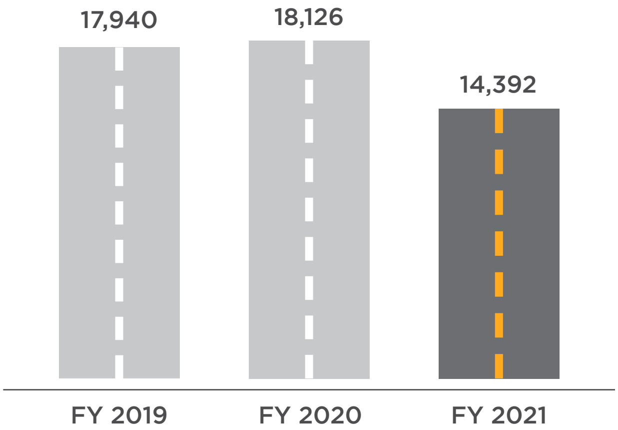
- Independent directors **100%**

Separate role of Chairman & Managing Director

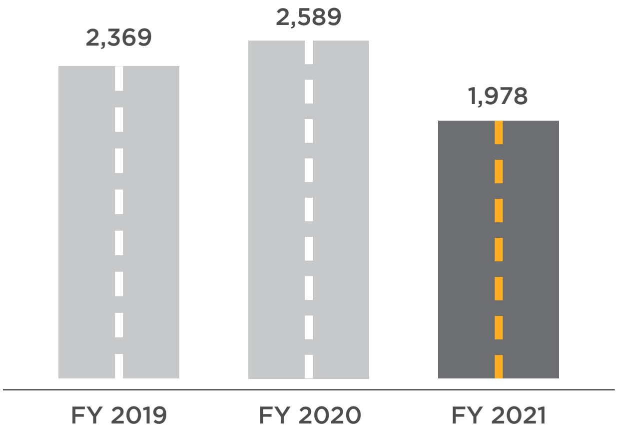


FINANCIAL HIGHLIGHTS

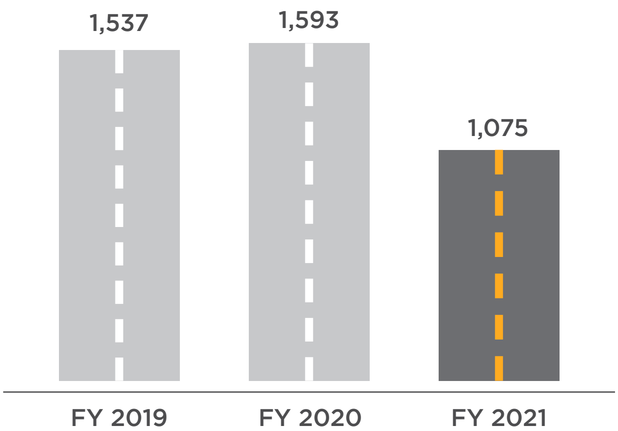
TOTAL INCOME (₹ Million)



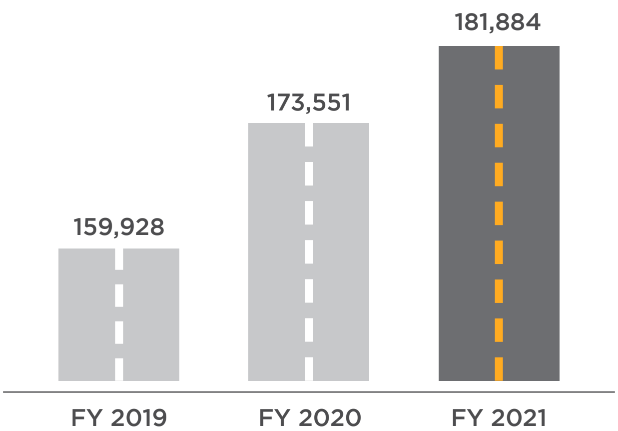
EBITDA (₹ Million)



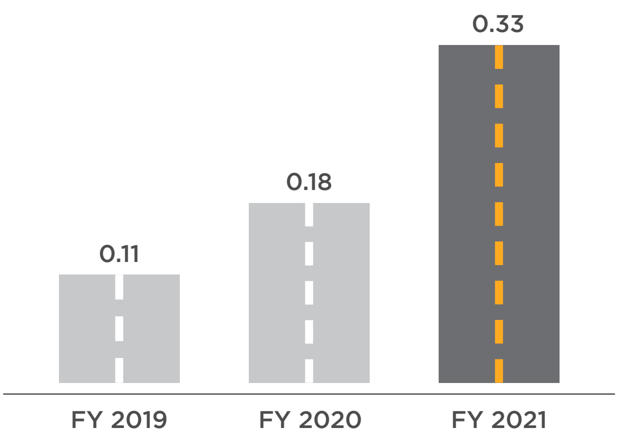
REPORTED PAT (₹ Million)



NETWORTH[1] (₹ Million)



DEBT-EQUITY RATIO[2] (%)



[1]Net Worth includes paid-up share capital, securities premium, retained earnings, capital reserve, amalgamation reserve, general reserve and share options outstanding.

[2]Debt Equity Ratio computed by dividing debt by equity. Debt includes long and short-term borrowing including current maturities of long-term borrowings. Equity includes paid-up share capital and other equity.

MANAGEMENT DISCUSSION AND ANALYSIS

"WE CONTINUE TO FOCUS ON CREATING VALUE FOR OUR STAKEHOLDERS BY FOCUSING ON OPERATIONAL EXCELLENCE WHICH HAS HELPED US MAINTAIN OUR PROFITABILITY PERFORMANCE, IN SPITE OF THE CHALLENGING MACRO ENVIRONMENT. THE OUTLOOK IS IMPROVING, WITH THE MEDIUM AND LONG-TERM POTENTIAL IN THE INFRA SECTOR BEING ATTRACTIVE. WE ARE SELECTIVELY BIDDING FOR ROAD AND WATER PROJECTS, WHILE PRESERVING OUR THRESHOLD RETURN EXPECTATIONS.

Sandeep Garg
MD & CEO, Welspun Enterprises Ltd.

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Financial Statements of Welspun Enterprises Ltd ("Welspun" or "WEL" or the "Company"), and the notes thereto for the year ended 31st March 2021. This MD&A covers Welspun's financial position and operations for the year ended 31st March 2021. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers for the year ending 31st March 2021 as well as for the previous year are regrouped and reclassified wherever necessary.

FORWARD-LOOKING STATEMENTS

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

MACRO-ECONOMIC OVERVIEW

2020 saw unprecedented disruption across economies in the world. India as a nation waded through many challenges and with these challenges emerged many new norms for adaptability. In the first half of the year, the impact of the pandemic and the consequent lockdown was felt strongly. Sudden closure of factories led to never seen before supply chain disruptions along with almost negligible demand in sectors such as automobile, travel and tourism etc. causing a double whammy. Post opening up of the economy, the rebound has also been as sturdy. Easing of movement restrictions, pent-up and festive demand, and the revival of several infrastructure projects by the Government helped the manufacturing and construction sectors to bounce back relatively strongly. The massive inoculation drive has seen uptick in consumer sentiment.

The Indian economy slowed down with GDP contraction moderating to 7.7% in FY 2020-21 as compared to 4.2% growth in FY 2019-20. The expansion of services activity since the beginning of 2021 is particularly noteworthy as people overcoming the fear of the pandemic have shown preference for enhanced mobility, albeit at the risk of increasing the infection rate. The pick-up in construction activity, with its wide array of backward and forward linkages, is slowly developing into a critical growth lever of the economy. To help nurture this recovery, systemic liquidity continues to be in surplus mode. A major downside risk to growth continues to be the pandemic induced morbidity and fatality that has elevated health stimulus as a key macroeconomic lever for India's continued economic recovery. Rapid production and deployment of COVID-19 vaccination will be critical to taking forward the health stimulus deep into FY 2021-22 and India is well in position to do so having become the largest producer of vaccine in the world and currently ranked third behind the US and China in administering vaccine doses.

The budget allocation focuses on strengthening holistic health covering prevention, cure and well-being as articulated under the newly-launched Atmanirbhar Swasth Bharat Yojana. Ongoing health care programs including Pradhan Mantri Jan Arogya Yojana and Ayushman Bharat Programme are also being strengthened. The renewed focus on Jal Jeevan Mission, the second phase of Swachh Bharat Abhiyan (Urban) and the Clean Air Initiative along Poshan Abhiyan further define the cutting edge of comprehensive health care project that has taken off in India.

World trade recovered in the second half of 2020 largely driven by rebound in trade of goods. Trade in services, however, continues to lag substantially below averages. According to IMF, although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in and 4.2% in India is

CGRG/GSY Project

expected to post a sharp turnaround and resume its pre-COVID pre-slowdown trajectory by growing at 11.5% in FY 2021-22 and 6.8% in FY 2022-23.

Source: *Department of Economic Affairs, IMF, National Statistics Office*

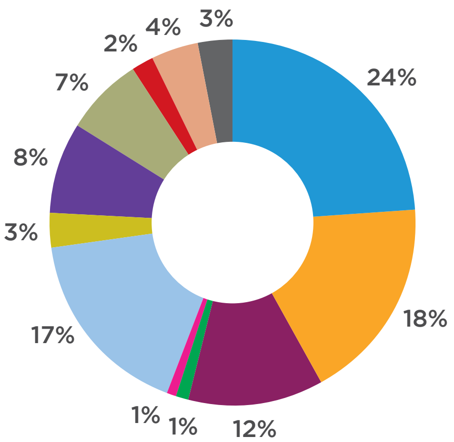
INFRASTRUCTURE

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

In an effort to improve the country's infrastructure, the Union Finance Minister, during the year, unveiled the National Infrastructure Pipeline (NIP). This program envisages implementation of ₹ 111 trillion of infrastructure projects up to FY 2024-25 as part of the Government's spending push in the infrastructure sector. It is estimated that India would need to spend USD 4.5 trillion on infrastructure by 2040 to sustain its growth rate, making it the second largest infrastructure market in Asia after China.

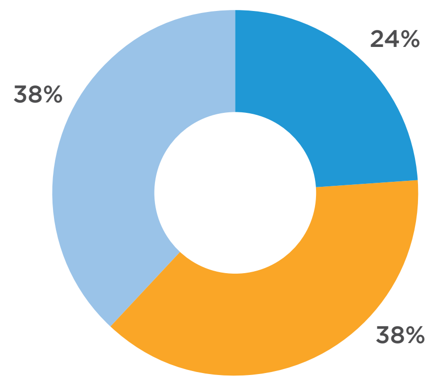
At the start of the financial year, projects worth ₹ 44 trillion out of the ₹ 111 trillion, accounting for 40% are under implementation and worth ₹ 22 trillion projects that account for NIP's 20% are under development stages.

Sector-wise breakup of Capital Expenditure of ₹ 111 lakh crore up to FY 2024-25



Roads, irrigation, rural infra, urban sectors contribute 50% of the total capital outlay.

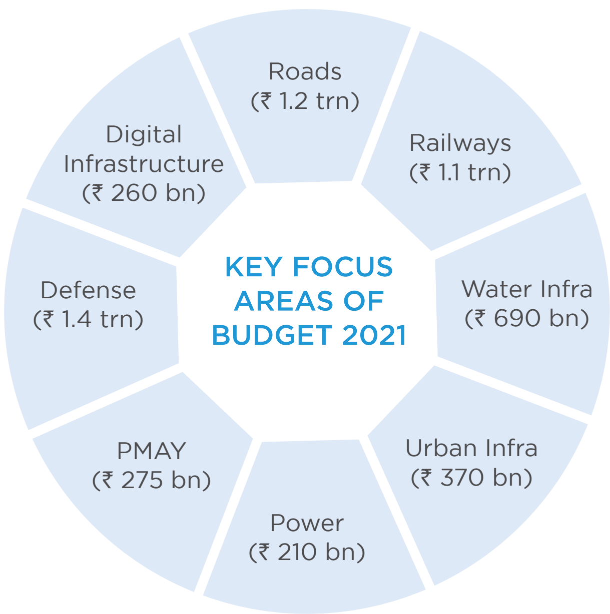
Share of Centre, State and Private Sector in the NIP



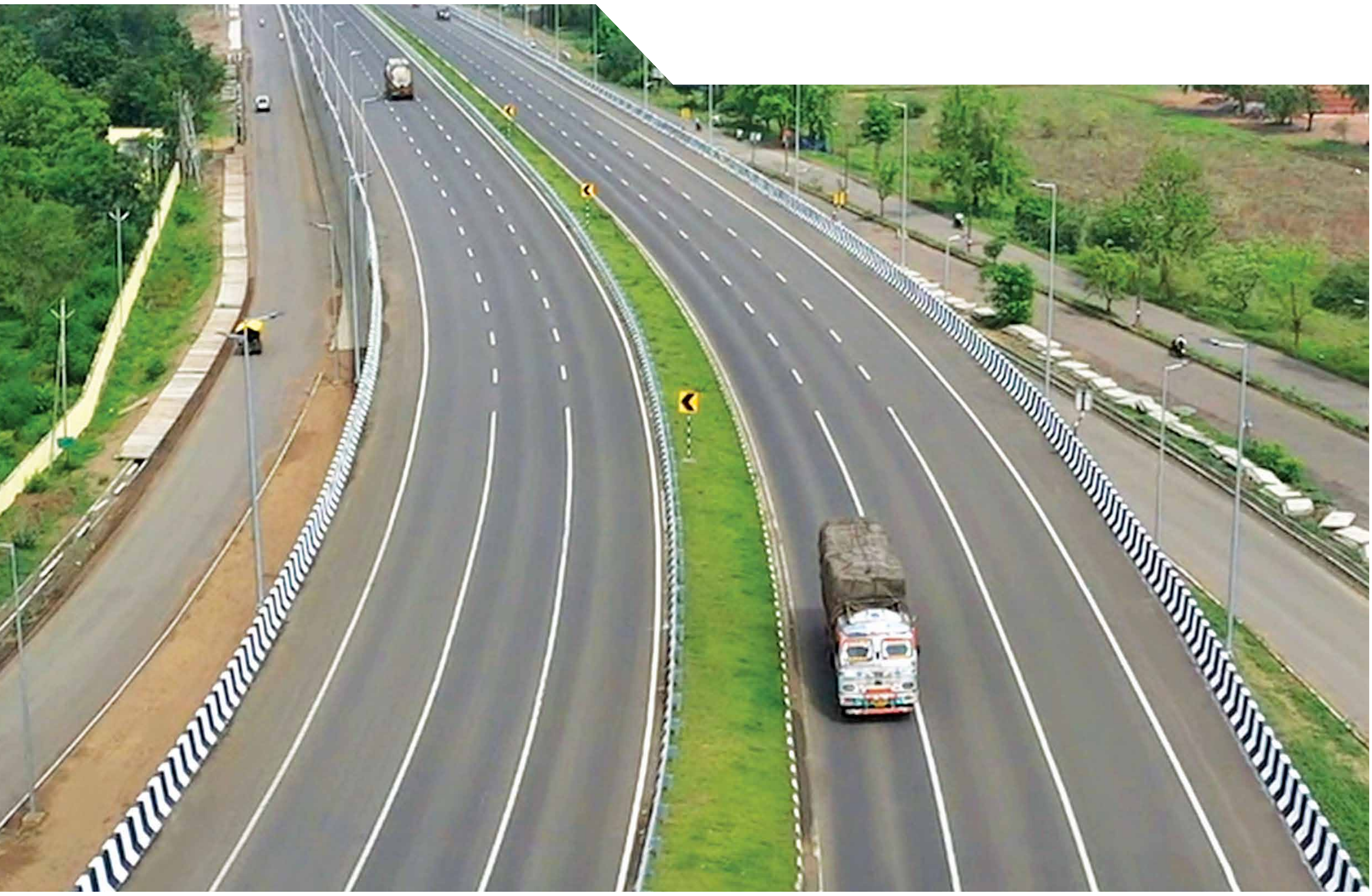
Source: *Report of the Task Force National Infrastructure Pipeline-Volume 3*

Also, as per the recent Budget, Capital expenditure for FY 2021-22 for Infrastructure is pegged at about ₹ 5.5 trillion (26% above FY 2020-21 Revised Estimate of ₹ 4.39 trillion), with additional ₹ 2 trillion to be provided to states and autonomous bodies for their capex. The increased budgetary allocation and planned capital outlay by the Central government will help increase the pace of infrastructure investment.

Union Budget 2021 chalks out Capital outlay of ₹ 5.5 trillion (up 24.5% YoY)



Source: *Union Budget 2021, Prabhudas Lilladher*



CTHPL - Busaval

ROAD INFRASTRUCTURE

India has the second largest road network in the world, spanning over a total of 6.21 million kilometers (kms). At present 85% of transit is through the roads. The total road network comprises of 2% National Highways (NHs) / Expressways, 3% of State Highways and 95% district and village roads. Due to the continuous efforts by the Ministry of Road Transport and Highways (MoRTH), National Highways (NHs) length has increased from 91,287 km in April 2014 to about 137,625 kms as on 20th March, 2021. However, India scores only a moderate 76% on the World Economic Forum's Road Connectivity Index that measures the average speed and straightness of roads connecting the country's 15 major cities. There is also a need to improve the quality of rural and border roads and make them all-weather to boost connectivity and economic activity in remote areas.

FY 2020-21 focused on both – awarding as well as implementation of projects. The Ministry of Road Transport & Highways took a decision to complete all ongoing projects that had been awarded up to FY 2015-16, and placed the highest ever target of construction of about 11,000 kms of National Highways as against 10,237 kms achieved during FY 2019-20. By the end of the financial year, highway construction in the country reached an all-time high with 13,394 kms length of highways constructed across the country. With these figures, the pace of construction touched 37 km per day. NHAI has completed construction of 4,192 km in FY 2020-21 as against 3,979 km of national highways constructed in FY 2019-20.

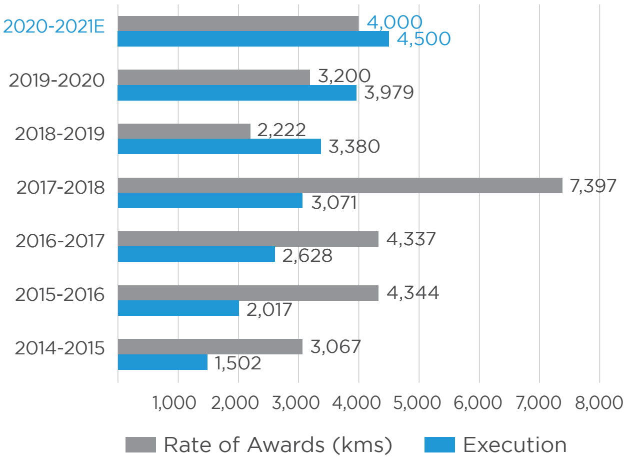
Overall road projects exceeding 55,000 km in length, costing more than ₹ 6.26 lakh crore, are in progress.

A total of 1,330 kms of highway projects were awarded in the first half of FY 2020-21. However, the pace gathered in the second half, and construction contracts of 10,467 km of highway projects were awarded in FY 2020-21 as against 8,948 km in the FY 2019-20. This created a robust pipeline for future construction.

NHAI has a target to build 60,000 km of highways in the next five years, including 2,500 km of express highways. These include 9,000 km of economic corridors and 2,000 km each of strategic border roads and coastal roads.

Despite the pandemic still ravaging the nation and its economy, the National Highways Authority of India (NHAI) has set an ambitious target to build new highways with a combined length of 4,600 km in the current fiscal year. The Ministry of Road Transport & Highways (MoRTH) now aims to increase the pace of construction of highways from 37 km per day at present to 40 km per day.

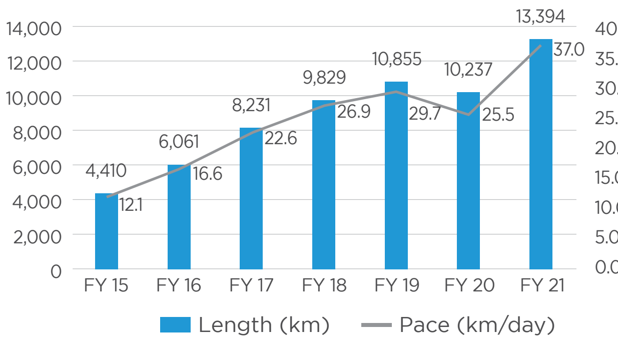
NHAI awards and execution



E: Estimated

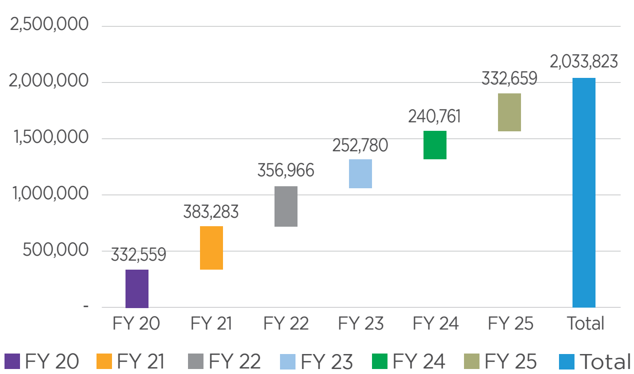
Source: *NHAI, Business Today*

MoRTH Execution Trend



Source: *MoRTH, Economic Times*

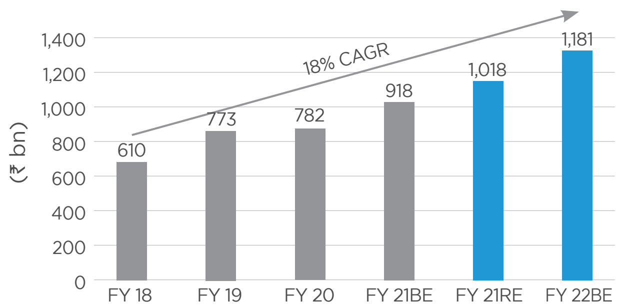
NIP in Roads - Capital outlay over FY 2019-20 to FY 2024-25 (₹ crore)



Source: *Report of the Task Force National Infrastructure Pipeline-Volume 3, Total capital outlay includes projects for which yearwise phasing is not provided*

Along with the ₹ 20 trillion opportunity under NIP over FY 2019-20 to FY 2024-25 for the road sector, Budget 2021 increased allocations by 18% to MoRTH at ₹ 1.18 trillion.

Budget allocation to MoRTH raised by ~18% CAGR over FY 2017-18 to FY 2021-22E

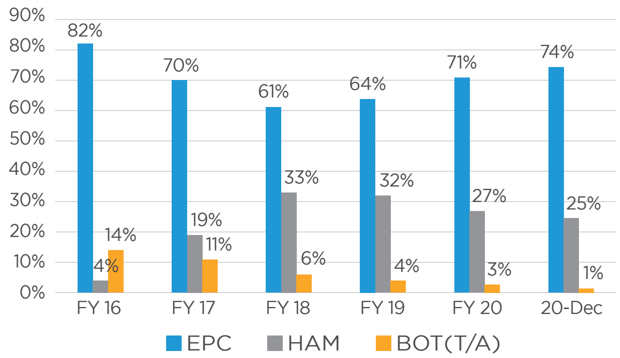


E: Estimated

Source: *Union Budget 2021, Prabhudas Lilladher*

As per the Hon'ble Union Road Transport and Highways Minister, the Government has lined up opportunities worth ₹ 50,000 crore for the highway construction sector in FY 2021-22. A host of offerings, including build operate and transfer, BOT (toll), toll operate and transfer (ToT) and securitization, among others are in the pipeline. Going forward, National Highways Authority of India (NHAI) will bid out projects worth ₹ 30,000 crore on build, operate, and transfer BOT (Toll) model and hybrid annuity model in FY 2021-22. HAM share of awards is expected to continue to remain in the range of 25-35% of order books given relatively lesser competition.

Shift from EPC and BOT orders to HAM



Source: *CRISIL*

In spite of the progress made in the last few years, there still remain many obstacles to increasing private participation in road infrastructure. Due to this, some policy changes have been implemented recently in order to benefit the developers.

HAM MCA changes position for developers and investors

	Existing concession agreement	Revised model concession agreement	Impact on credit
Milestone payments	5 installments, each equal to 8% of the bid project cost	10 installments, each equal to 4% of the bid project cost	↑ Boost liquidity
Mobilization advance	Interest on mobilization advance linked to bank rate	Interest on mobilization advance linked to MCLR	↔ Not material
Annuity payments	Interest on annuity payment linked to bank rate +3%	Interest on annuity payment linked to average of one year MCLR of top 5 scheduled commercial banks +1.25%	↑ Improvement in debt protection metrics
Change in ownership	100% transfer of equity stake is permitted only after two years of COD	100% transfer of equity stake permitted after six months from COD	↑ Aid in asset mobilization

Construction stage Operational stage

***Source:** CRISIL*

Given that 100% transfer of equity stake is now permitted six months from COD as well for the new HAM projects, it would bode well for the developers as they would be able to focus on value unlocking much earlier. Due to such Government push and attractive fundamentals, infrastructure sector is witnessing renewed interest from Institutional investors (DIIs & FIIs). Along with rising investment in listed securities, large institutions (particularly foreign players like Blackstone & Cube Highways) are showing strong inclination towards investment in operational road assets. Steadily rising traffic growth, AAA rated portfolio of assets and attractive IRRs lure these foreign players to own these assets.

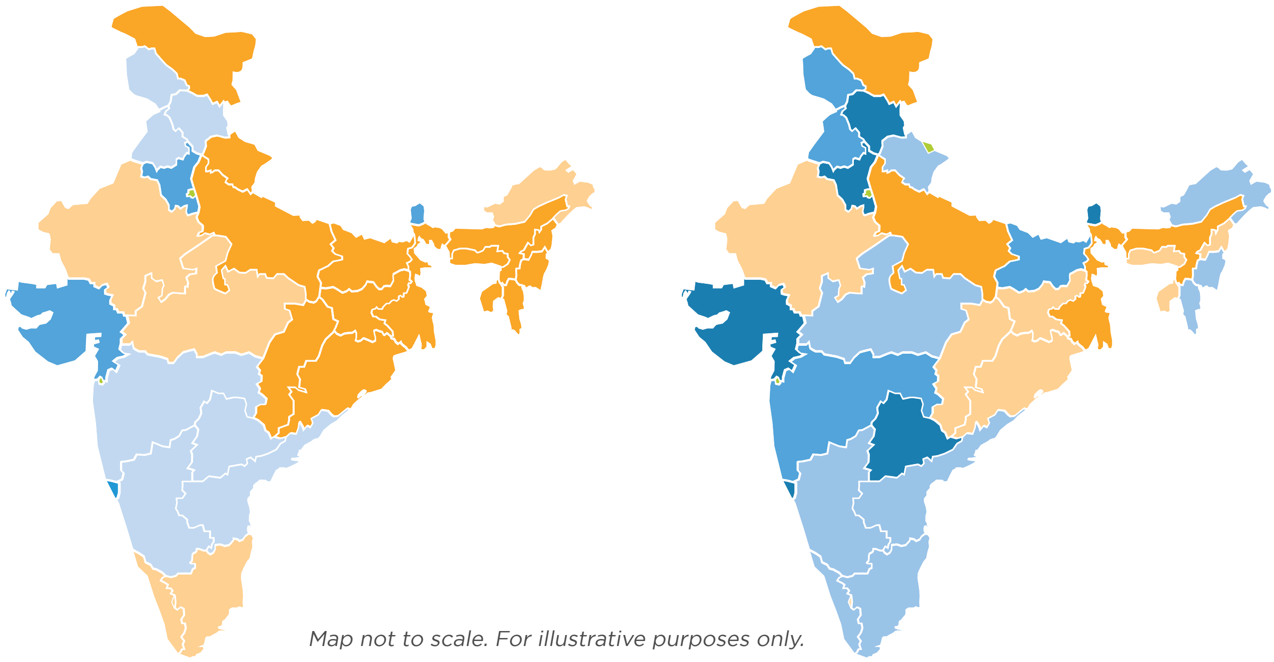
WATER INFRASTRUCTURE

India's 1.3 billion people have access to only about 4% of the world's water resources, and farmers consume almost 90% of the groundwater water available. As global temperatures rise and overuse of water depletes existing resources, the threat to lives and businesses in Asia's third-largest economy is projected to grow. The 2018 Composite Water Management Index (CWMI) noted that 6% of economic GDP will be lost by FY 2049-50, while water demand will exceed the available supply by FY 2029-30. Over 75% of households do not have clean drinking water, while 40% of the population will have no access to drinking water by 2030. While the situation has improved in the past couple of years, there is still a lot to be done.

Dewas Industrial Water Supply Project

Percent of Households provided with tap water connection – Statewise

As on 15th August, 2019 | **As on 27th February, 2021**



Map not to scale. For illustrative purposes only.

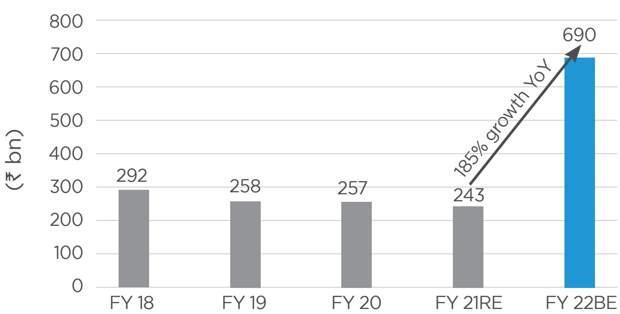
0%-10% | 11%-25% | 26%-50% | 51%-75% | 76%-<100% | 100%

Source: *Jal Jeevan Samvad – February 2021*

Due to this, the Union Government has decided to focus on water, sanitation and hygiene services (WASH) in the Union Budget 2021-22. Water infra is the biggest beneficiary with budget allocation of ₹ 690 billion to Ministry of Jal Shakti.

Huge budget allocation to Ministry of Jal Shakti for FY 2021-22: up 1.9x

Budgetary Allocation to Ministry of Jal Shakti

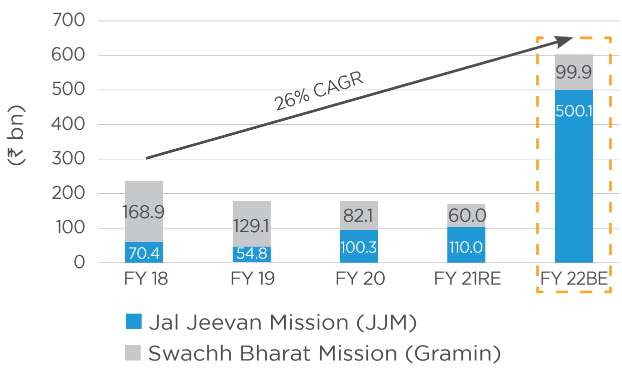


E: Estimated

Source: *Union Budget documents*

Top priority has been given to Jal Jeevan Mission such that allocation has been increased from ₹ 11,500 crore in FY 2020-21 to ₹ 50,011 crore in FY 2021-22. With matching increase in State share and earmarking of 60% of 15th Finance Commission grants to rural local bodies or PRIs for water supply & sanitation, the investment on making provision of drinking water in rural areas will be more than ₹ 1 lakh crore in FY 2021-22, which is going to further increase in next three years. So far, about ₹ 20,000 crore have been spent annually on water supply projects. As planned, under Jal Jeevan Mission, about 12.50 crore households are to be provided tap water connections by FY 2023-24, which means every year more than 3 crore households will be provided tap water connections. Also under Jal Jeevan Mission (Urban), in next five years, 2.86 crore households in 4,378 urban bodies will have tap connections and the scheme will cost ₹ 2.87 lakh crore.

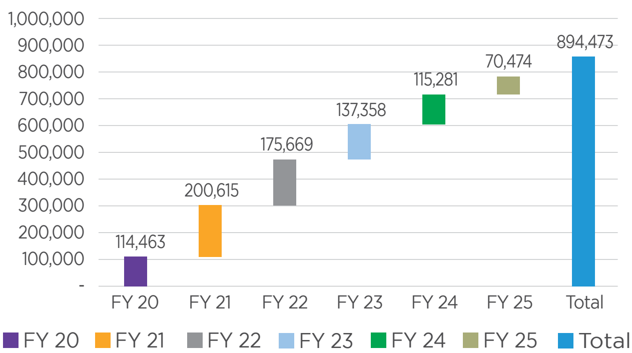
Budgetary allocations for JJM (₹ crore)



Source: *Union Budget documents*

Out of ₹ 894,473 crore worth of capital outlay allocated to the irrigation sector in NIP, total capital expenditure of ₹ 771,695 crore is estimated to be incurred during FY 2019-20 to FY 2024-25 to improve the performance of irrigation systems. Several projects are being undertaken, which include large-scale canal irrigation systems to ensure reliable supply of water in water-deficient areas. Many projects involve construction of barrage and reservoirs and large lift irrigation projects. Apart from irrigation projects, river interlinking projects are planned by the Government in order to control droughts in areas facing water shortage and floods in water excess regions. The idea is to reduce dependence of farmers on uncertain monsoon rains. The projects would be commissioned by the National Water Development Agency and an estimated capital expenditure of ₹ 102,665 crore would be incurred during FY 2019-20 to FY 2024-25. Many sewage treatment plants (STPs) and effluent treatment plants (ETPs) are being commissioned under this program. Overall, an estimated capital expenditure of ₹ 20,100 crore would be incurred during FY 2019-20 to FY 2024-25 for building robust infrastructure to ensure that menace of river water pollution is minimized to the extent possible.

Irrigation NIP -Capital outlay over FY 2019-20 to FY 2024-25 (₹ crore)



Source: *Report of the Task Force National Infrastructure Pipeline-Volume 3, Total capital outlay includes projects for which year wise phasing is not provided.*

OIL AND GAS

Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision-making for all the other important sections of the economy. India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. The Government has adopted several policies to fulfill the increasing demand. It has allowed 100% Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products

and refineries among others. Today, it attracts both domestic and foreign investment as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India.

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude Oil import rose sharply to USD 101.4 billion in FY 2019-20 from USD 70.72 billion in FY 2016-17. India retained its spot as the third largest consumer of oil in the world in CY 2019 with consumption of 5.16 million barrels per day (mbpd) of oil as compared to 4.56 mbpd in CY 2016.

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), the petroleum and natural gas sector attracted FDI worth USD 7.86 billion between April 2000 and September 2020.

The Government of India undertook several initiatives to promote oil and gas sector during the financial year. In November 2020, oil regulator Petroleum and Natural Gas Regulatory Board (PNGRB) simplified the country's gas pipeline tariff structure to make fuel more affordable for distant users and attract investment for building gas infrastructure. In November 2020, the Indian Government urged OPEC to remove pricing anomalies for different regions with a view to aid the Corona-battered global oil industry get back to normalcy. The Government is planning to invest USD 2.86 billion in the upstream oil and gas production to double natural gas production to 60 bcm and drill more than 120 exploration wells by CY 2022.

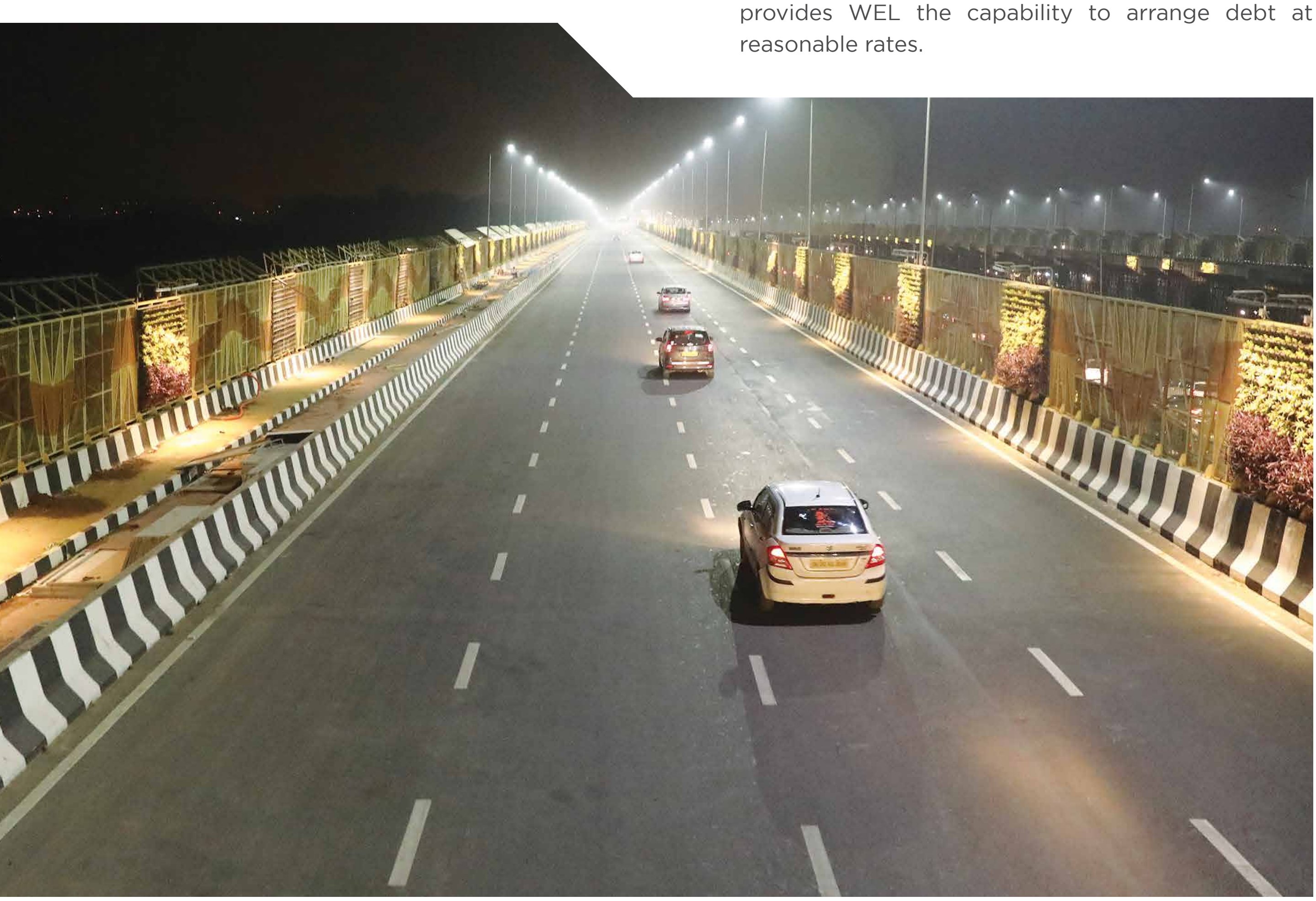
Plans to monetize oil & gas pipeline of GAIL, IOCL and HPCL via InvIT and set up an independent transport system operator (TSO) to manage common carrier pipeline network have also been announced in the Union Budget 2021-22.

WEL - BUSINESS STRATEGY AND HIGHLIGHTS

Welspun Enterprise Limited (WEL, the Company) is one of the three key companies under the Welspun Group. The Company operates in the infrastructure sector (road and water infrastructure) with investment in oil and gas space. WEL is unique in the Indian infrastructure space with a significant cash balance and a differentiated asset-light model. As on 31st March 2021, the Company has invested (incl. Loan) ₹ 1,030 crore in HAM Road portfolio, ₹ 444 crore in Road BOT project, ₹ 93 crore in Water BOT project, ₹ 320 crore in Oil & Gas sector and ₹ 54 crore in Other Assets. Thus, the Total Investment in these projects amount to ₹ 1,940 crore.

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

WEL is well-positioned to financially close its future BOT & HAM projects. The Company has one of the best credit ratings in the Indian infra sector, with its long-term credit rating at 'AA' and short-term rating at A1+. This, combined with Welspun Group's strong relationship with banks, provides WEL the capability to arrange debt at reasonable rates.



KEY UPDATES ON PROJECTS:

1	Delhi-Meerut Expressway (Delhi-section)	Road	HAM

- Project Description: 14 Lane expressway: Six-laning of Delhi-Meerut Expressway & four-laning of NH-24 in Delhi
- Completion Cost: ₹ 887 crore
- Status: Fifth annuity received in January 2021 within the stipulated time.
- Project refinanced with top-up loan of ₹ 65 crore. Present effective rate is 7.82% pa

2	Chutmalpur-Ganeshpur & Roorkee-Chutmalpur-Gagalheri (CGRG)	Road	HAM

- Project Description: 4-Laning of Chutmalpur-Ganeshpur section of NH-72A & Roorkee-Chutmalpur-Gagalheri section of NH-73 in UP & Uttarakhand
- Completion Cost: ₹ 1,108 crore
- Status: Received PCOD on 5th August 2020, 1st annuity received
- Project refinanced at 7.75% pa with top-up loan of ₹ 58 crore

3	Gagalheri-Saharanpur-Yamunanagar (GSY)	Road	HAM

- Project Description: 4-Laning of Gagalheri-Saharanpur-Yamunanagar section of NH-73 in UP / Haryana
- Completion Cost: ₹ 1,388 crore
- Status: Received PCOD on 31st October 2020, 1st annuity has been received
- Project refinanced at 7.75% pa with top-up loan of ₹ 63 crore

4	Chikhali-Tarsod (CT)	Road	HAM

- Project Description: 4-laning of Chikhali–Tarsod (Package-IIA) section of NH-6 in Maharashtra
- Bid Project Cost (with forecasted escalation): ₹ 1,238 crore
- Status: Physical progress is about 83% by Q4FY21 and payment from NHAI pertaining to 4th milestone has been received

5	Package No. AM2 (Maharashtra Amravati)	Road	HAM

- Project Description: Upgradation of Roads in Maharashtra State of Two-Laning Road with paved shoulder under MRIP Package on Hybrid Annuity Mode (HAM) Package No. AM 2
- Bid Project Cost (with forecasted escalation): ₹ 1,620 crore
- Physical progress[1] is about 79% by Q4FY21. Payment from Maharashtra PWD pertaining to 3rd milestone has been received. Welspun has also billed Maharashtra PWD for the 4th milestone of which part payment has been received

6	Aunta-Simaria (Ganga Bridge with Approach Roads)	Road	HAM

- 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 forecasted escalation): ₹ 1,346 crore
- Physical progress[1] of about 26% has been completed by Q4FY21. Receiving progressive payments under Atmanirbhar Bharat

[1] *Physical progress is based on Schedule G milestone billing of the authority*

7	Sattanathapuram-Nagapattinam (SN)	Road	HAM

- Project Description: 4-Laning of Sattanathapuram to Nagapattinam (Design Ch Km 123.8 to Km 179.6) section of NH-45A (New NH-332) in Tamil Nadu
- Bid Project Cost (with forecasted escalation): ₹ 2,272 crore
- Received Appointed Date on 5th October 2020 with 4 lane road & 4 lane structures as against 4 lane road & 6 lane structures specified in the Concession Agreement.
- The negative change order because of change in width of structures is estimated by IE to be approx. ₹ 29 crore. Thus, the base Bid Project Cost for the project is forecasted as ₹ 1,976 crore against the original bid project cost of ₹ 2,004.5 crore
- First installment of mobilization advance received in December 2020, release of second installment of mobilization advance is in progress

8	Mukarba Chowk – Panipat (MCP)	Road	BOT

- Completed takeover of a Build-Operate-Transfer (BOT) Toll project, Mukarba Chowk – Panipat from Essel group by harmonious substitution
- Original Total Project cost estimated to be ₹ 2,122 crore out of which ₹ 1,593 crore was the balance to be incurred, to complete the project post substitution
- Physical progress[2] of about 71% has been completed by Q4FY21
- NHAI has given in-principle approval regarding change of scope amounting to ₹ 202 crore. In addition, Company is to receive payment of ~₹ 67 crore against earlier issued change of scope
- As per the Concession Agreement, the scheduled concession end date is October 2033, extendable up to 3.4 years based on actual average traffic in year 2025

9	Six-laning of Varanasi-Aurangabad NH2 Project	Road	EPC

- WEL has reached an agreement with Soma Indus Varanasi Aurangabad Tollway Private Limited (SPV), a Special Purpose Vehicle promoted by Indus Concessions India Private Limited and Soma Enterprises Limited, for six-laning of Varanasi-Aurangabad NH2 Project. The project length is around 192 km, and is situated in Uttar Pradesh and Bihar
- The contract value for the Company is estimated at ₹ 2,366 crore (inclusive of GST). Under the contract, the Company will undertake the procurement and construction, while the Engineering will be undertaken by the SPV
- The project construction is expected to start in August 2021 and likely to be completed in 24 months subject to the ongoing discussions between SPV and NHAI on De-scoping to non-availability of land

10	Dewas Water	Water	BOT

- Project Description: Modified project involves the supply of treated water of up to 23 MLD to industrial customers in Dewas
- Project Cost: ₹ 146 crore
- Commercial operation has commenced from 30th April 2019. FY 2020-21 revenue stands at ₹ 10.3 crore with EBITDA of ₹ 5.3 crore. Both Revenue and the resultant EBITDA was adversely effected due to extremely low offtake by industrial clients facing long lockdown / stretched period of inactivity.

[2] *Physical progress is as per the Independent Engineer*

11	UP State Water and Sanitation Mission, Namami Gange and Rural Water Supply Department (SWSM)	Water	EPC

- WEL in Joint Venture with Kaveri Infraprojects Limited (WEL is the Lead Partner in the Joint Venture with a share of 70%) is empaneled by the UP SWSM for execution of EPC Projects as per the table below for the Project of Survey, Design, Preparation of DPR, Construction, Commissioning and Operation and Maintenance for 10 years of Rural Water Supply:

S No.	Revenue Division	District	No. of Villages
1	Varanasi	Jaunpur	747
2	Varanasi	Sant Ravidas Nagar	877
3	Ayodhya	Ambedkar Nagar	241
4	Ayodhya	Amethi	240
5	Meerut	Bulandshahr	439
Total No. of Villages			**2,544**

- The estimated aggregate contract value of the above Projects is ₹ 2,500 crore (excluding O&M value and GST). The final value will be determined on completion of preparation of Detailed Project Report (DPR) by us and its approval by the SWSM
- Preparation of DPR and Construction of the Project is to be progressively completed in 21 to 28 months and thereafter operated and maintained for a period of 10 years

Oil & Gas

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

- Kutch-1 or GK-OSN-2009/1 - AWEL has 25% stake in this block. Declaration of Commerciality (DoC) has been filed by the operator - ONGC. Preparation of Field Development Plan (FDP) is in progress
- Mumbai Block or MB-OSN-2005/2- AWEL currently holds 100% ownership interest in Phase I. AWEL has decided to execute Phase – II of the exploration
- B-9 Cluster (DSF) – This block is in close proximity to AWEL's prospective exploratory block (MB/OSN/2005/2) and ONGC's B-12 area, which is under advanced stage of development. The field development plan has been submitted to DGH and AWEL is preparing for the field development

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

On 15th March, 2021, it announced its first ever gas discovery in the NELP-VII block MB-OSN2005/2. AWEL holds 100% participative interest (PI) and is the Operator of this Block. Spread across 714.6 sq. km., the block is located in the prolific gas-prone Tapti-Daman Sector of Mumbai Offshore basin where production is already underway by another operator/other operators.

The pay zones and flow rates encountered have exceeded the Company's initial estimates. With the information gleaned from adjoining fields/areas, this discovery is of substantial significance for both the Company and the nation.

The drilling of the current well in March 2021 has confirmed the presence of substantial quantities of gas and condensate in the Block. Out of the three potential zones identified during drilling, two objects tested by Drill Stem Testing (DST) flowed substantial gas and condensate to the surface. Object-I (3m), a clean sandstone reservoir, flowed 9.7 million standard cubic feet per day (mmscfd) of gas along with 378 barrels/day of condensate through a 28/64" choke at a flowing tubing head pressure (FTHP) of 2659 psi. Object-II (15m), another thick clean sandstone reservoir, flowed 9.1 mmscfd of gas along with 443 barrels/day of condensate through a 28/64" choke at a FTHP of 2566 psi.

OUTLOOK

The infrastructure sector is starting to gain heat due to Government support as it is the backbone to economic and social prosperity. Last year the Government extended their support through the announcement of NIP and this year it reinforced confidence in the sector as highlighted in the Union Budget 2021-22 announcement. The Government has

Chutmalpur-Ganeshpur-Roorkee-Gagalheri Project

emphasized the role of private investment for funding this developmental infrastructure program and WEL is well-placed to tap these opportunities.

- The Company is selectively targeting to participate in bidding of projects, while preserving its threshold return expectations
- Apart from NHAI, WEL will also evaluate road HAM projects of State and Municipal agencies
- We are also selectively evaluating EPC and BOT (Toll) projects
- On the water segment, the Jal Shakti Ministry's 'Har Ghar Nal Se Jal' scheme of providing drinking water access to all by 2024, is expected to result in a potential opportunity of more than ₹ 6 trillion over the next four years. WEL will actively focus on these projects
- The Company will continue to explore inorganic growth opportunities, through a measured evaluation of risk-return parameters
- WEL is well-positioned for early financial closure of new project wins, as and when it happens, given its healthy cash balance
- The Company will continue to pursue an asset-light model, while focusing on operational excellence and prudent risk management

KEY RISKS:

Infrastructure

- Land acquisition issues
- Multiple clearances and associated delays
- Slowdown in awarding
- Difficulties in raising long-term funding
- Too many assets available for sale combined with limited buyers, reducing valuation of assets
- Inadequate/changes in regulatory framework
- Interest Rate Risk
- Competition Risk
- Labor Risk - Availability and cost
- Construction and Raw Material Risk
- Pandemic Risk
- Traffic Growth Risk

Oil & Gas

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

HUMAN RESOURCES POLICY

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well-qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance. The total number of employees in the Company as on 31st March 2021 was 398.

DISCUSSION OF FINANCIAL PERFORMANCE – FY 2020-21

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

Particulars	FY 2020-21	FY 2019-20	YoY %
Revenue from Operations	**1,410.20**	**1,760.00**	**-19.90%**
Other Income	29	52.6	-44.90%
Total Income	**1,439.20**	**1,812.60**	**-20.60%**
Operating EBITDA*	**174.2**	**215.1**	**-19.00%**
Operating EBITDA margin	12.30%	12.20%	13 bps
EBITDA	**197.8**	**258.9**	**-23.60%**
EBITDA margin	13.70%	14.30%	-54 bps
PBT	141	214.1	-34.10%
PAT	**107.5**	**159.3**	**-32.60%**
PAT margin	7.50%	8.80%	-132 bps
Cash PAT	129.7	185.1	-29.90%

All figures in ₹ crore, unless stated otherwise

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

(₹ crore)

Balance Sheet Snapshot	31st March 2021	31st March 2020
Net Worth	**1,819**	**1,736**
Gross Debt	602	310
- Long-Term Debt	505	33
- Short-Term Debt	97	277
Cash & Cash Equivalents#	**375**	**529**
Net Debt / (Cash)	227	-219
Other Long-Term Liabilities	31	31
Total Net Fixed Assets (incl. CWIP)	54	57
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.)@	50	178
Other Long-Term Investments and assets (adj.)@	1,974	1,312

Long-Term Debt (incl. current maturities) – Against equipment financing | Short-Term Debt (incl. CP) – Against current assets

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

@Temporary funding of ₹ 299 crore 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 ₹ 375 crore. The same is reflected in Other Long-Term Investments and Assets.

Revenue from Operations:

Revenue from Operations down 20% to ₹ 1,439.2 crore in FY 2020-21 from ₹ 1,812.6 crore in FY 2019-20, primarily due to the ongoing impact of COVID in project execution in all projects and Kisan agitation rallies and the NGT ban due to poor weather condition in MCP project.

EBITDA:

EBITDA was down 24% to ₹ 197.8 crore in FY 2020-21 from ₹ 258.9 crore in FY 2019-20.

Profitability:

Profit before tax down 34% to ₹ 141.0 crore in FY 2020-21 from ₹ 214.1 crore in FY 2019-20.

Profit after tax was down 33% to ₹ 107.5 crore in FY 2020-21 from ₹ 159.3 crore in FY 2019-20.

Networth:

Networth was at ₹ 1,819 crore in FY 2020-21 as compared to ₹ 1,736 crore in FY 2019-20. The increase is mainly due to increase in retained earnings.

Changes in Key Financial Ratios*:

Ratios	Definitions	31st March 2021	31st March 2020	Remarks / Response
Debtors Turnover	Turnover/Average Debtors	5.13	5.16	No significant change
Inventory Turnover	Turnover/Average Inventory	506	2,500	Inventory is negligible due to the Company's back-to-back subcontracting business model; so this ratio is not relevant to track
Interest Coverage Ratio	EBIT / Finance Cost	4.17	9.44	Funds raised via NCD during the year, combined with COVID-19 impact on profitability has led to lower interest service coverage ratio
Current Ratio	Current Assets/ Current Liabilities	1.65	1.57	No significant change
Debt Equity Ratio	Gross Debt / Net Worth	0.33	0.18	The Company has raised long-term funds in the form of NCDs which has resulted in higher debt equity ratio
Operating Profit Margin (%)	Operating EBIDTA / Turnover	12.30%	12.20%	No significant change
Net Profit Margin (%)	Net Profit / Turnover	7.60%	9.10%	No significant change on YoY basis, however, decline in profitability is due to COVID-19.
Return on Equity (ROE) %	Net Profit/ Net Worth	5.90%	9.20%	Refer comments above in net profit margin

*Ratios have been computed based on standalone financial statements

Directors' Report

To,
The Members,
Welspun Enterprises Limited

The directors have pleasure in presenting the 27th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2021.

1. FINANCIAL RESULTS:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20
Revenue from operations	141,019	176,005	152,951	180,759
Other Income	2,897	5,258	14,201	11,184
Total Income	**143,916**	**181,263**	**167,152**	**191,943**
Total Expenditure	**129,811**	**159,856**	**148,455**	**169,791**
Share of profit/ (loss) from associate and joint venture	-	-	(725)	(1,878)
Profit Before Tax	**14,105**	**21,407**	**17,972**	**20,274**
Exceptional Items	-	-	-	-
Tax expenses/ (credit)	3,360	5,473	4,954	5,161
Profit for the year	**10,745**	**15,934**	**13,018**	**15,113**
Other Comprehensive Income	31	15	46	23
Total Comprehensive Income	**10,776**	**15,949**	**13,064**	**15,136**
Earnings Per Share				
Basic (₹)	7.22	10.75	8.67	10.04
Diluted (₹)	7.17	10.61	8.60	9.91

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, 2021 are as under:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20
Revenue from Engineering, Procurement and Construction ('EPC') and other operating income	141,019	176,005	151,777	179,414
Toll Collection	-	-	1,174	1,345

SINCE THE LAST REPORT THE FOLLOWING DEVELOPMENTS TOOK PLACE:

ROAD PROJECTS:

- Acquisition of Mukarba Chowk – Panipat BOT (Toll) project of National Highways Authority of India ("NHAI") under Harmonious Substitution which added over ₹ 2,100 crore to the asset portfolio and ₹ 1,160 crore to the Order Book. This was a pioneering acquisition as it was the first project to be handled under NHAI's policy of Harmonious Substitution for stalled projects, and was completed right in the middle of the Covid pandemic.
- Despite the COVID-affected environment, the Hybrid Annuity Mode (HAM) projects of Chutmalpur – Gagalheri – Roorkee – Ganeshpur (CGRG) and Gagalheri – Saharanpur – Yamunanagar (GSY) successfully achieved Provisional Completion in August 2020 and October 2020 respectively.
- National Highways Authority of India declared the Appointed Date for the Sattanathapuram - Nagapattinam project in the State of Tamil Nadu (Hybrid Annuity Mode) as October 5, 2020 with 4 lane road

& 4 lane structures as against 4 lane road & 6 lane structures specified in the Concession Agreement and with current land availability of 29.39 Km (52.71%) as against requirement of 80% without any claim by either party.

- Finalised construction contract for the Varanasi – Aurangabad road project which at ₹ 2,175 crore will be the largest project executed by WEL so far. However, the contract will come in force and execution will commence only after the descoping proposal submitted by our client is approved by NHAI.

WATER PROJECTS:

- The company secured its first major order in this focus sector, being selected to implement rural water supply projects in three divisions in Uttar Pradesh, for a value of around ₹ 1,400 crore which is likely to grow to more than ₹ 2,000 crore.

FINANCING:

- Successfully raised ₹ 375 crore through NCDs at 8.85% p.a. during the year. The proceeds have been utilised to repay existing loans of the Company and for general corporate purposes.

- Refinancing of project debt of Chhutmalpur – Gagalheri – Roorkee – Ganeshpur (CGRG) and Gagalheri – Saharanpur – Yamunanagar (GSY) undertaken which will help SPV reduce the cost of debt from 10.00%-10.25% to about 7.55%-7.75%.

SYSTEMS AND PROCESSES:

- SOPs were established for all key functions to ensure a uniform and scalable way of working. The SOPs have also been audited quarterly for compliance.

- Apex Committee established to deliberate and decide / recommend on key issues impacting the company's growth including internal processes, growth strategy, Culture and Risk Management.

- Technology:

  a) Adoption of nPulse, a dedicated MIS platform for recording and updating all project-related information from sites.

  b) Implementation of PS, FICO, SD, MM and QM SAP modules across the Company.

- Management Assurance function was established to provide an additional layer of scrutiny and audit of key execution-related functions and processes.

COVID RESPONSE:

- Rapid response activated at company-level to minimize business disruptions due to 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, 2021, 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, ₹ 44.50 lakhs remained unclaimed as on March 31, 2021.

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

As per the Dividend Distribution Policy of the Company, the Board endeavors to achieve distribution of an amount of profit subject to maximum of 25% of Profit after Tax for a financial year, on consolidated basis or standalone basis, whichever is higher. The amount of dividend together with the Dividend Distribution Tax for the year ended March 31, 2021 works out to 20.78% of Profit After Tax on standalone 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.

5. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES:

The Company subscribed to 70% of the equity share capital of Welspun-Kaveri Infraprojects JV Private Limited which was incorporated on May 10, 2021.

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

The Company's policy on Material Subsidiary as approved by the Board is uploaded on the 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 at remuneration of ₹ 3.2 million plus applicable taxes and out-of-pocket expenses 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 27th Annual General Meeting until the conclusion of 28th Annual General Meeting at revised remuneration of ₹ 3.68 million 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 subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part during the financial year under report is ₹ 75.72 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 2021-22. 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 2020-21. The Cost Audit Report for the year 2019-20 was e-filed on September 7, 2020. The Cost Audit for the financial year 2020-21 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 2020-21.

The Secretarial Audit Report for the financial year ended March 31, 2021 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 2021-22.

For the financial year, Welspun Road Infra Private Limited is the material subsidiary of the Company. The Secretarial Audit Report of the material subsidiary does note 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 the Central Government**
The Statutory Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

7. SHARE CAPITAL & DEBT STRUCTURE & ITS LISTING:

a) **Increase in authorized share capital**
The increase in authorized share capital of the Company from ₹ 18,005 lakh to 27,500 lakh was approved at the Annual General Meeting held on June 30, 2020.

b) **Issue of equity shares with differential rights**
The Company does not have any equity shares with differential rights.

c) **Issue of sweat equity shares**
During the year under report, the Company has not issued any sweat equity share.

d) **Issue of employee stock options**
During the financial year 2020-21, 4,06,000 equity shares were allotted to the ESOP grantees who had exercised the option attached to the Welspun Enterprises Limited – Employees Stock Option Plan-2017" ("WEL ESOP Scheme 2017").

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

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

Sr. No.	Particulars		WEL ESOP Scheme -2017
a	Options granted during FY 2020-21		Nil
b	Options vested during FY 2020-21		600,000
c	Options exercised during FY 2020-21		406,000
d	Total number of shares arising as a result of exercise of Options		406,000
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		16,69,000
j	Employee wise details of options granted to	Key Managerial Personnel	
		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.	No fresh option was granted during the 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 (₹)		7.17
l	Weighted-average exercise price (₹)		Nil
m	Weighted-average fair values of options (₹) - (As per Black Scholes Valuation model)		139.30

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

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

f) Issue of debentures

During the year, the Company allotted Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹ 10,00,000/- each by way of private placement basis as detailed below:

Sr. No.	ISIN	Coupon	Amount issued (₹ in Crore)	Date of allotment	Redemption date/ Schedule	Credit rating
1.	INE625G07010	8.85%	175	May 27, 2020	May 27, 2023	BWR AA-
2.	INE625G07028	8.85%	100	June 1, 2020	June 1, 2023	BWR AA-
			100	June 1, 2020	December 1, 2022	Acuite AA-

g) 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.

iii. As at March 31, 2021, outstanding unsecured Commercial Papers ("CPs") stood at ₹ 50 crore which are listed on the National Stock Exchange of India.

Annual listing fees for the year 2021-22 have been paid to BSE and NSE.

h) 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:

Facilities	Rating Agency	Credit Rating at the beginning of the year (i.e. on 01.04.2020)	Credit Rating at the end of the year (i.e. on 31.03.2021)
Non - Convertible Debentures	Brickwork Ratings / Acuite Ratings & Research Ltd	NIL	BWR AA-/Acuite AA-
Commercial Papers	CARE Ratings Limited / Brickwork Ratings / Acuite Ratings & Research Ltd	CARE A1+ / BWR A1+	BWR A1+/Acuite A1+

b) Deposits

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

9. 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:

In the area of alternate energy, the Company has taken initiatives beyond its normal scope of works. At our Delhi Meerut Expressway Package-I project, an entire solar power plant of capacity 1050 kW, at an investment of ₹ 7.5 crore has been installed. This power plant, installed on the Yamuna bridge, has generated 11.01 lakh unit of green energy in FY 20-21 to meet the requirements of the complete 8.716 km stretch, thereby reducing the intake from the power grid.

Another initiative to reduce our carbon footprint is the installation of 5,764 LED light bulbs for street lighting at our completed projects i.e. Delhi Meerut, CGRG and GSY, reducing our power consumption.

Technology absorption -

a) 'nPulse' a digital platform adopted for project progress monitoring & quality monitoring which has seamless integration with SAP. This Edge cutting technologies helping to certify subcontractors bills on real time basis.

b) EMSP- Online Project schedule monitoring tool is used to Monitor the project schedules.

c) SAP is a core application for managing & monitoring the sourcing & managing the Finance & Accounts on real time basis.

d) Home grown MDM Tool is used to manage the error free master data.

e) 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.

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

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

During the F.Y. 2020-21, 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 provide 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. Ved Mani Tiwari resigned from the position of Deputy Chief Executive Officer of the Company w.e.f. December 3, 2020.
- Mr. Sridhar Narasimhan resigned from the position of Chief Financial Officer of the Company w.e.f. February 19, 2021.
- Mr. Anoop Kumar Mittal (DIN - 05177010) was appointed as an Additional (Independent) Director w.e.f. June 16, 2021 for a period of 4 years.
- Ms. Dipali Goenka (DIN - 00007199) was appointed as an additional director in the category of Non-Executive Non-Independent Director, liable to retire by rotation, w.e.f. June 16, 2021.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sandeep Garg (DIN : 00036419) is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for re-appointment as a director liable to retire by rotation by the Board.

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

b) Declaration by Independent Director(s)

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

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

c) Formal Annual Evaluation

The Company followed the evaluation process with specific focus on the performance vis-à-vis the plans, meeting of challenging situations, performing of leadership role within, and effective functioning of the Board, etc. which was in line with the SEBI Guidance Note on Board Evaluation dated January 5, 2017. The evaluation process invited through IT enabled platform sought graded responses to a structured questionnaire for each aspect of the evaluation viz. time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions.

For the financial year 2020-21, 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 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 hereinbelow:

Key parameters		# of parameters	Score %
Board of Directors	• 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	96%
Board Committee	• Composition, roles & responsibilities and effectiveness of the committee • Meeting structure and information flow • Contributions to Board decisions	7-10	94 - 97%
Independent Directors	• Independence from company (no conflict of interest) • Independent views and judgement • Objective contribution to the Board deliberations	8	95-97%
Chairperson	• 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	• Relevant expertise and commitment • Performance vis-à-vis business budget, peers • Dealing with challenges • Developing leaders	9	94-100%
Non-Executive Non-Independent Director	• Contribution to the Board discussions with his/her expertise and experience • Depth of understanding about the business model and the industry	8	94%

The suggestions and action plan are summarised below:

Board of Directors

Parameters with high score	Key focus areas:
• Effective corporate governance structure and flow of information from management to Board	• Quarterly interaction between independent directors and Chairman. [Action plan: Implementation planned from July, 2021 onwards]
• Well-informed decision-making process and considers interests of all stakeholders	• Vacancy in the senior management should be filled at the earliest and update should be provided to the Nomination and Remuneration Committee. The Company will endeavor to reduce the time of vacancy period.
• In-depth understanding about key performance drivers, risks and opportunities	
• Board effectiveness in establishing a corporate environment that promotes accountability, high ethical standards, compliance with laws and a corporate culture and value	

Board Committees

Parameters with high score	Key focus areas:
• Oversight on quality of financial reporting process & internal financial controls • Establishing transparent board and top management nomination process • Transparent mechanism to monitor CSR projects	• In addition to compliance with regulatory requirement, quarterly detailed review of subsidiary's financial performance to be undertaken to enhance governance over subsidiary financials. [Action plan: The management has developed a reporting format to ensure compliance/ adherence with this action plan.] • Enhance interaction with management on CSR and stakeholder grievance matters

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". During the year, a separate session on ESG familiarization was also conducted for Directors as part of the committee meetings.

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 8 times during the financial year 2020-21, 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, Evironmental, Social and Governance and Corporate Social Responsibility Committee and meetings of those Committees held during the year is given in the Corporate Governance Report.

14. VIGIL MECHANISM:

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

The policy on Whistle Blower Policy and Vigil Mechanism is disclosed on the 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.

For the details of the related party transactions, please refer Note No. 47 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 : 143 and 1 : 64 (including the value of ESOPs and remuneration from associate company) respectively.

ii. There was no percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager during the financial year .

iii. The percentage increase in the median remuneration of employees in the financial year 2020-21 was 4%.

iv. As on March 31, 2021, the Company had 398 permanent employees on its rolls, whereas permanent employees for the Company and its subsidiaries stood at 434 employees

v. Market Capitalization of the Company as on March 31, 2021 was ₹ 161,964 lakhs and as on March 31, 2020 was ₹ 59,012 lakhs.

vi. The share price increased to ₹ 108.80/- (NSE closing Price) as on March 31, 2021 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 2020-21 was ~ 0 % and 0 % 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 2020-21 was ₹ 14,105/- lakh whereas Managing Director's, the Chief Financial Officer's, and the Company Secretary's, remuneration were ₹ 360/- lakhs (includes ₹ 120 Lakh paid from associate company but excluding ESOP); ₹ 175.50/- lakhs (CFO resigned w.e.f. February 19, 2021) and ₹ 18.27/- 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	Annual 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	53	29.05.2015	750#	B.Com, 36 Years	Not applicable	Contractual	0.00	Yes	-
Sandeep Garg	MD	61	16.07.2012	458.05%	BE, 39 years	IL&FS	Contractual	1.36	No	-
Ved Mani Tiwari	Director & Business Head	52	01.04.2020	450.00	BE/MBA, 31 Years	Sterlite Power	Permanent	0.00	No	03.12.2020
Akhil Jindal	Director*	51	01.07.2015	326.88	BE & MBA, 27 years	S Kumar Group	Permanent	0.19	No	-
Sridhar Narasimhan	President	49	18.05.2020	250.00	CA/ICWA, 25 Years	Reliance Infrastructure Ltd.	Permanent	0.00	No	19.02.2021
Deepak Chauhan	Director*	49	01.09.2017	231.39	B Com/ LLB/ LLM, 25 years	GVK Power & Infrastructure Ltd	Permanent	0.03	No	-
Jitendra Jain	President	50	01.10.2018	193.89	PGD - Finance, 25 Years	GMR	Permanent	0.00	No	31.08.2020
Banwari Lal Biyani	Director*	62	01.08.2014	194.45	AICWA, 42 Years	Ispat Industrial Ltd.	Permanent	0.00	No	-
Asim Chakraborty	Director*	60	01.07.2016	178.56	BE, 39 Years	Gherzi Eastern Ltd	Permanent	0.01	No	-
Yogen Lal	Director*	54	12.06.2018	150.65	BE, 28 Years	D.Thakkar Const. Pvt. Ltd.	Permanent	0.00	No	-
Rajesh Jain	Vice President	52	19.12.2019	103.00	BE, MBA, 30 years	SREI Group	Permanent	0.00	No	
Girish Kharkar	Vice President	47	01.10.2020	103.00	BE, PGDCM, 23 years	Sterling & Wilson Private Limited	Permanent	0.00	No	

* Not on the Board of the Company

% Includes ₹ 120 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.

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	360.00$
Perquisites	Nil	98.05
Commission	2%#	Nil
Details of fixed component	Nil	Nil
Service Contract/Term of appointment	5 years from June 1, 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
20,00,000	10.10.2017	At the rate of 20% of the total ESOPs granted at each anniversary from 1st to 4th anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.	Upto 3rd anniversary from the date of Vesting of ESOPs

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

$ Includes ₹ 120 lakhs paid from associate company.

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. 2020-21.

Sr. No.	Name of the Director	Sitting Fees (₹)
1.	Mr. Mohan Tandon	1,204,000
2.	Dr. Aruna Sharma	1,161,500
3.	Mr. Raghav Chandra	1,159,000

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, 2021

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 an Enterprise Risk Management Committee (ERMC) of senior executives headed by Managing Director of the Company. The ERMC is continuously scanning strategic, business, financial, regulatory and operational risks which may adversely impact pursuance of the strategic direction the Company has embarked upon.

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

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

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.

- 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 – 1
  - ➢ 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: June 16, 2021

Balkrishan Goenka
Chairman
DIN: 00270175

Annexure – 1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in lakhs)

	Sr. No.	1	2	3	4	5	6	7
Sr. No.	Name of the subsidiary	Welspun Projects (Himmatnagar Bypass) Private Limited	Welspun Project (Kim Mandvi Corridor) Private Limited	Welspun Build-Tech Private Limited	Welspun Natural Resources Private Limited	Welspun Delhi Meerut Expressway Private Limited	ARSS Bus Terminal Private Limited	Dewas Waterprojects Works Private Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
3.	Share capital	24	673	1	3,188	500	1,863	1
4.	Instruments entirely equity in nature	Nil	2,152	1,712	Nil	5,055	Nil	3,872
5.	Reserves and Surplus /Other Equity	370	-2,649	-6	-2,316	1,499	-969	-2,148
6.	Total assets	398	242	1,711	35,911	46,746	916	12,167
7.	Total Liabilities	398	242	1,711	35,911	46,746	916	12,167
8.	Investments	Nil	0	Nil	30,164	1,069	211	Nil
9.	Turnover	140	Nil	Nil	Nil	906	Nil	1,279
10.	Profit before taxation	-48	180	-0.96	-1,467	48	-2	-715
11.	Provision for taxation	25	Nil	Nil	Nil	-16	Nil	224
12.	Profit after taxation	-73	180	-0.96	-1,467	64	-2	-939
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14.	% of shareholding	100	100	100	100	100	100	76@

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

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

Notes:

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

	Sr. No.	8	9	10	11	12	13	14
Sr. No.	**Name of the subsidiary**	**DME Infra Private Limited**	**Welspun Sattanathapuram Nagapattinam Road Private Limited**	**Welspun Road Infra Private Limited**	**Welspun Infraconstruct Private Limited (Formerly known as Welspun Amravati Highways Private Limited)**	**Welspun Aunta-Simaria Project Private Limited**	**Welsteel Enterprises Private Limited**	**Welspun Infrafacility Private Limited**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
3.	Share capital	1	1	3,951	1	100	10	1,865
4.	Instruments entirely equity in nature	Nil	2,170	Nil	Nil	6,932	Nil	14,039
5.	Reserves and Surplus /Other Equity	-1.43	343	13,956	-2	543	-3	13,788
6.	Total assets	1.42	19,722	56,967	5	33,380	3,484	146,859
7.	Total Liabilities	1.42	19,722	56,967	5	33,380	3,484	146,859
8.	Investments	Nil	Nil	Nil	Nil	Nil	3,475	Nil
9.	Turnover	Nil	3,830	37,194	Nil	7,958	Nil	62,933
10.	Profit before taxation	-0.56	415	2,744	-0.44	909	-1.60	Nil
11.	Provision for taxation	Nil	176	896	Nil	284	Nil	8
12.	Profit after taxation	-0.56	239	1,848	-0.44	625	-1.60	-8
13.	Proposed Dividend %	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14.	% of shareholding	100	70++	100	100	74+	49	100

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

+ In addition to aforesaid stake, 12.74% are held through Welsteel Enterprises Private Limited

++ In addition to aforesaid stake, 14.65% are held through Grenoble Infrastructure Private Limited

Notes:

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

PART "B": ASSOCIATES AND JOINT VENTURES

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

(₹ in lakhs)

	Name of Associate/joint venture	Corbello Trading Private Limited	Chikhali - Tarsod Highways Private Limited	RGY Roads Private Limited	MBL (GSY) Road Limited	MBL (CGRG) Road Limited	Adani Welspun Exploration Limited	Grenoble Infrastructure Private Limited^^
1.	Latest audited Balance Sheet Date	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
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	Joint venture
	No. of Shares	4,900	490,000	4,900	24,500	24,500	4,654,997	4,900
	Amount of Investment in Associates/ Joint Venture	785	49	2,300	2**	2***	30,164	0
	Extend of Holding %	49	49*	49	49 $	49 $	35#	49
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	The Company holds more than 20% voting power of Adani Welspun Exploration Limited.	NA
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet ^	-1	-109	0	-756	-164	39,683	-
6.	Profit / Loss for the year	-1	241	-0	-576	-274	-114	-
	i. Considered in Consolidation							-
	i. 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 ₹ 275 lakhs on account of Ind AS adjustments

*** Excludes investment amount of ₹ 133 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:

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

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Sandeep Garg
Managing Director
DIN: 00036419

Priya Pakhare
Company Secretary
FCS - 7805

Date: June 16, 2021
Place: Mumbai

Annexure – 2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2021

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

To,
The Members,
Welspun Enterprises Limited
CIN: L45201GJ1994PLC023920

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Welspun Enterprises Limited** ("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, 2021, 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, 2021 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 - Not 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;

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

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

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

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

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

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

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

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

(i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI");

(ii) The Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Stock Exchanges.

To the best of our knowledge and belief, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. 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 (three times during review period) 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) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

We further report that during the audit period, the following 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 allotted 1,750 (One Thousand Seven Hundred Fifty only) secured, listed, rated redeemable, non-convertible debentures ("Non-Convertible Debentures") having face value of ₹ 1,000,000/- (Rupees Ten Lacs only) each aggregating to ₹ 175,00,00,000/- (Rupees One Hundred Seventy Five Crores Only), on private placement basis;
- The Company has allotted 2,000 (Two Thousand only) secured, listed, rated redeemable, non-convertible debentures ("Non-Convertible Debentures") having face value of ₹ 1,000,000/- (Rupees Ten Lacs only) each aggregating to ₹ 200,00,00,000/- (Rupees Two Hundred Crores Only), on private placement basis;
- The Company has declared and paid final dividend @ 20% (i.e. ₹ 2 per share) on Equity Shares for the F.Y. ended March 31, 2020;
- The Company has re-appointed Mr. Balkrishan Goenka (DIN: 00270175) as the Whole Time Director designated as Chairman (Executive) of the Company for a period of 5 years effective from June 1 2020, at a remuneration of ₹ 7.5 Crore (Rupees Seven Crore Fifty Lakh only) per annum on cost to company basis plus the commission @ 2% of annual profit of the Company on consolidated financial statement basis, by Special resolution;
- The Company has increased the authorised share capital to ₹ 275 crore and accordingly altered the;
  - clause V of the Memorandum of Association by Ordinary resolution;
  - article 5(a) of the Articles of Association by Special resolution.
- 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 ₹ 500 crore on Private Placement basis by Special resolution;
- The Company has approved the limit of proposed offer, issue and allotment of equity shares, preference shares or other equity linked securities (the "Securities") for cash up to an aggregate amount not exceeding ₹ 300 Crore (Rupees Three Hundred Crore only) through various modes by Special resolution;
- The Company has made investment of 19% equity share capital in Welspun Global Services Limited;
- The Company has allotted 2,56,000 and 1,50,000 Equity Shares to Mr. Sandeep Garg and Mr. Akhil Jindal employees of the Company respectively pursuant to "WEL-ESOP Scheme 2017";

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: April 28, 2021
Place: Mumbai
UDIN: F009926C000156534

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.

ANNEXURE A

To,
The Members,
Welspun Enterprises Limited
CIN: L45201GJ1994PLC023920

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

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

Date: April 28, 2021
Place: Mumbai
UDIN: F009926C000156534

Annexure – 3

SECRETARIAL AUDIT REPORT
FORM NO. MR-3

for the Financial Year ended March 31, 2021

[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,
Registered Office: T-11, 3rd Floor, Vasant Square Mall,
Sector-B, Pocket - V, Vasant Kunj,
New Delhi South West Delhi DL 110070
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 called the Company). Secretarial Audit was conducted in a manner that provided me 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, 2021** 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, 2021 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: - **(to the extent applicable during the 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; **(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 **(not applicable during the 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)**;

   (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)**;

   (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)**;

   (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)**;

(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; **(to the extent applicable during the 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)**;

   (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(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 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 all laws applicable to the company that are into infrastructure business.

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.

(ii) Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable to the Company, during the period under review.

We further report that:

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. However, the company is in process of appointing Managing Director or CEO or Whole time Director.

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:

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 issued equity shares and debentures. Relevant provisions of Companies Act, 2013 have been complied with.

For MNB & Co. LLP,
Company Secretaries,

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

Place: Mumbai
Date: June 16, 2021

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 ROAD INFRA 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,

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

Place: Mumbai
Date: June 16, 2021

Annexure – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

1. **A brief outline of the Company's CSR policy.**
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.

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	Chairman/ Independent Director	2	2
2	Mr. Mohan Tandon	Member/ Independent Director	2	2
3	Mr. Rajesh Mandawewala	Member/ Non-independent Director	2	Nil
4	Mr. Sandeep Garg	Member/ Non-independent Director	2	1

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".

The revised composition of the ESG & CSR Committee is as under:

Sr. No.	Name of Director	Designation / Nature of Directorship
1	Dr. Aruna Sharma	Chairman/ Independent Director
2	Mr. Mohan Tandon	Member/ Independent Director
3	Ms. Dipali Goenka*	Member/ Non-independent Director
4	Mr. Sandeep Garg	Member/ Non-independent Director

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

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

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.**
The Company's CSR Policy is disclosed on the website of the Company www.welspunenterprises.com, a web-link of which is as under:

https://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 ₹)
		Not applicable	
	Total		

6. **Average net profit / loss of the Company for last three financial years:** ₹ 17,232 lakh

7. **(a) Two per cent of average net profit of the Company as per Section 135(5):** ₹ 345 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) = ₹ 345 lakh.

8. **(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
345 lakh	Nil	N/A	N/A	Nil	N/A

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	Amount Allocated for the Project (in ₹ Lakh)	Amount spent in the current financial year (in ₹ Lakh)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6)	Mode of implementation-Direct	Mode of implementation-through implementing agency	
				State	District	(years)			(in ₹)	(Yes/No)	Name	CSR Registration Number
1	Sponsorship to Sports Person	Promoting Women in Sports	Yes	India	India	8	905	72.02				
2	Health & Hygiene related projects	Health	Yes	Maharashtra / Gujarat / Delhi/ Amravati & Dewas / Maharashtra / Saharanpur	Maharashtra / Gujarat / Delhi/ Amravati & Dewas / Maharashtra / Saharanpur	9	300	40.91				
3	Tree Plantation and other Environment project	Environment	Yes	Maharashtra / Gujarat / Delhi	Maharashtra / Gujarat / Delhi	6	175	50.00				
4	Education Projects	Education	Yes	Delhi / Mumbai	Delhi / Mumbai	1	7	0				
5	Financial Aid to the Societies	Financial Support	Yes	Delhi / Maharashtra / MP	Delhi / Maharashtra / MP	2	210	0	Nil	No	Welspun Foundation for Health & Knowledge	CSR00001502
6	Livelihood projects	Livelihood projects	Yes	Delhi / Gujarat/ Saharanpur / Amravati & Dewas / Maharashtra	Delhi / Gujarat/ Saharanpur / Amravati & Dewas / Maharashtra	9	380	43.62				
7	SORI Study	SORI Study	Yes	Mumbai	Mumbai	1	15	0				
8	COVID 19		Yes	Gujarat	Kutch	1	190	0				
9	Road Safety	Road Safety	Yes	Saharanpur/ Dewas	Saharanpur/ Dewas	5	80	0				
10	Staff Salaries Staff Welfare and other Administrative Expense	Administration	Yes	Gujarat	Kutch		115	10.33				
							2377	**216.88**				

(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) (Yes/No)	Mode of implementation-Direct	Mode of implementation-through implementing agency	
				State	District			Name	CSR Registration Number
Nil									

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 216.88 lakh

(Note: ₹ 128.12 lakh (difference between sr. no. 8(a) and sr. no. 8(b)) has been disbursed to Welspun Foundation for Health and Knowledge and accordingly the Company has spent the entire target amount for the FY 2020-21.)

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

Sr. No.	Particulars	Amount (in ₹ lakh)
(i)	Two Percent of average net profits of the Company as per Section 135(5)	345
(ii)	Total amount spent for the Financial Year	216.88
(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

9. **(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 un 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							

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

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration (years)	Total Amount Allocated for the project (in ₹ Lakh)	Amount spent on the Project in the reporting financial year (in ₹ Lakh)*	Cumulative amount spent at the end of reporting Financial Year (in ₹ Lakh)	Status of the Project – Completed/ Ongoing
1	WEL_SP	Sponsorship to Sports Person	2018-19	8	905.00	72.02	187.19	Ongoing
2	WEL_HH	Health & Hygiene related projects	2017-18	9	300.00	40.91	58.53	Ongoing
3	WEL_EVT	Tree Plantation and other Environment project	2019-20	6	175.00	50.00	122.64	Ongoing

* Represents the expenditure incurred by Welspun Foundation for Health and Knowledge (WFHK)

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration (years)	Total Amount Allocated for the project (in ₹ Lakh)	Amount spent on the Project in the reporting financial year (in ₹ Lakh)*	Cumulative amount spent at the end of reporting Financial Year (in ₹ Lakh)	Status of the Project – Completed/ Ongoing
4	WEL_ STF	Staff Salaries Staff Welfare and other Administrative Expense			115.00	10.33	31.49	Ongoing
5	WEL_ ED	Education Projects	2017-18	1	7.00		7.12	Completed
6	WEL_ FA	Financial Aid to the Societies	2017-18	2	210.00		210.00	Ongoing
7	WEL_ LP	Livelihood projects	2017-18	9	380.00	43.62	92.45	Ongoing
8	WEL_ SS	SORI Study	2017-18	1	15.00		14.35	Completed
9	WEL_ COV	COVID 19	2021-22	2	190.00		-	Ongoing
10	WEL_ RS	Road Safety	2021-22	5	80.00		-	Ongoing
	Total				**2,377.00**	**216.88**	**723.77**	

10. 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.
Not Applicable				

11. 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

Sandeep Garg
Managing Director
DIN: 00036419
Mumbai

Aruna Sharma
Chairperson – ESG & CSR Committee
DIN : 06515361
New Delhi

Date: June 16, 2021

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

Sr. No.	Name of the Director	Category	Board Meetings attended during FY 2020-21	Attendance at the 26th AGM	Directorship on the Board of other Companies			Membership/ Chairpersonship in No. of Board / Committees including other Companies (as last declared to the Company)	No. of equity shares held in the Company
					Public	Private	Other Body Corporate		
1)	Mr. Balkrishan Goenka	P,E,C	8/8	Yes	7	1	5	1C,2M	84
2)	Dr. Aruna Sharma	I	8/8	Yes	3	1	3	1C/2 M	-
3)	Mr. Mohan Tandon	I	8/8	Yes	1	-	1	1C,3M	-
4)	Mr. Raghav Chandra	I	8/8	Yes	2	1	2	2M	
5)	Mr. Rajesh R. Mandawewala	P, NE	7/8	Yes	9	7	3	4M	120
6)	Mr. Sandeep Garg – Managing Director	E	8/8	Yes	7	-	-	1M	20,31,000

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

Abbreviations:

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

8 meetings of the Board of Directors were held during the financial year 2020-21 on the following dates: April 11, 2020, May 6, 2020, May 26, 2020, June 1, 2020, July 30, 2020, October 28, 2020, January 28, 2021 and February 22, 2021.

In addition to the above, meetings of the Independent Directors were held on November 3, 2020 and March 24, 2021 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 meetings were 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. Balkrishan Goenka and Ms. Dipali Goenka, who are spouse of each other.

The Board has designated Mr. Mohan Tandon as 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.	Jindal Steel and Power Limited	Independent	N.A.
3	Mr. Mohan Tandon	Professional with experience in Organization Restructuring and designing Productivity-oriented Incentive Schemes.	AYM Syntex Limited	Independent	N.A.
4	Mr. Raghav Chandra	Retd. IAS Officer with areas of specialization- Infrastructure Development and Public-Private Partnerships, Urban Infrastructure, Housing and Public-Private Partnerships, Industrial Infrastructure and Public-Private Partnerships, International Trade, Industry, Business and Finance, Investment Promotion and Corporate Marketing and 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	Non-Independent	N.A.
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 Unitech Limited	Independent	N.A.

The policy on Company's familiarization program (for independent directors) is 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 non-executive directors having accounts and finance background. All the members of the Committee are independent directors.

The composition of the Committee as on the date of this report and attendance of members for meetings held during the financial year 2020-21 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Mohan Tandon	Chairman	5/5
Dr. Aruna Sharma	Member	5/5
Mr. Raghav Chandra	Member	5/5
Mr. Rajesh Mandawewala*	Member	1/5

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

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

5 meetings of the Audit Committee were held during the financial year 2020-21 on the following dates: June 1, 2020, July 30, 2020, October 28, 2020, January 25, 2021 and January 28, 2021.

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

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

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

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

V. NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of 3 non-executive directors. All the members of the Committee are independent directors. During the year under review, 2 meetings of the Committee were held on May 25, 2020 and January 28, 2021.

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 2020-21 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Mohan Tandon	Chairman	2/2
Mr. Raghav Chandra	Member	2/2
Dr. Anoop Kumar Mittal$	Member	-
Mr. Rajesh Mandawewala*	Member	-

* ceased to be member w.e.f. June 16, 2021 $ appointed 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.

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- While appointing any person as director, important aspects like business of the Company; strength, weakness, opportunity and threats to Company's business; existing composition of the board of directors; diversity in background of existing directors; background; skills; expertise and qualification possessed by persons being considered and specific requirements under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as to composition of the Board shall be taken into consideration.
- While identifying persons who may be appointed as independent directors, their qualifications and suitability shall be reviewed to ensure that such candidates will be able to function as directors 'Independently' and avoid any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.
- While recommending appointment of any candidate as Key Managerial Personnel or as a part of senior management, factors such as expectations of the role of the position being considered, qualification, skill, expertise, background, human qualities such as abilities to perform as a part of a team, emotional quotient, etc. shall be taken into consideration.
- The NRC Committee shall recommend remuneration payable to directors, Key Managerial Personnel and senior management personnel taking into consideration top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit.
- The NRC Committee shall further co-ordinate the process of evaluation of performance of directors (including Independent Directors), various committees of the Board and the Board as required under section 178 of the Companies Act, 2013.

The Company's Nomination and Remuneration Policy as required under Section 178(3) of the Companies Act, 2013 is 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 to look into transfer of securities and redress investor's complaints and to review the functioning of the investors grievance redressal system.

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

Name of the Member	Member / Chairman
Dr. Aruna Sharma	Chairperson
Mr. Mohan Tandon	Member
Mr. Raghav Chandra	Member
Mr. Sandeep Garg*	Member

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

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

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 the complaints received during the year under report were resolved within the stipulated time to the satisfaction of the investors/shareholders and no complaint was pending as on March 31, 2021.

VIII. ENVIRONMENTAL, SOCIAL AND GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("ESG & CSR COMMITTEE")

The composition and the terms of reference of the ESG & CSR Committee is as required under Section 135 of the Companies Act, 2013 and the rules made thereunder.

The composition of the ESG & CSR 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. Rajesh Mandawewala*	Member
Mr. Sandeep Garg	Member
Ms. Dipali Goenka@	Member

* ceased to be member w.e.f. June 16, 2021 @ appointed as member w.e.f. June 16, 2021

IX. RISK MANAGEMENT AND PROJECT MONITORING COMMITTEE

The Company has constituted a Risk Management and Project Monitoring Committee in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Name of the Member	Member / Chairman
Mr. Raghav Chandra	Chairperson
Dr. Anoop Kumar Mittal*	Member
Mr. Sandeep Garg	Member

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

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

The objectives and scope of the Committee broadly comprises of periodical review of the risk management process, risks and mitigation plans and provide appropriate advise in the improvement areas, if any, identified during the review.

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
26th Annual General Meeting	Tuesday, June 30, 2020	11:00 a.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	• 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.

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
25th Annual General Meeting	Monday, August 12, 2019	12:30 p.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Appointment of Dr. Aruna Sharma (DIN:06515361), as an independent director. • Appointment of Mr. Raghav Chandra (DIN:00057760), as an independent director. • Authority to the Board of Directors to • mortgage, hypothecate, pledge and/or charge or create any security interest to secure borrowings pursuant to Section 180(1)(a) upto amount not exceeding aggregate of the paid up capital plus free reserves plus securities premium plus ₹ 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..
24th Annual General Meeting	Tuesday, August 14, 2018	12:30 p.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Revision in remuneration of Mr. Balkrishan Goenka (DIN: 00270175) • Borrowing by offer of issue of securities on a private placement basis. • Shifting of the Registered Office from the State of Gujarat to the State of Maharashtra • Modification of WEL-ESOP Scheme 2017

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:** Tuesday, August 31 , 2021 at 4 p.m. through audio-visual means.

b) **Financial Year**: 1st April to 31st March.

c) **Date of Book Closure:** Saturday, August 21, 2021 to Monday, August 23, 2021 (both days inclusive).

d) **Dividend payment date:** From September 1, 2021 onwards.

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

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

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

The unsecured Commercial Papers amounting to ₹ 50 crore are listed on the National Stock Exchange of India as on March 31, 2021.

f) **Stock Market price data, high and low price of equity shares during each month in FY 2020-21 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 – 2020	57.10	38.60	58.10	38.50
May-2020	61.75	47.60	61.80	48.05
June-2020	76.00	58.65	74.50	58.15
July-2020	69.00	55.70	69.40	55.75
August-2020	76.80	54.65	76.45	54.50
September-2020	70.00	56.10	70.15	59.40
October-2020	83.90	65.70	83.00	65.25
November-2020	84.70	74.00	83.70	74.00
December-2020	95.25	81.20	95.45	80.80
January-2021	90.00	74.70	90.00	74.75
February-2021	95.30	76.00	95.95	76.00
March-2021	134.90	84.70	135	85.10

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 – 2020	33,717.62	52.45	9,859.90	52.05
May-2020	32,424.10	57.25	9,580.30	57.45
June-2020	34,915.80	63.50	10,302.10	63.40
July-2020	37,606.89	55.85	11,073.45	56.05
August-2020	38,628.29	66.10	11,387.50	66.00
September-2020	38,067.93	65.90	11,247.55	65.70
October-2020	39,614.07	75.05	11,642.40	75.05
November-2020	44,149.72	81.20	12,968.95	81.50
December-2020	47,751.33	86.40	13,981.75	86.50
January-2021	46,285.77	76.15	13,634.60	76.70
February-2021	49,099.99	85.90	14,529.15	85.35
March-2021	49,509.15	109.20	14,690.70	108.80

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

Link Intime India Private Limited
Unit : Welspun Enterprises Limited
C-101, 247 Park, L.B. S. Marg,
Vikhroli (West), Mumbai – 400 083.
Email - rnt.helpdesk@linkintime.co.in
Tele. No.: +91-224918 6270
Fax No. : +91-224918 6060

i) **Debentures and Debenture Trustee**

The Secured Non-Convertible Debentures issued by the Company are listed on BSE Ltd. 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. Deepak Kumar
Address : Office No. 83-87, 8th Floor,
Windsor,6th floor,Office No.604,
C.S.T. Road, Kalina, Santacruz (East) Mumbai 400098
Tel : +91-22-49220555
Fax : +91-22-49220505
Email : dt@ctltrustee.com
Website : www.catalysttrustee.com

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

k) **Distribution of Shareholding:**

Shareholding Pattern as on March 31, 2021

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto – 500	46,677	88.82	4,917,331	3.30
501-1,000	2,831	5.39	2,217,819	1.49
1,001-2,000	1,372	2.61	2,071,819	1.39
2,001-3,000	478	0.91	1,222,594	0.82
3,001-4,000	203	0.39	732,697	0.49
4,001-5,000	221	0.42	1,052,254	0.71
5,001-10,000	354	0.67	2,683,771	1.80
10,001 and above	416	0.79	133,965,771	89.99
Total	**52,552**	**100**	**148,864,056**	**100**

l) **De-materialization of shares and liquidity:** As on March 31, 2021, 99.84% equity shares have been dematerialized and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Limited.

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

Outstanding as on 31.03.2021	Conversion Date	Likely impact on equity share capital
16,69,000 Stock Options carrying right to subscribe for equal number of equity shares in the Company	The vesting of ESOPs shall happen at the rate of 20% of the total ESOPs granted at each anniversary from 1st to 4th anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.	Increase in equity capital by 16,69,000 equity shares of ₹ 10/- each.

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

Facilities	Rating Agency	Credit Rating at the beginning of the year (i.e. on 01.04.2020)	Credit Rating at the end of the year (i.e. on 31.03.2021)
Non - Convertible Debentures	Brickwork Ratings / Acuite Ratings & Research Ltd	NIL	BWR AA-/Acuite AA-
Commercial Papers	CARE Ratings Limited / Brickwork Ratings / Acuite Ratings & Research Ltd	CARE A1+ / BWR A1+	BWR A1+/Acuite A1+

o) Project locations of the Company and its subsidiaries:

- **Company**

Sr. No.	Company	Location	State	Nature of Business	Remark
1	Welspun Enterprises Limited	Mohali	Punjab	Project-EPC	COD achieved on 12 Oct 19. Under O&M
2	Welspun Enterprises Limited	Delhi	Delhi	Project-EPC	COD achieved on 28 June 18. Under O&M
3	Welspun Enterprises Limited	Aunta-Simaria	Bihar	Project-EPC	-
4	Welspun Enterprises Limited	Chutmalpur-Ganeshpur and Rorkee-Chutmalpur-Gagalheri	Uttar Pradesh & Uttarakhand	Project-EPC	PCOD 05-Aug-2020
5	Welspun Enterprises Limited	Gagalheri-Sahranpur-Yamunanagar	Uttar Pradesh	Project-EPC	PCOD 31-Oct-2020
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	Provisional COD received from MPSIDC on 30.04.19 Under O&M
2	Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited)	Himmatnagar	Gujarat	Project- BOT	Currently Project is operational
3	Welspun Project (Kim Mandvi Corridor) Private Limited (Formerly known as MSK Projects (Kim Mandvi Corridor) Private Limited)	Kim Mandvi	Gujarat	Project- BOT	Project handed over to GSRDC on 07.04.18
4	Welspun Delhi Meerut Expressway Private Limited	Delhi	Delhi	Project- Hybrid Annuity	-
5	Welspun Aunta-Simaria Project Private Ltd	Aunta - Simaria	Bihar	Project- Hybrid Annuity	-
6	Welspun Sattanathapuram Nagapattinam Road Private Limited	Sattanathapuram Nagapattinam	Tamil Nadu	Project- Hybrid Annuity	-
7	Welspun Road Infra Private Limited	Amaravati Akola-	Maharashtra	Project- Hybrid Annuity	-
8	Welspun Infrafacility Private Limited	Mukarba Chowk Panipat	Haryana	Project – DBOT	-

p) 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(h) to the Directors' Report.

q) 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. 47 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 available 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. 54 of Notes to Accounts annexed to the Standalone Financial Statement.

c) Non-Compliance

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

d) Policy for determining 'material' subsidiaries

The Company's policy on determining material subsidiaries as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under:

"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 some of the clients with provision for contract price escalation based on CPI and WPI movements.

We adopt various measures to insulate the company from commodity price fluctuations- depending upon the nature of the subcontractor, from 'back-to-back' contracts, wherein, we enter into subcontracts on the same terms on price escalation as mentioned in our concession agreement/ contracts to 'Star rate' contract, wherein, we utilize the efficiency of our central procurement and extend the support to the subcontractors, keeping adequate provision for escalation.

The Company also enters into 'Fixed price contracts' with few clients based on the requirement as a business strategy . While this protects project margin , suitable provisions are made in the project cost as 'contingency' to take care of commodity price risks during the project execution.

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 2020-21."

Sandeep Garg
Managing Director
DIN: 00036419

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, 2021, as stipulated in Clause 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 has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We state that in respect of investor's grievance received during the year ended March 31 2021, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2021, 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

Mihen Halani (Proprietor)
CP No: 12015
FCS No: 9926
UDIN: F009926C000156578

Place: Mumbai
Date: April 28, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Welspun Enterprises Limited
CIN: L45201GJ1994PLC023920

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welspun Enterprises Limited bearing CIN - L45201GJ1994PLC023920 and having registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 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, 2021 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

Mihen Halani (Proprietor)
CP No: 12015
FCS No: 9926
UDIN: F009926C000156578

Place: Mumbai
Date: April 28, 2021

Business Responsibility Report

ABOUT THE REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1)	Corporate Identity Number (CIN) of the Company	:	L45201GJ1994PLC023920
2)	Name of the Company	:	Welspun Enterprises Limited
3)	Registered Address	:	Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110
4)	Website	:	www.welspunenterprises.com
5)	E-mail id	:	companysecretary_wel@welspun.com
6)	Financial Year Reported	:	Financial year 2020-21
7)	Sector(s) that the Company is engaged in (industrial activity code-wise):	:	Construction and maintenance of roads and highways utilities, etc. NIC Industrial Activity Code: 42101.
8)	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	The Company is engaged in infrastructure development (Engineering, Procurement and Construction ('EPC') and Build, Operate and Transfer (BOT) basis). It is also engaged in carrying out Operation and Maintenance ("O&M") activities for the transportation sector projects.
9)	Total number of locations where business activity is undertaken by the Company:	:	Number of International Locations: Nil Number of National Locations: The Company has business activities undertaken in 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	:	National level markets in India

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1)	Paid Up Capital (INR)	:	₹ 14,886 lakhs
2)	Total Turnover (INR)	:	₹ 141,019 lakhs
3)	Total Profit after Taxes (INR)	:	₹ 10,745 lakhs
4)	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	:	Contribution to Welspun Foundation for Health and Knowledge (WFHK) - ₹ 345 lakhs Amount to be spent as per section 135 of the Companies Act 2013 - ₹ 345 lakhs Amount spent by WFHK during the year on acquisition of asset – nil On purposes other than above - ₹ 217 lakhs
5)	List of activities in which expenditure in 4 above has been incurred:	:	Donations towards: Project Wel Netrutva- empowering women through (a). Livelihood and skill development (b). Healthcare For further information, please refer to Principle 8

SECTION C: OTHER DETAILS

1) **Does the Company have any Subsidiary Company/ Companies?**

Yes. As of 31st March 2021, the company has 14 subsidiary companies as listed below:

1) Welspun Natural Resources Private Limited
2) Welspun Project (Himmatnagar Bypass) Private Limited (Formerly known as known as MSK Projects (Himmatnagar Bypass) Private Limited)
3) Welspun Project (Kim Mandvi Corridor) Private Limited (Formerly known as MSK Projects (Kim Mandvi Corridor) Private Limited)
4) ARSS Bus Terminal Private Limited
5) Welspun Delhi Meerut Expressway Private Limited
6) Dewas Waterprojects Works Private Limited
7) Welspun Build-Tech Private Limited
8) Welspun Aunta - Simaria Project Private Limited
9) Welsteel Enterprises Private Limited
10) DME Infra Private Limited
11) Welspun Sattanathapuram Nagapattinam Road Private Limited
12) Welspun Road Infra Private Limited
13) Welspun Infraconstruct Private Limited (Formerly Known as Welspun Amravati Highways Private Limited
14) Welspun Infrafacility Private Limited

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)**

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

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

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

SECTION D: BR INFORMATION

1) **Details of Director/Directors responsible for BR**

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

Name	DIN Number	Designation
Mr. Sandeep Garg	00036419	Managing Director

b) **Details of the Business Responsibility Head**

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

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

Details of compliance

<table>
<tr><th>No.</th><th>Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>1</td><td>Do you have policy/policies for:</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Has the policy been formulated in consultation with relevant stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td colspan="9">The policies have been formulated in consultation with the Management of the Company.</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Does the policy conform to any national/international standards? If yes, specify? (50 words)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td colspan="9">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.</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Has the policy been approved by the Board?
If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td colspan="9">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.</td></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td colspan="9">WEL has appointed the Managing Director who is also the BR Head and responsible for implementation of BR policies and to oversee the BR performance.</td></tr>
<tr><td rowspan="2">6</td><td rowspan="2">Indicate the link to view the policy online?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td colspan="9">The policies can be viewed on the website of the Company at www.welspunenterprises.com. All the policies are made available for all employees of the Company.</td></tr>
<tr><td>7</td><td>Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td>8</td><td>Does the Company have in-house structure to implement its policy/policies?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td rowspan="2">9</td><td rowspan="2">Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td colspan="9">The queries regarding to BR polices can be sent to CompanySecretary_WEL@welspun.com</td></tr>
<tr><td rowspan="2">10</td><td rowspan="2">Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y*</td></tr>
<tr><td colspan="9">WEL has various kinds of audits carried out like Internal Audit, Vendor Audit, Compliance Audit, etc. that are independent and cover specific policies. These audits and evaluations are conducted by external agencies as well as by internal teams.</td></tr>
</table>

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

3. **Governance related to BR**

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

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

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

Yes, the Business Responsibility Report has been published along with the Annual Report of WEL for Financial year 2020-21 and it can be viewed at: www.welspunenterprises.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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, ECCP Manual and Whistleblower Policy extends to all employees of Welspun Group, including the Board of Directors and any third parties that WEL engages in the course of its business.

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.**

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

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

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

WEL believes environment, health and safety (EHS) programs in the infrastructure projects can do an effective way to create sustained awareness around a safer, healthier and more productive work environment in the planning stage and enhance the productivity with more proactive approach to minimizing risk. Sustainability aspects, including energy and optimum resource conservation are integrated into our design and engineering phase. Material recycling and use of alternate materials are practiced by our infrastructure business wherever possible as we follow strict design requirements. We employ and engage with the best business partners and contractors who demonstrate superiority and excellence in projects

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

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

a) **Environmental Planning**

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

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

As part of the Good Environmental Practices, all affirmative actions are deliberated. Based on project specific & generic mitigation and enhancement measures are proposed. These mitigation and enhancement measures shall lead to generating goodwill among the various stakeholders and road users and go a long way in making the project success.

WEL undertakes efforts to protect trees at sites by also considering the possibility of slight change in the design stage with making possibilities for replantation. The impacts generated during construction and operational phase of the roads along with management plan for these impacts has been discussed in Environmental Management Plan. The plan shall provide guidelines & help the staff of WEL in implementing and incorporating environmental management practices to reduce negative environmental impacts of the project.

b) Health and Hygiene Planning:

WEL is responsible for ensuring that all occupational health and well being of their workers is maintained in the course of carrying out their contractual requirements. Pre employment medical examination for all direct employees / workmen to ensure that they are fit for the job/ work to which they will be assigned and they do not suffer from a condition which will be made worse by their job. Identification of potential occupational health hazards that affect the employees/ workers at the workplace are carried out along with health awareness campaign.

c) Safety Planning

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

Safety is everyone's concern – from the WEL's owners all the way down to the lowest ranking employee. Every person has the right to stay safe and healthy in their workplaces, and with such rights, come obligations for the company and its owners to put into place – systems that'll minimize workplace-related accidents and their potential impacts on both the workers and the enterprise.

Once the project is announced, a comprehensive HSE Plan is developed according to the project execution methodology. The two key areas been identified i.e occupational safety during the construction & commissioning phase along with operational & maintenance period. To achieve the effectiveness of the HSE plan, WEL team follow the Golden safety rule along with standard operating procedure for Safety such as;

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

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

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

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

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

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

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

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

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

i) **Toolbox Meeting:** WEL project sites conduct safety briefing to facilitate health and safety discussions on the job site and promote a safety culture. Daily Tool Box Talk (TBT) is an informal safety meeting that focuses on safety topics related to the specific job, such as workplace hazards and safe work practices before the commencement of a job or work shift. TBT is an effective method to refresh workers' knowledge, cover last-minute safety checks, and exchange experienced workers' information.

ii) **Hazard Identification Risk Assessment: T**eam at WEL project sites conduct hazard identification and risk assessment (HIRA) and detailed methodology for medium and high risk activities. All relevant department team lead and HSE teams including contractor team lead involved in risk assessments process. All Identified risks and risk mitigation plans are documented, approved by project manager and communicated to the concern construction manager for implementation. The HIRA is applicable for project sites, casting yard, project office including routine and non- routine activities.

iii) **HSE Committee Meeting:** WEL Project sites conducts monthly committee meeting with the 50% participation of sub-contractor workmen and equal proportion of WEL team representative with structured agenda along with action plan, target date and accountable person. The meeting conduct last week of every month. During the COVID 19 pandemic period the virtual meetings are being conducted to assure the effectiveness of system and implementation.

iv) **HSE Inspection:** Daily site safety inspections are being conducted by site HSE representative and according to the hazard, the suitable control measures are taken. As part of inspection schedule, the SOP and job related approved checklist maintained for reference.

HSE Walk through inspections are being conducted on fortnightly basis by the team of WEL site senior management, sub-contractor project management and HSE manager to check the site safety compliance according to the HSE plan and applicable legal requirement. Prompt actions and compliances are being initiated for closeout the observation raised during inspection.

v) **Road Signage and Diversion:** Adequate road signage are being installed as per the guidelines of IRC: SP: 55 2014. Caution boards / safety poster prepared and installed at work location for awareness. Traffic diversion plan is being prepared and approved by traffic police before going for implementation. The board visibility is clear from 500 meters distance provided with 3M reflective tapes and blinkers.

vi) **Training:** Dedicated training room with tailor made training topics were discussed with team of WEL staff and sub-contractor workmen. The induction training starts with all new joiner including workmen. Training calendar is prepared to cover all the potential issues of project site including the basic safety topics which improve the focus towards HSE implementation at site.

vii) **Accident Reporting:** WEL encourage the reporting of all incident from first aid cases to near miss cases which may lead to the major injury in future. The near miss incident including potential near miss incident are investigated to prevent the reoccurrence in future.

viii) **Accident Investigation:** WEL religiously conduct the accident investigation for all loss time accident, potential near miss cases and dangerous occurrences. An investigation is conducted to identify the root cause of an accident in an effort to make recommendations or take corrective actions to prevent the future occurrence of the same or a similar event. The committee formed at site to find the exact root causes i.e not followed the methodology, resource management, human error, failure of plant & equipment, poor environmental conditions and use of personal protective equipment.

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?

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

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 them to take adequate measures to ensure efficient use of the raw materials, conservation of water, waste management and energy reduction during the design as well as implementation stages of our infrastructure projects.

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

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

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

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

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

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

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

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.

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

Waste Type	Usage/ Activities	Disposal Mechanism
Steel Scrap	It constitutes mainly Rebar steel cut pieces and damaged shuttering material	Sent to recyclers which further goes for re-melting and reuse.
Batteries	We have a number of mobile equipment like rollers, excavators, Cranes, Loaders, etc. that use batteries	Whenever the battery is discharged, it is sold / returned to the battery supplier in exchange of new battery.
Used / Waste Oil	After the useful life engine oil needs to be changed. This oil is collected in drums.	After economical size for transportation is collected, it is disposed off to authorized oil recyclers. This used oil is centrifuged by recyclers at high rpm to separate out burnt constituents, again add required essential components of oil and sell in market.

Waste Type	Usage/ Activities	Disposal Mechanism
Milled Material	The material after milling process is collected. Depending on the quality and characteristics of milled material after testing, it is used in the Hot Mix Plant approved design mix.	Alternatively, it is disposed if the material is not suitable for highway construction to other users.
Unsuitable Earth	In the cleaning and grubbing stage, a large portion of the soil is excavated.	Fertile soil is stored and used for median filling or for plantation. The black cotton soil excavated is taken by villagers to their farms for cultivation purposes.
Construction debris	Concreting activity is carried out using modern techniques so minimal amount of waste is generated.	The generated waste is used for land filling or disposed off as per statutory requirements. Villagers frequently use this as foundation material or for local road construction.
Cut Trees	Tree clearance is required at times for project execution as per design plan	As per regulations, in cases of tree clearance, the wood is taken by Forest department for its disposition as furniture wood or fuel.
Camp Waste	There are two main type of waste generated at camps – food waste and trash	Food waste is disposed off to a piggery and trash is sent for disposal to nearby municipality area.
Retro Reflective Sheets (RRS)	Used for signage on highway and construction activities	Damaged or torn RRS are taken by the villagers to make sheds for their animals or usage in their houses.

Principle 3: Businesses should promote the wellbeing of all employees

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

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

1) **Please indicate the Total number of employees.**

   WEL has a total of 398 employees as on March 31, 2021

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

   WEL hired no employees on temporary/ contractual/casual basis as on March 31, 2021

3) **Please indicate the Number of permanent women employees.**

   WEL has 41 permanent women employees as on March 31, 2021.

4) **Please indicate the Number of permanent employees with disabilities**

   WEL has 2 employees with disability as on March 31, 2021.

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

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

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

   Not Applicable

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

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

Category	No. of complaints received during the financial year	No. of complaints pending at the end of the financial year
Child Labour/ Forced Labour/ Involuntary Labour	0	0
Sexual Harassment	1	0
Discriminatory employment	0	0

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

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

Working towards our long-term objective of building a Digital Learning Culture, 'WeLearn' our online training module has helped us to create learning opportunities for our employees. Availability of WeLearn on mobile applications has allowed users to access a wide range of courses ranging from Project Management, Digital Infrastructure to Team Management & Emotional Intelligence. The course catalog includes Videos, E Books, Audio Books & Webinars. In addition to this, few courses are also assigned to employees as per their training needs. This portal has 317 users with over 95% active usage. Employees have embraced this new learning tool as it allows them to learn at their own pace & interest.

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

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

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

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

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 & Banks

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

We have a well-established system to identify the disadvantaged, vulnerable & marginalized stakeholders. Through our initiatives and beneficiary selection format we try to reach out to the most vulnerable and economically backward section of the community. Our livelihood initiative mostly benefits the women in the village. Emphasis is also laid on women healthcare through specific initiatives in communities.

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, check the current conditions and shortlist villages based on vulnerabilities.
- Rapid assessment of the village is conducted to help us understand the need of the village in terms of health, livelihood and gender disparity. During this need assessment primary and secondary data is also analyzed.
- Designing the program approaches and activities as per the assessment report.

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

Principle 5: Businesses should respect and promote human rights

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

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

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 Group's Human Rights Policy extends to our workforce, communities, contractors, suppliers and those impacted by our operations. We work with subcontractors as well as suppliers to prevent incidents of child labour or forced labour and raise their awareness to ensure our operations as well as supply chain uphold human rights. We do not tolerate disrespectful, inappropriate behavior, unfair treatment and harassment of any kind at the workplace and in any work-related circumstance outside the workplace.

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. We have a dedicated Human Rights Committee for addressing employee concerns against such violations. The employees can report cases by sending a letter or email to humanrights@welspun.com without worry of reprisal or retaliatory action against them. During the reporting year, there have been no stakeholder complaints regarding violation of human rights.

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

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

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

Our Environment, Health, Safety and Quality (EHSQ) Policy related to Principle 6 extends to all permanent and contractual employees, suppliers and contractors. WEL accords highest priority to sustainable operations and protection of environment and safety of our workforce.

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

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

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

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

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

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

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

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

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

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.

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.**

WEL has no pending show cause or legal notices from CPCB/ SPCB as on March 31, 2021.

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

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

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 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 programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

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

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

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

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

We also facilitate Government initiatives to benefit the communities.

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 2 years therefore the detailed impact evaluation will be done after 3-4 years of implementation. The outcomes achieved from our Wel Netrututva - healthcare and livelihood CSR interventions are highlighted below:

Health inputs for achieving outcomes	Adolescent (total 3130 beneficiaries)	Women (total 4490 beneficiaries)	Community (from 21 villages)
Preventive health care; focus in on changing health seeking behaviour through BCC methods and creating enabling environment by involvement of stakeholders	• 603 BCC sessions organized, attended by over 12,500 participants • 65 Counselling sessions organized benefiting over 1,400 young girls and women • 65 awareness sessions were organized in which over 12,000 members participated		
Curative health care: to provide health services for immediate response, slowly linking them with Public health system for sustainability	• 61 OPD were organized benefiting over 2,200 patients • 6 Multi specialist health camp organized benefiting over 1,200 patients • 2,523 women and young girls were screened for Anemia/cancer and provided treatment accordingly through convergence		

- **Livelihood**
  - o 62 sustainable SHGs formed in a village reaching out to 622 women.
  - o 6 farm based trade established reaching out to 229 women.
  - o 144 women reached through non-farm based trades
  - o Total 371 entrepreneur established with an average earning of ₹ 1500 per month

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

For the year ended March 31, 2021, WEL's contribution to community development projects through WFHK have been reported under Section A - General Information about the company, in the BRR

Activities:

- **Healthcare**
  - o Sanitary Napkins entrepreneurship provided availability in target areas.
  - o Preventive health services such as awareness sessions and trainings on various issues.
  - o Curative health services like OPD, counselling session, screening of anemia, reproductive tract infections (RTIs), sexually transmitted infections (STIs) and cancer treatment carried out.
  - o Convergence of programs with public health systems and government schemes.

- **Livelihood**
  - o Formation of Self-Help Groups (SHGs) and successfully linking them to the banking schemes.
  - o Market mapping and analysis, identification of business avenues, linkages and partnerships for enterprises.
  - o Capacitating women on set enterprise skills.
  - o Hand holding the enterprises for enabling scalability.

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.

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

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

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

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.**

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

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 Limited** ("the Company"), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. BASIS FOR OPINION

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

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2021. 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:
▪ 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.	▪ 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 Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report and Chairman's Statement but does not include the standalone financial statements and our auditor's report thereon.

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

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

5. MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial

controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

   e) On the basis of the written representations received from the directors of the Company as on 31 March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

   ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long-term contracts. The Company did not have any long-term derivative contracts as at 31 March 2021.

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

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 16 June 2021
UDIN: 21048215AAAAFZ8821

Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 7 (A) under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2021

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

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

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

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

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

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans and investments made, and guarantees and securities provided by it.

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

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

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

a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relate	Forum where dispute is pending
The Income Tax Act, 1961	Penalty	10	F.Y. 2007-08 to F.Y. 2009-2010	Assistant Commissioner of Income Tax
	Income Tax	6	F.Y. 2007-2008, F.Y. 2009-10 and F.Y. 2018-19	Assistant Commissioner of Income Tax
	Income Tax	1,762	F.Y. 2009-10 to F.Y. 2017-18	Commissioner of Income Tax (Appeals)
	Income Tax	121	F.Y. 2012-13 and F.Y.2013-14	Income Tax Appellate Tribunal
	Income Tax	29	F.Y.2017-2018 to F.Y2020-21	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
		2,173	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	171	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	2.39	F.Y.2014-15	Deputy Commissioner of Commercial Tax, Vadodara

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders as at the balance sheet date. The Company has not have any loans or borrowings from government as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer. In our opinion, and according to the information and explanations given to us, the moneys raised by way of debt instruments and term loans have been applied for the purposes for which they were obtained.

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

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

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

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

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

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

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

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 16 June 2021
UDIN: 21048215AAAAFZ8821

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(B)(f) under "Report on Other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2021

We have audited the internal financial controls over financial reporting of **Welspun Enterprises Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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, 16 June 2021
UDIN: 21048215AAAAFZ8821

Balance Sheet

At at March 31, 2021

(₹ in lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	2,425	2,770
(b) Right-of-use assets	5	431	387
(c) Financial assets			
(i) Investments	6	136,344	107,685
(ii) Loans	7	25,144	9,141
(iii) Other financial assets	8	6,169	307
(d) Deferred tax assets (net)	38	309	789
(e) Non-current tax assets (net)	9	1,894	746
(f) Other non-current assets	10	522	533
Total non-current assets		**173,238**	**122,357**
2. Current assets			
(a) Inventories	11	489	68
(b) Contract assets	12	28,221	32,551
(c) Financial assets			
(i) Investments	13	14,761	35,617
(ii) Trade receivables	14	20,884	34,101
(iii) Cash and cash equivalents	15	15,576	10,963
(iv) Bank balances other than (iii) above	16	1,154	1,116
(v) Loans	17	37,532	6,721
(vi) Other financial assets	18	58	5,340
(d) Other current assets	19	24,265	16,543
Total current assets		**142,940**	**143,020**
Assets held-for-sale	20	2,497	2,497
		145,437	**145,517**
Total assets		**318,675**	**267,875**
Equity and liabilities			
Equity			
(a) Equity share capital	21(a)	14,886	14,846
(b) Other equity	21(b)	166,998	158,705
Total equity		**181,884**	**173,551**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	46,828	371
(ii) Other financial liabilities	23	180	153
(b) Provisions	24	2,940	2,912
Total non-current liabilities		**49,948**	**3,436**
2. Current liabilities			
(a) Contract liabilities	25	25,992	9,906
(b) Financial liabilities			
(i) Borrowings	26	9,732	27,661
(ii) Trade payables	27		
- Due of micro enterprises and small enterprises		411	2
- Due of creditors other than micro enterprises and small enterprises		30,520	28,728
(iii) Other financial liabilities	28	17,934	22,161
(c) Provisions	29	243	209
(d) Other current liabilities	30	2,011	2,221
Total current liabilities		**86,843**	**90,888**
Total equity and liabilities		**318,675**	**267,875**

Notes forming part of the standalone financial statements 1 to 59

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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in lakhs)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	31	141,019	176,005
Other income	32	2,897	5,258
Total income		**143,916**	**181,263**
Expenses			
Cost of materials	33	605	862
Subcontracting, civil and repair work		107,855	140,036
Employee benefits expense	34	8,078	8,399
Finance costs	35	4,452	2,537
Depreciation and amortisation expense	36	1,225	1,944
Other expenses	37	7,596	6,078
Total expenses		**129,811**	**159,856**
Profit before tax		**14,105**	**21,407**
Tax expense	38		
- Current tax		2,891	5,728
- Deferred tax charge/ (credit)		469	(255)
Total tax expense		**3,360**	**5,473**
Profit for the year		**10,745**	**15,934**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan	46	41	20
Income tax effect on above		(10)	(5)
Other comprehensive income for the year (net of tax)		**31**	**15**
Total comprehensive income for the year		**10,776**	**15,949**
Earnings per equity share of ₹10 each fully paid up	42		
Basic (₹)		7.22	10.75
Diluted (₹)		7.17	10.61

Notes forming part of the standalone financial statements 1 to 59

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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flow from operating activities**		
	Profit before tax	14,105	21,407
	Adjustments for		
	Depreciation and amortisation expense	1,225	1,944
	Gain on sale/discard of property, plant and equipment (net)	(1)	(565)
	Interest income	(1,419)	(1,966)
	Finance costs	4,452	2,537
	Provision for employee benefits	105	20
	Net gain on financial assets mandatorily measured at FVTPL	(1,365)	(2,108)
	Reversal of provision no longer required	(63)	(11)
	Unwinding of discount on security deposits	(10)	(9)
	Balances written off	133	-
	Share based payments to employees	531	884
	Dividend income	(9)	(579)
	Operating profit before working capital changes	**17,684**	**21,554**
	Adjustments for		
	Decrease / (Increase) in trade and other receivables	6,352	15,046
	(Decrease) / Increase in trade and other payables	14,100	(19,927)
	Decrease / (Increase) in inventories	(421)	4
	Cash generated in operating activities	**37,715**	**16,677**
	Direct taxes paid	(4,039)	(6,259)
	Net cash generated/ (used) in operating activities (A)	**33,676**	**10,418**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(177)	(1,116)
	Sale of property, plant and equipment	3	1,956
	Profit/ (loss) on sale of current investments (net)	9	(293)
	Investment in subsidiaries	-	(8,858)
	Investment in other entities	(12)	-
	Advance for investment	-	(5,224)
	Redemption of investment	5,224	-
	Loans given to subsidiaries	(70,234)	(25,641)
	Loans given to joint venture companies	(20,718)	(9,969)
	Loans given to associate	(133)	(41)
	Loans given to subsidiaries repaid	14,180	16,592
	Loans given to joint ventures repaid	3,640	2,930
	Loans given to associate repaid	84	23
	Loans given to others repaid	-	10
	Redemption of investment in optionally convertible debentures	699	1,171
	Proceeds from redemption of optionally convertible debentures of wholly owned subsidiary	-	5,000
	Increase/ (Decrease) in other bank balances	(6,034)	1,108
	Inter-corporate deposits given repaid	50	-
	Dividend received	9	579
	Interest received	1,704	3,998
	Net cash used in investing activities (B)	**(71,706)**	**(17,775)**

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in lakhs)

		Year ended March 31, 2021	Year ended March 31, 2020
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	47,500	5,094
	Repayment of long-term borrowings	(2,951)	(3,025)
	(Decrease)/ Increase in short-term borrowings (net)	(18,982)	11,996
	Finance costs paid	(1,568)	(2,515)
	Principal payment of lease liability	(360)	(321)
	Dividend paid (Including tax on dividend in previous year)	(2,974)	(3,456)
	Net cash generated from financing activities (C)	**20,665**	**7,773**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(17,365)**	**415**
	Cash and cash equivalents at the beginning of the year	46,720	45,365
	Cash and cash equivalents of Anjar Road Private Limited (Refer Note 50)	-	940
	Cash and cash equivalents at the end of the year	**29,355**	**46,720**

Notes:

1.	**Break up of cash and cash equivalents as follows**	Year ended March 31, 2021	Year ended March 31, 2020
	Current investments (net of fair value adjustments)	14,564	35,757
	Cash and cash equivalents	15,576	10,963
	Less : Bank overdraft	(785)	-
		29,355	**46,720**

2. As required by Ind AS 7 “Statement of Cash Flows”, a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 56

3. The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 56

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

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

	Note	Balances
Balances as at April 01, 2019	21 (a)	14,808
Changes in equity share capital		38
Balances as at March 31, 2020	21 (a)	14,846
Changes in equity share capital		41
Balances as at March 31, 2021	21 (a)	14,886

B. OTHER EQUITY

(₹ in lakhs)

	Notes	Reserves and surplus						Total other equity
		Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve	Retained earnings	
Balance as at April 01, 2019 (A)		**22,355**	**92,851**	**1,662**	**521**	**322**	**27,409**	**145,120**
Profit for the year		-	-	-	-	-	15,934	15,934
Other comprehensive income for the year		-	-	-	-	-	15	15
Total comprehensive income for the year (B)		**-**	**-**	**-**	**-**	**-**	**15,949**	**15,949**
Compensation options granted	44 & 21 b	-	-	884	-	-	-	884
Exercise of share options	44 & 21 b	-	485	(522)	-	-	-	(38)
Scheme of Amalgamation	50	-	-	-	-	246	-	246
Dividend paid		-	-	-	-	-	(2,962)	(2,962)
Dividend distribution tax paid		-	-	-	-	-	(494)	(494)
Total (C)		**-**	**485**	**362**	**-**	**246**	**(3,456)**	**(2,364)**
Balance as at March 31, 2020 (D=A+B+C))		**22,355**	**93,336**	**2,024**	**521**	**568**	**39,902**	**158,705**
Profit for the year		-	-	-	-	-	10,745	10,745
Other comprehensive income for the year		-	-	-	-	-	31	31
Total comprehensive income for the year (E)		**-**	**-**	**-**	**-**	**-**	**10,776**	**10,776**
Compensation options granted	44 & 21 b	-	-	531	-	-	-	531
Exercise of share options	44 & 21 b	-	525	(566)	-	-	-	(41)
Dividend paid	56	-	-	-	-	-	(2,974)	(2,974)
Total (F)		**-**	**525**	**(35)**	**-**	**-**	**(2,974)**	**(2,484)**
Balance as at March 31, 2021 (G = D+E+F))		**22,355**	**93,861**	**1,989**	**521**	**568**	**47,705**	**166,998**

Statement of changes in equity

for the year ended March 31, 2021

Nature and purpose of reserves

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

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

c) **Share options outstanding account**
The share options outstanding account represents the value of equity settled share based payment provided to employees as part of their remuneration. Refer note 44 for further details of this plan.

d) **Amalgamation reserve**
It represents reserve arising out of amalgamation of two subsidiaries with the Company.

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

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

Notes forming part of the standalone financial statements 1 to 59

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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Notes Forming Part of the 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 2020-21 were authorised for issue in accordance with a resolution of board of directors on June 16, 2021.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

c) Defined benefit plan assets and liabilities

d) Share based payments

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

Notes Forming Part of the Financial Statements

clause based on timely construction or other performance criteria known as variable consideration, discussed below. Revenue is recognized over time in the construction stream, when the customer simultaneously receives and consumes the benefits provided through the entity's performance or when the Company creates or enhances an asset that the customer controls.

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

b) **Toll collection**

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

c) **Services revenue**

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

d) **Variable consideration**

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

e) **Sale of goods**

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

f) **Contract Balances Contract assets and contract liabilities**

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

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

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,

Notes Forming Part of the Financial Statements

the difference is recognised (as a contract liability) and presented in the statement of financial position under "Contract liabilities".

Trade receivables

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

g) **Cost to obtain a contract**

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

i) **Interest income**

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

j) **Dividend income**

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

iii) **Exceptional items**

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

iv) **Leases**

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

Company as a lessee

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

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

Notes Forming Part of the Financial Statements

over the shorter of the lease term of useful lives of the leased assets.

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

ii) **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

v) **Property, plant and equipment**

Freehold land is carried at cost. Other property, plant and equipment acquired are measured on initial recognition at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act 2013. If the management estimate of the useful life of assets at the time of acquisition of assets or remaining useful life on a subsequent review is shorter/ longer than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate/ lower rate based on the management estimate of the useful life/ remaining useful life. Property, plant and equipment, costing individually ₹ 5,000 or less are depreciated fully in the year of purchase.

Notes Forming Part of the Financial Statements

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

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 or net realizable value. Cost is determined on FIFO basis.

Notes Forming Part of the Financial Statements

ix) **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

x) **Non-current assets held-for-sale**

The Company classifies non-current assets as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held-for-sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held-for-sale are not depreciated or amortized.

xi) **Employee benefits**

a) **Short-term benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

b) **Defined benefit plans**

Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

c) **Defined contribution plans**

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

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,

Notes Forming Part of the Financial Statements

in the statement of profit and loss, with a corresponding adjustment to equity.

xiii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds.

xiv) Taxes on income

a) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred income tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognized for all taxable temporary differences; and deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Notes Forming Part of the Financial Statements

in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

xvi) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xvii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

xviii) Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. when discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

b) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurence or non occurence of one or more uncertain future events beyond the control of the Company or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Notes Forming Part of the Financial Statements

Contingent asset is not recognized, but its existence is disclosed in the financial statements.

xix) Investment in subsidiaries, associates and joint venture companies

The Company has accounted for its investment in subsidiaries, associates and joint venture companies at cost.

xx) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a) Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments measured at amortised cost

ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments measured at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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.

Notes Forming Part of the Financial Statements

Interest income from these financial assets is included in other income.

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, 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

Notes Forming Part of the Financial Statements

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.

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

Notes Forming Part of the Financial Statements

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) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

a) Changes in existing presentation requirements for certain items in Balance Sheet. For eg. Lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on equity share capital.

b) Additional disclosures requirements in specified formats. For eg Trade receivables, trade payables, capital work-in-progress, intangible assets, shareholding of promoters.

c) Disclosure if fund have been used other than for the specific purpose for which it was borrowed from bank and financial institutions.

d) Additional Regulatory Information such as compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

e) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3(C) SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities . Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a) Contract estimates

The Company prepares budgets in repect of each EPC projects to compute project profitability and construction revenue under percentage of completion method. The major component of contract estimate is budgeted cost to complete the contract. Due to complexities involved in the budgeting process, contract estimates are sensitive to changes in these assumptions. Budgeted costs are reviewed at each reporting date.

b) Provision for employee benefits

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in

Notes Forming Part of the Financial Statements

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 46.

c) **Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

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 39).

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

Notes Forming Part of the Financial Statements

share-based payment transactions are disclosed in note 44.

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, 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.

i) Impact of COVID-19 (Pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in forecast cost of long term construction contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

3(D) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notification which would have been applicable from April 1, 2021.

Notes Forming Part of the Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office and other Equipments	Computers	Total
Gross carrying amount								
Balance as at April 01, 2019	**88 ***	**6**	**5,662**	**93**	**2,135**	**137**	**28**	**8,150**
Additions	-	-	1,602	13	301	36	18	1,970
Disposals	48	-	458	-	193	0	-	699
Reclassification as held for sale	-	-	3,318	-	1,050	-		4,369
Balance as at March 31, 2020	**40**	**6**	**3,488**	**106**	**1,193**	**173**	**46**	**5,052**
Additions	-	223	104	16	3	142	52	539
Disposals	-	-	-	-	30	-	4	35
Balance as at March 31, 2021	**40**	**229**	**3,592**	**121**	**1,165**	**316**	**94**	**5,557**

	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office and other Equipments	Computers	Total
Accumulated depreciation								
Upto April 01, 2019	**-**	**2**	**1,368**	**23**	**387**	**64**	**18**	**1,862**
Additions	-	0	1,114	22	442	48	12	1,637
Disposals	-	-	167	-	61	-	-	228
Reclassification as held for sale	-	-	672	-	316	-	-	989
Upto March 31, 2020	**-**	**2**	**1,643**	**45**	**451**	**112**	**30**	**2,283**
Additions	-	3	546	20	228	69	16	881
Disposals	-	-	-	-	29	-	4	33
Upto March 31, 2021	**-**	**5**	**2,188**	**65**	**650**	**181**	**42**	**3,132**
Net carrying amount								
Balance as at March 31, 2021	**40**	**224**	**1,404**	**56**	**515**	**135**	**52**	**2,425**
Balance as at March 31, 2020	**40**	**4**	**1,846**	**61**	**741**	**62**	**16**	**2,770**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Net carrying amount		
Property, plant and equipment	2,425	2,770

Note

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

For details of property, plant and equipment pledged as security, refer note 22 & 26.

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5 RIGHT-OF-USE ASSETS

(₹ in lakhs)

	Leased premises	Total
Gross carrying amount		
Balance as at April 01, 2019	**-**	**-**
Additions	694	694
Disposals	-	-
Balance as at March 31, 2020	**694**	**694**
Additions	387	387
Disposals	-	-
Balance as at March 31, 2021	**1,081**	**1,081**

(₹ in lakhs)

	Leased premises	Total
Accumulated depreciation		
Upto April 01, 2019	**-**	**-**
Additions	307	307
Disposals	-	-
Upto March 31, 2020	**307**	**307**
Additions	344	344
Disposals	-	-
Upto March 31, 2021	**650**	**650**
Net carrying amount		
Balance as at March 31, 2021	**431**	**431**
Balance as at March 31, 2020	**387**	**387**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Net carrying amount		
Right-of-use assets	431	387

Notes Forming Part of the Financial Statements

6 NON-CURRENT INVESTMENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current investments		
Unquoted		
Investments in subsidiaries - at cost unless otherwise stated		
Welspun Projects (Himmatnagar Bypass) Private Limited	233	233
242,000 (March 31, 2020 : 242,000) equity shares of ₹ 10/- each fully paid up		
Welspun Projects (Kim Mandvi Corridor) Private Limited		
6,730,000 (March 31, 2020 :6,730,000) equity shares of ₹ 10/- each fully paid up	673	673
1,001,784 (March 31, 2020 :1,001,784) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	1,002	1,002
Welspun Natural Resources Private Limited		
31,875,000 (March 31, 2020 :31,875,000) equity shares of ₹ 10 each fully paid up @	7,112	4,036
Nil (March 31, 2020 :20,987,544) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	-	20,988
Dewas Waterprojects Works Private Limited		
(Formerly known as Anjar Water Solutions Private Limited)		
7,600 (March 31, 2020 :7,600) equity shares of ₹ 10 each fully paid up ^^	1	1
3,872,000 (March 31, 2020 : 3,872,000) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up ^^ ##	3,872	3,872
5,049,000 (March 31, 2020 : 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		
(Formerly known as Welspun Construction Private Limited)		
10,000 (March 31, 2020 :10,000) equity shares of ₹ 10 each fully paid up	1	1
1,711,775 (March 31, 2020 :1,711,775) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	1,712	1,712
ARSS Bus Terminal Private Limited		
18,627,451 (March 31, 2020 :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, 2020 : 5,000,000) equity shares of ₹ 10 each fully paid up ^^	500	500
2,155,000 (March 31, 2020 : 2,155,000) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up # ^^	2,155	2,155
2,900,000 (March 31, 2020 : 7,900,000) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up $$	2,900	2,900
Grenoble Infrastructure Private Limited		
4,900 (March 31, 2020 : 4,900) equity shares of ₹ 10/- each fully paid up	0	0
DME Infra Private Limited	1	1
10,000 (March 31, 2020 : 10,000) equity shares of ₹ 10/- each fully paid up		
Welspun Sattanathapuram Nagapattinam Road Private Limited		
7,000 (March 31, 2020: 7,000) equity shares of ₹ 10/- each fully paid up ^^	1	1
2,170,000 (March 31, 2020 : 2,170,000) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	2,170	2,170

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(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
584,988 (March 31, 2020 : Nil) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) $	585	-
Welspun Road Infra Private Limited		
39,513,685 (March 31, 2020 : 1,000,000) equity shares of ₹ 10/- each fully paid up @@ ^^	15,701	795
Nil (March 31, 2020 : 9,565,474) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	-	9,565
1,498,895 (March 31, 2020 : Nil) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) $	1,499	-
Welsteel Enterprises Private Limited **		
49,000 (March 31, 2020 : 49,000) equity shares of ₹ 10 each fully paid up	5	5
3,475,000 (March 31, 2020 : 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 **		
740,000 (March 31, 2020 :740,000) equity shares of ₹ 10 each fully paid up ^^	74	74
3,482,260 (March 31, 2020 :3,482,260) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	3,482	3,482
8,144,290 (March 31, 2020 :3,550,305) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) $	8,144	3,550
Welspun Amravati Highways Private Limited		
10,000 (March 31, 2020 : 10,000) equity shares of ₹ 10/- each fully paid up	1	1
Welspun InfraFacility Private Limited		
18,652,857 (March 31, 2020 : 10,000) equity shares of ₹ 10/- each fully paid up *	15,661	1
14,039,000 (March 31, 2020 : Nil) 0% unsecured optionally convertible debentures of ₹ 100/- each	14,039	-
Investment in joint venture entities (at cost unless otherwise stated)		
RGY Roads Private Limited		
4,900 (March 31, 2020 : 4,900) equity shares of ₹ 10 each fully paid up ^^	2,300	2,300
6,372,910 (March 31, 2020 : 6,372,910) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	6,373	6,373
MBL (GSY) Road Limited		
24,500 (March 31, 2020 : 24,500) equity shares of ₹ 10 each fully paid up ^^ @@@	513	277
4,154,350 (March 31, 2020 : 3,549,550) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	4,154	3,550
8,313,595 (March 31, 2020 : 7,910,245) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) $	8,314	7,910
MBL (CGRG) Road Limited		
24,500 (March 31, 2020 : 24,500) equity shares of ₹ 10 each fully paid up ^^ @@@@	253	135
3,279,250 (March 31, 2020 : 2,823,550) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up #	3,279	2,824
6,563,395 (March 31, 2020 : 6,456,995) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) $	6,564	6,457
Corbello Trading Private Limited		
4,900 (March 31, 2020 : 4,900) equity shares of ₹ 10/- each fully paid up ^^	785	785

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(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
3,143,790 (March 31, 2020 : 3,143,790) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up # ^^	3,144	3,144
Chikhali - Tarsod Highways Private Limited		
490,000 (March 31, 2020 : 490,000) equity shares of ₹ 10/- each fully paid up ^^	49	49
3,095,300 (March 31, 2020 : 3,095,300) 0% unsecured compulsorily convertible debentures of ₹ 100 each fully paid up # ^^	3,095	3,095
5,726,988 (March 31, 2020 : 1,954,000) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) $ ^^	5,727	1,954
Investment at fair value through profit and loss		
Other Investments - Quoted		
Union Bank of India (Formerly known as Corporation Bank Limited)		
2,640 (March 31, 2020 : 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, 2020:1,549) equity shares of ₹ 10 each fully paid up	-	0
1,570,832 (March 31, 2020 : 8,559,325) 0% unsecured optional convertible debentures of ₹ 10 each fully paid up $$$	-	856
Welassure Private Limited		
1,900 (March 31, 2020:Nil) equity shares of ₹ 10 each fully paid up	12	-
Welspun Global Services Private Limited		
1,900 (March 31, 2020:Nil) equity shares of ₹ 10 each fully paid up	0	-
Ecstatic Engineering Consultants Private Limited		
480 (March 31, 2020 : 480) equity shares of ₹ 10 each fully paid up	0	0
Investment in Government Securities		
Indira Vikash Patra	0	0
	137,712	**109,054**
Less : Provision for impairment	(1,368)	(1,368)
Total	**136,344**	**107,685**
Aggregate book value of quoted investments	1	1
Aggregate book value of unquoted investments	137,711	109,053
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 29 March 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

Notes Forming Part of the Financial Statements

of 2 years from the date of issue, the redemption amount shall be the aggregate of the Issue price and premium equivalent to 15% of the aggregate of present value of Free Cash Flow for Equity (FCFE) and cash balance, if any of the Issuer. Before redeeming the OCDs, the issuer shall give option to holder to convert the OCDs in to equity by issuing 15 day's notice thereto. If the holder does not opt for converting, the issuer shall redeem within 7 days of the expiry of the notice period.

$$$ Each debenture having face value of ₹ 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 OCDs.

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

(₹ in lakhs)

Entities	As at March 31, 2021 Units	As at March 31, 2020 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	5,100
RGY Roads Private Limited	4,900	4,900
MBL (GSY) Road Limited	24,495	24,495
MBL (CGRG) Road Limited	24,495	24,495
Corbello Trading Private Limited	4,895	4,895
Chikhali - Tarsod Highways Private Limited	489,995	489,995
Welspun Road Infra Private Limited	20,151,980	5,100
Welspun Sattanathapuram Nagapattinam Road Private Limited	1,106,700	5,100
Welspun InfraFacility Private Limited	9,512,960	-
B) Compulsorily Convertible Debentures (CCD)		
Dewas Waterprojects Works Private Limited	2,000,001	2,000,001
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

* became subsidiary w.e.f. September 13, 2019

** Became subsidiary on November 1, 2019 (earlier - classified as Jointly controlled entities)

@ Investment as at March 31, 2021 includes cumulative adjustment for fair value of interest free loan ₹ 4,112 lakhs (March 31, 2020 : ₹ 1,036 lakhs).

@@ Investment as at March 31, 2021 includes cumulative adjustment for fair value of interest free loan ₹ 196 lakhs (March 31, 2020 : ₹ 695)

@@@ Investment as at March 31, 2021 includes cumulative adjustment for fair value of interest free loan ₹ 511 lakhs (March 31, 2020 : ₹ 274)

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

Notes Forming Part of the Financial Statements

(March 31, 2020 : ₹ 133)

7 NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured		
Security deposits- considered good - others	400	-
Unsecured		
Security deposits- considered good		
- Related parties (Refer note 47)	-	14
- Others	49	96
	49	**110**
Loans to related parties (Refer note 47)		
Considered good	24,694	9,031
Credit impaired	13,377	13,377
	38,071	**22,408**
Less : Expected credit loss	13,377	13,377
	24,694	**9,031**
Total	**25,144**	**9,141**

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

8 NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Deposit - Others	162	296
Bank deposit having maturity of more than 12 months - * Held as margin money against guarantees and other commitments (with various government authorities and banks)	6,007	11
Total	**6,169**	**307**

* Deposits with banks earns interest at prevailing bank deposit rates.

9 NON-CURRENT TAX ASSETS (NET)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balance with government authorities		
- Direct tax (net of provision for taxation)	1,894	746
Total	**1,894**	**746**

10 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital advances	31	21
Prepaid expenses	126	148
Balances with government authorities - Indirect tax	364	364
Total	**522**	**533**

Notes Forming Part of the Financial Statements

11 INVENTORIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Raw materials (including consumables)	489	68
Total	**489**	**68**

12 CONTRACT ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Contract assets (Refer note 49) :		
- Related parties (Refer note 47)	28,221	31,810
- Others	-	741
Total	**28,221**	**32,551**

13 CURRENT INVESTMENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Investments at fair value through profit and loss		
I. Quoted		
Investment in bonds	13,462	19,112
Investment in mutual funds	1,139	16,401
Investment in equity shares		
NMDC Limited	135	80
100,000 (March 31, 2020 : 100,000) shares of face value of Re 1/- each fully paid up		
II Unquoted		
Ecstatic Engineering Consultants Private Limited		
5,584 (March 31, 2020 :5,584) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up #	25	25
Total	**14,761**	**35,617**
Aggregate book value of quoted investments	14,736	35,593
Aggregate book value of unquoted investments	25	25
Aggregate market value of quoted investments	14,736	35,593

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.

14 TRADE RECEIVABLES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good		
- Related parties (Refer note 47)	18,329	31,518
- Others	2,555	2,583
Total	**20,884**	**34,101**

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

Notes Forming Part of the Financial Statements

15 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks :		
- On current accounts	636	304
Cash on hand	1	3
Remittances in transit **	14,939	10,656
Total	**15,576**	**10,963**

** Subsequently cleared on 03 April 2021 (March 31, 2020 : 04 April 2020).

16 BANK BALANCES (OTHER THAN 15 ABOVE)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- Held as margin money against guarantees and other commitments (with various government authorities and banks)	1,110	1,090
- Unclaimed dividend account	44	26
Total	**1,154**	**1,116**

17 CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured, considered good		
Security deposits - Others	103	-
Unsecured, considered good		
Inter corporate deposits - Others	50	100
Security deposits		
- Related parties (Refer note 47)	17	16
- Others	1,935	82
Loans and advances		
- Related parties (Refer note 47)	33,160	4,255
- Others	2,267	2,267
Total	**37,532**	**6,721**

18 OTHER CURRENT FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances recoverable	58	116
Advance towards purchase of investment	-	5,224
Total	**58**	**5,340**

Notes Forming Part of the Financial Statements

19 OTHER CURRENT ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advance against goods and services	16,204	7,684
Mobilisation advance receivable	3,375	3,598
Prepaid expenses	162	401
Balances with government authorities - Indirect tax	4,524	4,860
Total	**24,265**	**16,543**

20 ASSETS HELD-FOR-SALE

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Assets held-for-sale *	2,497	2,497
Total	**2,497**	**2,497**

* Due to COVID-19 pandemic (circumstances arise 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

21(a) - Equity share capital

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Authorised		
275,000,000 (March 31, 2020: 180,050,000) equity shares of ₹ 10/- each	27,500	18,005
	27,500	**18,005**
Issued, subscribed and paid up		
148,864,056 (March 31, 2020: 148,458,056) equity shares of ₹ 10/- each fully paid up	14,886	14,846
	14,886	**14,846**

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

	As at March 31, 2021		As at March 31, 2020	
	Number of equity shares	(₹ in lakhs)	Number of equity shares	(₹ in lakhs)
At the beginning of the year	148,458,056	14,846	148,083,056	14,808
Add : Pursuant to exercise of stock options (Refer note 44)	406,000	41	375,000	38
Add : Equity shares issued (Refer note 50)	-	-	58,415,951	5,842
Less : Equity shares cancelled (Refer note 50)	-	-	(58,415,951)	(5,842)
Outstanding at the end of the year	**148,864,056**	**14,886**	**148,458,056**	**14,846**

(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, incase proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Notes Forming Part of the Financial Statements

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

	As at March 31, 2021		As at March 31, 2020	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Balkrishan Goenka as Trustee of Welspun Group Master Trust	67,309,526 *	45.22%	67,309,526	45.34%

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

(iv) Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the last five years immediately preceding the reporting date.

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
a) Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to the Scheme of Amalgamation and Arrangement (Appointed date April 01, 2014)	-	157,768,980
- Pursuant to exercise of stock options (Refer note 44)	1,811,000	2,125,000
b) Equity shares bought back	(26,987,479)	(26,987,479)

(v) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the company, please refer note 44

21(b) - Other equity

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital reserve	22,355	22,355
Securities premium	93,861	93,336
Share options outstanding account	1,989	2,024
Amalgamation reserve	521	521
General reserve	568	568
Retained earnings	47,705	39,902
Total	**166,998**	**158,705**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(i) Capital reserve		
As per last balance sheet	22,355	22,355
(ii) Securities premium		
As per last balance sheet	93,336	92,851
Exercise of share options	525	485
	93,861	**93,336**
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	2,024	1,662
Compensation options granted during the year-Refer note 44	531	884
Share options exercised during the year-Refer note 44	(566)	(522)
	1,989	**2,024**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(b) Amalgamation reserve		
As per last balance sheet	521	521
(c) General reserve		
As per last balance sheet	568	322
Scheme of Amalgamation (Refer Note 50)	-	246
Closing balance	**568**	**568**
(d) Retained earnings		
As per last balance sheet	39,902	27,409
Profit for the year	10,745	15,934
Other comprehensive income ('OCI') for the year	31	15
Dividends paid	(2,974)	(2,962)
Dividends distribution tax paid	-	(494)
	47,704	**39,902**
Total	**166,998**	**158,705**

22 NON-CURRENT BORROWINGS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured		
Measured at amortised costs		
Term loans from banks (Refer note (i) below) *	364	2,200
Term loans from financial institutions (Refer note (ii) & (iii) below) *	9,996	1,139
Non convertible debentures (Refer note (iv) below) *	40,154	-
Less : Current maturities disclosed under other current financial liabilites (Refer note 28)	(3,686)	(2,969)
Total	**46,828**	**371**

* Includes accrued interest

NATURE OF SECURITY AND TERMS OF REPAYMENTS FOR LONG TERM BORROWINGS

i) IndusInd Bank Limited

Term loan from IndusInd Bank Limited was secured by first and exclusive charge over the assets financed under the facility, providing minimum asset over of 1.2x throughout the tenor of the loan

Repayment terms : Repayment in 8 equal quarterly installments starting from 1st quarter end from the date of first disbursement i.e. from September 2019.

Rate of Interest : 1 year MCLR + 0.25% spread

ii) 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')

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.

iii) 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

Notes Forming Part of the Financial Statements

iv) Non-convertible debentures

The Company had issued 1,750 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹10 lacs each aggregating to ₹ 17,500 lakhs. The debentures beared 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 pasu 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 beared an interest at an agreed upon annual rate of repo rate plus spread of 485 bps ie 8.85% 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 pasu 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.

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%

23 NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Refer note 51)	180	153
Total	**180**	**153**

24 NON-CURRENT PROVISIONS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	352	324
Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
Total	**2,940**	**2,912**

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

25 CONTRACT LIABILITIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Refer note 49) :		
- Related parties (Refer note 47)	25,977	9,720
- Other parties	15	186
Total	**25,992**	**9,906**

Notes Forming Part of the Financial Statements

26 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured		
Measured at amortised cost		
Loans repayable on demand		
Working capital loans from banks (Refer note A and B below) *	4,000	18,482
Bank overdraft	785	-
Commercial papers (Refer note A and B below)	4,947	-
Unsecured		
Measured at amortised cost		
Commercial papers	-	9,179
Total	**9,732**	**27,661**

* Includes interest accrued and not due ₹ Nil (March 31, 2020 ₹ 3 Lakhs)

A Nature of security for secured borrowings

i) **IDBI Bank Limited (₹ 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 (₹ 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 (₹ 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 5.10% (March 31, 2020: 8% - 8.60%) and are repayable on June 17, 2021- ₹ 5,000 lakhs (March 31, 2020: June 03, 2020- ₹ 2,000 lakhs and September 22, 2020- ₹ 7,500 lakhs)

27 TRADE PAYABLES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Dues of micro enterprises and small enterprises - (Refer note 48)	411	2
Dues of creditors other than micro enterprises and small enterprises		
- Acceptances	2,863	-
- Others (Refer note 47)	27,657	28,728
Total	**30,931**	**28,730**

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

Notes Forming Part of the Financial Statements

28 CURRENT FINANCIAL LIABILITIES - OTHERSS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (Refer Note 22) *	3,686	2,969
Security deposits/ retention money payable	12,549	17,986
Payable to employees	1,011	940
Lease liabilities (Refer note 51)	268	240
Unclaimed dividend payable	45	26
Payable to related party (Refer Note 47)	375	-
Total	**17,934**	**22,161**

* Includes interest accrued but not due ₹ 2,785 lakhs (March 31, 2020 ₹ 18 lakhs)

29 CURRENT PROVISIONS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	243	209
Total	**243**	**209**

30 OTHER CURRENT LIABILITIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Income received in advance	-	148
Statutory dues	2,011	2,073
Total	**2,011**	**2,221**

31 REVENUE FROM OPERATIONS

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from		
- Engineering, Procurement and Construction #	138,922	175,329
- Operation and Maintenance #	1,845	432
- Advisory and consultancy income #	251	233
Other operating revenues		
- Scrap sales	1	11
Total	**141,019**	**176,005**

Refer note 47 for related parties transactions

Notes Forming Part of the Financial Statements

32 OTHER INCOME

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on financial assets measured at amortised cost		
- On bank deposits	138	171
- On loans and advances to related parties #	889	355
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	251	483
- From Related parties # ^	-	11
- Others *	141	946
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	9	22
Dividend income from subsidiary #	-	557
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	1,365	2,108
Reversal of provision no longer required	63	11
Insurance claim	-	0
Unwinding of discount on interest free deposits #	10	9
Gain on sale of property, plant and equipment (net)	1	565
Rent income	3	-
Miscellaneous income #	27	19
Total	**2,897**	**5,258**

* Includes interest income recognised on mobilisation advances and Interest on income tax refund

Refer note 47 for related parties transactions

^ Refer note 40

33 COST OF MATERIALS CONSUMED

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	68	73
Add: Purchases	1,026	858
	1,094	**930**
Less: Inventories at the end of the year	(489)	(68)
Total	**605**	**862**

34 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	6,926	6,744
Contribution to provident and other funds	434	523
Share based payments to employees (Refer note 44)	531	884
Staff welfare expenses	187	248
Total	**8,078**	**8,399**

Notes Forming Part of the Financial Statements

35 FINANCE COSTS

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses on financial liabilities at amortised cost		
- Term loans	256	433
- Working capital	729	1,602
- Debentures	2,785	-
Net interest on net defined benefit liability	37	53
Interest on lease liability	50	51
Other interest costs ^	4	87
	3,861	**2,228**
Bank charges and other finance costs	591	310
Total	**4,452**	**2,537**

^ Refer note 40

36 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	881	1,637
Depreciation of right-of-use assets	344	307
Total	**1,225**	**1,944**

37 OTHER EXPENSES

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Site expenses	219	436
Hire charges	425	336
Power, fuel and water charges	274	175
Repairs and maintenance		
- Property, plant and equipment	19	19
- Others	544	628
Project monitoring and maintenance fees	12	-
Rent	140	174
Rates and taxes	431	998
Insurance	355	310
Travelling and conveyance expense	556	607
Communication expenses	17	23
Legal and professional fees	3,237	1,354
Freight	4	4
Business promotion and advertisement	153	291
Printing and stationary	15	31
Directors sitting fees	35	24
Payment to Auditor		
- Audit fees (including fees for limited review)	32	40
- Certifications	28	11
- Reimbursement of expenses	0	2
Donation	1	312
Corporate Social Responsibility	345	168
Balances written off	133	-
Miscellaneous expenses	621	137
Total	**7,596**	**6,078**

Notes Forming Part of the Financial Statements

38 INCOME TAX

a) The major components of income tax for the year ended March 31, 2021 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, 2021	Year ended March 31, 2020
Current tax		
Current tax on taxable income for the year	**2,891**	**5,728**
Deferred tax		
Relating to origination and reversal of temporary differences	469	(255)
Total deferred tax charge/ (credit)	**469**	**(255)**
Income tax expense reported in the statement of profit and loss	**3,360**	**5,473**

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(10)	(5)
Deferred tax charged to other comprehensive income	**(10)**	**(5)**

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	**14,105**	**21,407**
Income tax @ 25.168% (March 31, 2020 : 25.168%)	3,550	5,388
Non-deductible expenses for tax purpose		
Other non deductible expenses (including tax rate difference in previous year)	251	510
Other allowances and exempt income for tax purpose	(215)	(193)
	(226)	(232)
Income tax expense reported in the statement of profit and loss	**3,360**	**5,473**

c) Deferred tax relates to the following:

(₹ in lakhs)

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
a) Taxable temporary differences						
Depreciation on property, plant and equipment and intangible assets	(56)	(32)	(24)	44	-	-
Fair value adjustments	(176)	(62)	(114)	157	-	-
Total (a)	**(231)**	**(94)**	**(137)**	**201**	**-**	**-**
b) Deductible temporary differences						
Employee benefits / expenses allowable on payment basis	78	695	606	(456)	10	5
Total (b)	**78**	**695**	**606**	**(456)**	**10**	5
Net deferred tax (assets)/liabilities (a-b)	**(309)**	**(789)**				
Deferred tax charge/(credit) (a+b)			**469**	**(255)**	**10**	**5**

Notes Forming Part of the Financial Statements

d) **Unrecognised deferred tax assets on unused tax losses**

The Company has brought forward long term capital losses of ₹81,167 lakhs (March 31, 2020 ₹81,167 lakhs) (majority of which is expiring in March 31, 2023) and short term capital losses of ₹ 7,889 lakhs (March 31, 2020 ₹ 7,898 Lakhs) (majority of which is expiring in March 31, 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of ₹18,909 lakhs (March 31, 2020 ₹ 18,571 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 ₹ 1,985 lakhs (March 31, 2020 ₹ 1,988 lakhs) have not been recognized in respect of short term capital losses in view of uncertainty of future taxable capital gains.

39 FAIR VALUE MEASUREMENTS

Financial instruments by category

(₹ in lakhs)

	As at March 31, 2021		As at March 31, 2020	
	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	-	29,253	-
Loans	-	25,144	-	9,141
Other financial assets	-	6,169	-	307
Current assets				
Investments	14,761	-	35,617	-
Trade receivables	-	20,884	-	34,101
Cash and cash equivalents	-	15,576	-	10,963
Other bank balances	-	1,154	-	1,116
Loans	-	37,532	-	6,721
Other financial assets	-	58	-	5,340
Total financial assets	**54,119**	**106,517**	**64,870**	**67,689**
Non-current liabilities				
Borrowings	-	46,828	-	371
Other financial liabilities	-	180	-	153
Current liabilities				
Borrowings	-	9,732	-	27,661
Trade and other payables	-	30,931	-	28,730
Other financial liabilities	-	17,934	-	22,161
Total financial liabilities	**-**	**105,605**	**-**	**79,076**

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 Financial Statements

(₹ 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**

(₹ in lakhs)

	As at March 31, 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	29,253	29,253	1	-	29,252
Current investments	35,617	35,617	16,480	19,112	25
Total	**64,870**	**64,870**	**16,481**	**19,112**	**29,277**

Valuation technique used to determine fair value

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

b) Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI

c) Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

The carrying amounts of loans, trade receivables, cash and cash equivalents, Other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities

40 FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

a) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. In order to optimize Company's position with regard to interest income

Notes Forming Part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Long term borrowings	10,360	3,340

(ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(₹ in lakhs)

Effect on Profit before tax	Year ended March 31, 2021	Year ended March 31, 2020
Interest rates : (Increase) by 50 basis points	(52)	(17)
Interest rates : Decrease by 50 basis points	52	17

In line with the requirement of Ind AS 1 "Presentation of Financial Statements" , finance cost (representing LC discounting charges) aggregating to ₹ 282 Lakhs (March 31, 2020 : ₹ 1,050 lakhs) are offsetted by the Company with reimbursable right to recover the same from its joint venture companies to reflect the substance of the transaction/arrangement.

b) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. However the 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.

Notes Forming Part of the 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, 2021	As at March 31, 2020
Up to 3 months	14,704	29,683
3 to 6 months	2,830	2,633
More than 6 months	3,350	1,785
Total	**20,884**	**34,101**

No significant changes in estmation 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 forcasts on the basis of expected cash flows.

b) **Exposure to liquidity risk**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments.

(₹ in lakhs)

As at March 31, 2021	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	46,828	-	46,828	-
Other non-current financial liabilities	180	-	180	-
Short term borrowings	9,732	9,732	-	-
Trade payables	30,931	30,931	-	-
Other financial liabilities	18,114	17,813	301	-

(₹ in lakhs)

As at March 31, 2020	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	371	-	371	-
Other non-current financial liabilities	153	-	153	-
Short term borrowings	27,661	27,661	-	-
Trade payables	28,730	28,730	-	-
Other financial liabilities	22,314	22,040	274	-

41 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.

Notes Forming Part of the Financial Statements

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, 2021	As at March 31, 2020
Gross debts			
Net debts	A	103,065	44,394
Total capital	B	181,884	173,551
Capital and net debt	C = A + B	284,950	217,945
Gearing ratio	**A / C**	**36%**	**20%**

42 EARNINGS PER SHARE (EPS)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Profit for the year (₹ in lakhs)	10,745	15,934
Weighted average number of equity shares for Basic EPS (Number of shares)	148,727,114	148,219,326
Weighted average number of equity shares for Diluted EPS (Number of shares)	149,946,620	150,139,595
Nominal value of equity shares (₹)	10	10
Basic EPS (₹)	7.22	10.75
Diluted EPS (₹)	7.17	10.61

43 CONTINGENCIES AND COMMITMENTS

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

i) Claims against the Company not acknowledged as debts

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Disputed labour cess demand (net of provision)	426	405
Stamp duty payable on concession agreement disputed in respect of BOT Projects	115	115
Disputed income tax liability	1,480	1,465
Disputed service tax liabilty	2,347	2,340
Disputed value added tax liability	298	298
Other claims against the Company	337	281
Letter of credit outstanding	834	-
	5,837	**4,904**

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.

Notes Forming Part of the Financial Statements

ii) **Guarantees excluding corporate financial guarantees**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Bank guarantees issued	47,844	41,523
	47,844	**41,523**

iii) **Corporate financial guarantees**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Guarantee given for the facilities granted		
- Subsidiaries and joint venture entities	132,537	75,333
- Others	1,895	1,895
	134,432	**77,228**

In case of termination, the Company is providing corporate guarantee for any shortfall in amount received from the client against the debt obligation of its subsidiaries and joint venture entities. This risk has been covered through appropriate insurance policy. However, on prudent basis in line with Ind AS requirements, the same has been disclosed as contingent liabilities above.

(b) Commitments

i) The Company has an outstanding commitments of ₹ 44,160 lakhs (March 31, 2020 ₹ 25,658 lakhs) towards equity contribution (net of temporary loan) 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, 2020 ₹ 1,450 lakhs) on February 22, 2018. The balance amount is ₹122 lakhs (March 31, 2020 ₹ 122 lakhs).

iii) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), ₹ 1.63 lakhs (March 31, 2020 ₹ 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, 2020 ₹ 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, 2020 ₹ 745 lakhs) . The balance amount is ₹ 72 lakhs (March 31, 2020 ₹ 72 lakhs).

v) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') ₹ 0.48 lakhs (March 31, 2020 ₹ 0.48 lakhs) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is ₹ 0.03 lakhs (March 31, 2020 ₹ 0.03 lakhs).

44 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 ₹ 531 lakhs (March 31, 2020 - ₹ 884 lakhs) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 34).

Notes Forming Part of the Financial Statements

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	9-Oct-18
600,000	10-Oct-17	9-Oct-19
600,000	10-Oct-17	9-Oct-20
600,000	10-Oct-17	9-Oct-21
600,000	10-Oct-17	14-Jul-22

(ii) Exercise: Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled.

Date of Grant	10-Oct-17
Number of Options Granted	3,000,000
Exercise Period	3 years from date of Vesting of respective Employee Stock Options
Exercise Price	₹ Nil

(₹ in lakhs)

	March 31, 2021		March 31, 2020	
	No. of Stock Options	Weighted Average Exercise Price (₹)	No. of Stock Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	2,075,000	Nil	2,450,000	Nil
Options granted during the year	Nil	Nil	Nil	Nil
Options exercised during the year	406,000	Nil	375,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the year *	1,669,000	Nil	2,075,000	Nil
Options vested but not exercised at the end of the year	469,000	Nil	275,000	Nil

* includes options vested but not exercised

Notes Forming Part of the Financial Statements

(iii) 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

Information in respect of options outstanding as at March 31, 2020

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (₹)
2,075,000	27	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	9-Oct-18
600,000	10-Oct-17	9-Oct-19
600,000	10-Oct-17	9-Oct-20
600,000	10-Oct-17	9-Oct-21
600,000	10-Oct-17	14-Jul-22

Variables :-	
Stock price	139.30
Volatility	45.14%
Risk free rate (on the basis of tenure)	6.43% to 6.69%
Exercise price	Nil
Time to maturity	2 to 6
Dividend yield	0%
Option fair value	139.30

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Share options outstanding account (Refer note 21(b)(iii) (a))	1,989	2,024
Share based payments to employees (Refer note 34)	531	884

45 SEGMENT INFORMATION

The financial statements of the Company contains both the consolidated financial statements as well as the standalone financial statements of the Company. Hence, the Company has presented segment information based on the consolidated financial statements as permitted by Ind AS - 108 “Operating segments”.

Notes Forming Part of the Financial Statements

46 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, 2021	Year ended March 31, 2020
Current service cost	95	100
Interest cost (net)	18	33
Net expenses recognised in statement of profit and loss	**113**	**133**

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gains) / losses arising from changes in demographic assumptions	-	1
Actuarial (gains) / losses arising from changes in financial assumptions	2	(18)
Actuarial (gains) / losses arising from changes in experience assumptions	(43)	37
Actuarial (gains) / losses from plan asset	(0)	(0)
Net expenses recognised in other comprehensive income	**(42)**	**20**

iii. Net liability recognised in the balance sheet

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	374	349
Present value of obligation	659	605
Net liability recognized in balance sheet	**286**	**255**

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation as at the beginning of the year	605	513
Service cost	95	100
Interest cost	42	39
Actuarial (gain) / loss on obligation	(41)	20
Liability transferred in/ (paid)	(41)	(67)
Defined benefit obligation at the end of the year	**659**	**605**

Notes Forming Part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Fair values of plan assets at the beginning of the year	349	83
Return on plant assets, excluding interest income	25	6
Employer contribution	46	287
Fund charges	(5)	(2)
Benefits paid	(41)	(25)
Fair value of plan assets at year end	**374**	**349**

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Net defined benefit obligation as at the beginning of the year	255	430
Current service cost	95	100
Interest cost (net)	18	33
Actuarial (gain) / loss on obligation	(42)	20
Liability transferred in/ (paid)	-	(42)
Fund charges	5	2
Contribution paid to the fund	(46)	(287)
Net defined benefit obligation at the end of the year	**286**	**255**

vii. Actuarial assumptions

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Mortality Table	100% of Indian assured lives Mortality (2012-14)	100% of Indian assured lives Mortality (2012-14)
Discount rate (per annum)	6.81%	6.91%
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 23% thereafter	30% up to age 30, 24% from age 31 to 44 and 21% thereafter

ix. Quantitative sensitivity analysis

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Impact of change in discount rate		
Present value obligation at the end of the period	659	605
Impact due to increase of 0.50%	(9)	(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	659	605
Impact due to increase of 0.50%	9	9
Impact due to decrease of 0.50%	(9)	(9)

Notes Forming Part of the Financial Statements

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, 2021	As at March 31, 2020
Year ended		
31-Mar-21	-	307
31-Mar-22	340	164
31-Mar-23	205	201
31-Mar-24	250	237
31-Mar-25	301	315
31-Mar-26	320	-

The weighted average duration of defined benefit obligation is 12.19 (March 31, 2020 - 12.22)

Notes

1. Amounts recognized as an expense and included in the Note 34 “Employee benefits expense” are gratuity ₹ 95 lakhs

   (March 31, 2020 ₹ 100 lakhs) and leave encashment ₹ 46 lakhs (March 31, 2020 ₹ 11 lakhs). Net interest cost on defined benefit obligation recognised in Note 35 under “Finance costs” is ₹ 37 lakhs (March 31, 2020 ₹ 53 lakhs)”

2. The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3. Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 34 of the financial statements.

47 DISCLOSURE AS REQUIRED BY IND AS 24 - RELATED PARTY DISCLOSURES

a) Particulars of subsidiaries

Direct subsidiaries	Principal activities	Extent of holding		Principal place of business
		As at March 31, 2021	As at March 31, 2020	
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

Notes Forming Part of the Financial Statements

Direct subsidiaries	Principal activities	Extent of holding		Principal place of business
		As at March 31, 2021	As at March 31, 2020	
ARSS Bus Terminal Private Limited	Infrastructure	100%	100%	India
Grenoble Infrastructure Private Limited	Infrastructure	49%	49%	India
DME Infra Private Limited	Infrastructure	100%	100%	India
Welspun Sattanathapuram Nagapattinam Road Private Limited $	Infrastructure	70%	70%	India
Welspun Amravati Highways Private Limited	Infrastructure	100%	100%	India
Welspun Road Infra Private Limited	Infrastructure	100%	100%	India
Welsteel Enterprises Private Limited *	Infrastructure	49%	49%	India
Welspun Aunta-Simaria Project Private Limited * #	Infrastructure	74%	74%	India
Welspun Infrafacility Private Limited **	Infrastructure	100%	100%	India

* Became subsidiary on November 1, 2019 (earlier - classified as Jointly controlled companies)

** Became subsidiary on September 13, 2019

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

$ In addition to aforesaid stake, 14.65% are held through Grenoble Infrastructure Private Limited

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

b) Joint venture companies

Direct subsidiaries	Extent of holding		Principal place of business
	As at March 31, 2021	As at March 31, 2020	
RGY Roads Private Limited	49%	49%	India
MBL (GSY) Road Limited #	49%	49%	India
MBL (CGRG) Road Limited #	49%	49%	India
Corbello Trading Private Limited	49%	49%	India
Chikhali - Tarsod Highways Private Limited ##	49%	49%	India
Welsteel Enterprises Private Limited *	-	-	India
Welspun Aunta-Simaria Project Private Limited * ###	-	-	India

* Ceased to be Jointly controlled companies on October 31, 2019

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

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

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

c) Associate

Direct subsidiaries	Extent of holding		Principal place of business
	As at March 31, 2021	As at March 31, 2020	
Adani Welspun Exploration Limited	35%	35%	India
(Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)			

Notes Forming Part of the Financial Statements

c) Directors / Key Managerial Personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Executive Chairman and Whole Time Director
Mr. Sandeep Garg	Managing Director
Mr Rajesh R. Mandawewala	Non Independent Director
Dr Aruna Sharma	Independent Director
Mr. Dhruv Subodh Kaji *	Independent Director
Mr. Mohan Tandon	Independent Director
Mr Raghav Chandra **	Independent Director
Ms. Mala Todarwal ***	Independent Director
Mr Ved Mani Tiwari #	Deputy CEO
Mr. Shriniwas Kargutkar ##	Chief Financial Officer
Mr Sridhar Narasimhan ###	Chief Financial Officer
Ms. Priya Pakhare	Company Secretary

* Ceased to be director w.e.f August 09, 2019

** Appointed to be director w.e.f May 05, 2019

*** Ceased to be director w.e.f August 04, 2019

Appointed w.e.f April 01, 2020 and resigned w.e.f. December 03, 2020

Ceased to be Chief Financial Officer w.e.f October 31, 2019

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

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; Anjar Road Private Limited ^; Welassure Private Limited; Welspun Global Services Private Limited

^ Anjar Road Private Limited merged with Welspun Enterprises Limited w.e.f July 20, 2019

e) Transactions with related parties

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Construction contract revenue (including unbilled work-in-progress)	**138,898**	**174,021**
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	468	(1,714)
Dewas Waterprojects Works Private Limited	210	433
Welspun Sattanathapuram Nagapattinam Road Private Limited	3,771	509
Welspun Road Infra Private Limited	31,783	68,035
Welspun Aunta-Simaria Projects Private Limited	7,341	11,595
Welspun Infrafacility Private Limited	57,915	-
Joint Venture Companies		
MBL (CGRG) Road Limited	3,868	26,734
MBL (GSY) Road Limited	9,386	32,665
Chikhali - Tarsod Highways Private Limited	24,156	35,764
Dividend Income	**-**	**557**
Subsidiary		
Welspun Projects (Himmatnagar Bypass) Private Limited	-	557
Interest income on loans and advances	**-**	**12**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Subsidiary		
Welspun Natural Resources Private Limited	-	12
Interest income	**282**	**1,061**
Joint Venture Companies		
MBL (CGRG) Road Limited	47	281
MBL (GSY) Road Limited	-	362
Chikhali - Tarsod Highways Private Limited	235	418
Operation and maintenance income	**1,787**	**432**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	610	432
Joint Venture Companies		
MBL (CGRG) Road Limited	636	-
MBL (GSY) Road Limited	541	-
Advisory and consultancy income	**239**	**228**
Subsidiaries		
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	7
Welspun Road Infra Private Limited	205	109
Welspun Infrafacility Private Limited	4	-
Joint Venture Companies		
MBL (CGRG) Road Limited	-	44
MBL (GSY) Road Limited	9	47
Chikhali - Tarsod Highways Private Limited	21	21
Interest income on loans and advances #	**889**	**344**
Subsidiaries		
Welspun Natural Resources Private Limited	410	219
Welspun Road Infra Private Limited	112	84
Joint Venture Companies		
MBL (CGRG) Road Limited	122	11
MBL (GSY) Road Limited	245	30
Income on unwinding of discount on interest free deposits #	**5**	**4**
Other Related Party		
Welspun Realty Private Limited	5	4
Miscellaneous Income #	**8**	**-**
Other Related Party		
Welspun Realty Private Limited	8	-
Interest expense on lease liability #	**11**	**11**
Other Related Parties		
Welspun Realty Private Limited	7	11
Welspun Corp Limited	4	-
Welspun Multiventures LLP	0	-
Right-to-use an underlying asset #	**65**	**130**
Other Related Parties		
Welspun Realty Private Limited	-	130
Welspun Corp Limited	62	-
Welspun Multiventures LLP	3	-
Obligation to make lease payment #	**65**	**130**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Other Related Parties		
Welspun Realty Private Limited	-	130
Welspun Corp Limited	62	-
Welspun Multiventures LLP	3	-
Repayment of lease obligation #	**98**	**50**
Other Related Parties		
Welspun Realty Private Limited	50	50
Welspun Corp Limited	46	-
Welspun Multiventures LLP	2	-
Rent expenses	**98**	**94**
Other Related Parties		
Welspun Realty Private Limited	50	50
Welspun Corp Limited	46	42
Welspun Multiventures LLP	2	2
Business promotion expenses	**18**	**32**
Other Related Party		
Welspun Global Brands Limited	18	32
Insurance expenses	**-**	**2**
Other Related Party		
Welspun Corp Limited	-	2
Office expenses	**10**	**-**
Other Related Party		
Welassure Private Limited	10	-
Retainership Expenses	**56**	**-**
Other Related Party		
Welspun India Limited	56	-
BG Commission reimbursement	**49**	**-**
Associate		
Adani Welspun Exploration Limited	49	-
Staff welfare expenses	**20**	**29**
Other Related Parties		
Welspun Corp Limited	20	28
Welspun India Limited	-	1
Donation	**345**	**168**
Other Related Party		
Welspun Foundation for Health and Knowledge	345	168
Rent Income	**3**	**-**
Associate		
Adani Welspun Exploration Limited	3	-
Loss on fair value of investment	**157**	**-**
Other Related Party		
Welspun Energy Thermal Private Limited	157	-
Investment (Fair value of interest free loan) #	**3,430**	**1,102**
Subsidiaries		
Welspun Natural Resources Private Limited	3,076	-
Welspun Road Infra Private Limited	**-**	**695**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Joint Venture Companies		
MBL (GSY) Road Limited	236	274
MBL (CGRG) Road Limited	118	133
Loans/ deposits/ advances given	**91,120**	**35,649**
Subsidiaries		
ARSS Bus Terminal Private Limited	3	4
Dewas Waterprojects Works Private Limited	652	5,530
Welspun Projects (Himmatnagar Bypass) Private Limited	230	992
Welspun Project (Kim Mandvi Corridor) Private Limited	2	0
Welspun Build-Tech Private Limited	2	0
Welspun Natural Resources Private Limited	5,394	2,924
Welspun Delhi Meerut Expressway Private Limited	2,095	4,618
DME Infra Private Limited	1	1
Welsteel Enterprises Private Limited	2	0
Welspun Aunta-Simaria Project Private Limited	4,179	518
Grenoble Infrastructure Private Limited	0	0
Welspun Amravati Highways Private Limited	0	5
Welspun Sattanathapuram Nagapattinam Road Private Limited	603	862
Welspun Road Infra Private Limited	12,244	10,154
Welspun Infrafacility Private Limited	44,861	32
Associate		
Adani Welspun Exploration Limited	133	41
Joint Venture Companies		
RGY Roads Private Limited	0	0
MBL (GSY) Road Limited	8,712	4,742
MBL (CGRG) Road Limited	7,767	2,864
Corbello Trading Private Limited	1	0
Chikhali - Tarsod Highways Private Limited	4,238	2,362
Other Related Party		
Welspun India Limited	0	-
Repayments of loans/ advances given	**17,277**	**19,546**
Subsidiaries		
Dewas Waterprojects Works Private Limited	560	1,300
MSK Projects (Himmatnagar Bypass) Private Limited	256	965
MSK Projects (Kim Mandvi Corridor) Private Limited	326	320
Welspun Delhi Meerut Expressway Private Limited	3,603	7,008
Welspun Natural Resources Private Limited	540	6,167
Welspun Road Infra Private Limited	7,702	30
Welspun Aunta-Simaria Project Private Limited	62	0
Welspun Sattanathapuram Nagapattinam Road Private Limited	18	803
Welspun Infrafacility Private Limited	486	-
Associate		
Adani Welspun Exploration Limited	84	23
Joint Venture Companies		
MBL (GSY) Road Limited	1,507	1,910
MBL (CGRG) Road Limited	1,326	953
Chikhali - Tarsod Highways Private Limited	806	67
Security deposit given refunded	**18**	**206**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Other Related Party		
Welspun Realty Private Limited	18	206
Trade advances adjusted	**67**	**-**
Subsidiary		
Welspun Sattanathapuram Nagapattinam Road Private Limited	67	-
Mobilisation advance received	**12,471**	**-**
Subsidiaries		
Welspun Road Infra Private Limited	1,471	
Welspun Infrafacility Private Limited	11,000	-
Mobilisation advance repaid/ adjusted	**6,270**	**4,977**
Subsidiaries		
Welspun Road Infra Private Limited	1,471	-
Welspun Infrafacility Private Limited	1,788	-
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	3,012	4,977
Cancellation of equity shares of the Company at face value	**-**	**5,842**
Other Related Party		
Anjar Road Private Limited	-	5,842
Allotment of equity shares of the Company at face value	**-**	**5,842**
Other Related Party		
Balkrishan Goenka as Trustee of Welspun Group Master Trust	-	5,842
Redemption of Investment in optionally convertible debentures	**699**	**6,171**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	5,000
Other Related Party		
Welspun Energy Thermal Private Limited	699	1,171
Conversion of Compulsorily Convertible Debenture to Equity shares	**9,565**	**-**
Subsidiary		
Welspun Road Infra Private Limited	9,565	-
Conversion of loan/ advance to Compulsorily Convertible Debentures	**2,778**	**10,312**
Subsidiaries		
Dewas Waterprojects Works Private Limited	-	75
Welspun Natural Resources Private Limited	1,717	4,990
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	142
Welspun Road Infra Private Limited	**-**	**5,105**
Joint Venture Companies		
MBL (GSY) Road Limited	605	-
MBL (CGRG) Road Limited	456	-
Conversion of loan/ advance to Optionally Convertible Debentures	**25,000**	**8,679**
Subsidiaries		
Dewas Waterprojects Works Private Limited	-	5,049
Welspun Aunta-Simaria Project Private Limited	4,594	65
Welspun Sattanathapuram Nagapattinam Road Private Limited	585	-
Welspun Road Infra Private Limited	1,499	-
Welspun Infrafacility Private Limited	14,039	-

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	3,773	1,954
MBL (GSY) Road Limited	403	806
MBL (CGRG) Road Limited	106	805
Conversion of Compulsorily Convertible Debentures to Optionally Convertible Debentures	**-**	**2,026**
Other Related Party		
Welspun Energy Thermal Private Limited	-	2,026
Conversion of Compulsorily Convertible Debentures to Loans	**22,705**	**-**
Subsidiary		
Welspun Natural Resources Private Limited	22,705	-
Investment in equity shares	**12**	**74**
Subsidiaries		
Welspun Aunta-Simaria Project Private Limited	-	73
Welspun Infrafacility Private Limited	-	1
Other Related Parties		
Welassure Private Limited	12	-
Welspun Global Services Private Limited	0	-
Investment in compulsorily convertible debentures	**-**	**5,784**
Subsidiaries		
Welspun Sattanathapuram Nagapattinam Road Private Limited	-	28
Welspun Road Infra Private Limited	-	4,250
Dewas Waterprojects Works Private Limited	-	1,506
Conversion of loan/ advance to Equity share	**21,500**	**-**
Subsidiaries		
Welspun Infrafacility Private Limited	15,660	-
Welspun Road Infra Private Limited	5,840	-
Investment in optionally convertible debentures	**-**	**3,000**
Subsidiaries		
Welsteel Enterprises Private Limited	-	2,100
Welspun Aunta-Simaria Project Private Limited	-	900
Bank guarantee given/ (discharged) for advance received by Subsidiaries/ Joint Arrangements/ Associate	**14,683**	**(12,949)**
Subsidiaries		
Welspun Road Infra Private Limited	-	1,460
Welspun Delhi Meerut Expressway Private Limited	-	(950)
Welspun Aunta-Simaria Project Private Limited	-	(2,903)
Dewas Waterprojects Works Private Limited	200	-
Dewas Waterprojects Works Private Limited	(200)	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	22,050	-
Joint Venture Companies		
MBL (GSY) Road Limited	(1,184)	(2,960)
MBL (CGRG) Road Limited	(942)	(2,355)
Chikhali - Tarsod Highways Private Limited	(5,241)	(5,241)
Corporate guarantee given/ (discharged) for performance security of Subsidiaries/ Joint Arrangements/ Associate	**(4,000)**	**-**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Subsidiaries		
Welspun Sattanathapuram Nagapattinam Road Private Limited	(4,000)	-
Bank guarantee given/ (discharged) for performance security of Subsidiaries/ Joint Arrangements/ Associate	**1,880**	**(28,981)**
Subsidiaries		
Dewas Waterprojects Works Private Limited	-	(5)
Welspun Road Infra Private Limited	-	(7,300)
Welspun Aunta-Simaria Project Private Limited	-	(5,805)
Welspun Projects (Himmatnagar Bypass) Private Limited	(10)	-
Associate		
Adani Welspun Exploration Limited	1,890	-
Joint Venture Companies		
MBL (GSY) Road Limited *	-	(5,920)
MBL (CGRG) Road Limited *	-	(4,710)
Chikhali - Tarsod Highways Private Limited *	-	(5,241)
Directors Sitting Fees paid/ provided	**35**	**25**
Mr. Mohan Tandon	12	9
Mr. Raghav Chandra	12	5
Dr. Aruna Sharma	12	8
Ms. Mala Todarwal	-	1
Mr. Dhruv Kaji	-	2
Remuneration paid/ provided to KMP ^	**1,995**	**1,910**
Short term benefits **	1,995	1,910

^ 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, 2020 ₹ 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, 2021	As at March 31, 2020
Loans, advances and deposits given	**71,248**	**26,691**
Subsidiaries		
Welspun Natural Resources Private Limited	38,563	15,386
Dewas Waterprojects Works Private Limited	407	315
Welspun Projects (Kim Mandvi Corridor) Private Limited	56	379
Welspun Projects (Himmatnagar Bypass) Private Limited	1	27
ARSS Bus Terminal Private Limited	21	18
Welspun Delhi Meerut Expressway Private Limited	-	2,168
Welspun Build-Tech Private Limited	4	2
Welsteel Enterprises Private Limited	2	0
Welspun Aunta-Simaria Project Private Limited	0	477
Welspun Sattanathapuram Nagapattinam Road Private Limited	0	-
DME Infra Private Limited	2	1
Grenoble Infrastructure Private Limited	1	0
Welspun Amravati Highways Private Limited	6	5
Welspun Road Infra Private Limited	2,222	4,407

Notes Forming Part of the Financial Statements

*** Closing balances as at** (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Welspun Infrafacility Private Limited	14,708	32
Associate		
Adani Welspun Exploration Limited	67	19
Joint Venture Companies		
RGY Roads Private Limited	3	3
MBL (GSY) Road Limited	8,209	2,005
MBL (CGRG) Road Limited	6,956	1,073
Corbello Trading Private Limited	5	3
Chikhali - Tarsod Highways Private Limited	0	341
Other related parties		
Welspun Realty Private Limited	5	18
Welspun Multiventures LLP	5	5
Welspun Corp Limited	7	7
Trade and other receivables (including Contract Assets)	**46,551**	**63,329**
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	462	-
Welspun Sattanathapuram Nagapattinam Road Private Limited	5,386	9,875
Welspun Aunta-Simaria Project Private Limited	2,139	5,018
Welspun Road Infra Private Limited	16	14,520
Welspun Infrafacility Private Limited	17,280	-
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	7,538	10,739
MBL (GSY) Road Limited	7,943	9,202
MBL (CGRG) Road Limited	5,787	13,975
Other related party		
Welassure Private Limited	0	-
Right-to-use an underlying asset	**1,064**	**2,358**
Other Related Parties		
Welspun Realty Private Limited	48	97
Welspun Corp Limited	18	-
Welspun Multiventures LLP	1	-
Lease Liability	**941**	**2,184**
Other Related Parties		
Welspun Realty Private Limited	34	77
Welspun Corp Limited	20	-
Welspun Multiventures LLP	1	-
Trade Payable/ Other Payable	**443**	**1,053**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	375	1,036
Other related party		
Welspun India Limited	56	-
Welspun Corp Limited	12	17
Expected credit loss	**13,377**	**13,377**
Subsidiary		
Welspun Natural Resources Private Limited	13,377	13,377
Contract liabilities	**25,977**	**9,720**

Notes Forming Part of the Financial Statements

*** Closing balances as at** (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Subsidiaries		
Dewas Waterprojects Works Private Limited	-	210
Welspun Infrafacility Private Limited	9,212	-
Welspun Aunta-Simaria Project Private Limited	4,307	5,120
Welspun Sattanathapuram Nagapattinam Road Private Limited	4,614	67
Welspun Road Infra Private Limited	6,271	-
Joint Venture		
MBL (GSY) Road Limited	261	-
Chikhali - Tarsod Highways Private Limited	1,311	4,323
Provision for impairment of investment	**1,368**	**1,368**
Subsidiary		
MSK Projects (Kim Mandvi Corridor) Private Limited	1,368	1,368
Investment in equity shares	**46,977**	**12,968**
Subsidiaries		
Welspun Natural Resources Private Limited	7,112	4,036
ARSS Bus Terminal Private Limited	3,101	3,101
Welspun Build-Tech Private Limited	1	1
MSK Projects(Himmatnagar Bypass) Private Limited	233	233
MSK Projects (Kim Mandvi Corridor) Private Limited	673	673
Dewas Waterprojects Works Private Limited	1	1
Welspun Delhi Meerut Expressway Private Limited	500	500
Welspun Sattanathapuram Nagapattinam Road Private Limited	1	1
DME Infra Private Limited	1	1
Grenoble Infrastructure Private Limited	0	0
Welspun Amravati Highways Private Limited	1	1
Welspun Road Infra Private Limited	15,701	795
Welspun Infrafacility Private Limited	15,661	1
Welspun Aunta-Simaria Project Private Limited	74	74
Welsteel Enterprises Private Limited	5	5
Joint Venture Companies		
RGY Roads Private Limited	2,300	2,300
MBL (GSY) Road Limited	513	276
MBL (CGRG) Road Limited	253	135
Corbello Trading Private Limited	785	785
Chikhali - Tarsod Highways Private Limited	49	49
Other related parties		
Welassure Private Limited	12	-
Welspun Global Services Private Limited	0	-
Welspun Energy Thermal Private Limited	-	0
Investment in compulsorily convertible debentures	**34,438**	**63,931**
Subsidiaries		
Welspun Natural Resources Private Limited	-	20,987
Welspun Build-Tech Private Limited	1,712	1,712
MSK Projects (Kim Mandvi Corridor) Private Limited	1,002	1,002
Welspun Delhi Meerut Expressway Private Limited	2,155	2,155
Dewas Waterprojects Works Private Limited	3,872	3,872
Welspun Sattanathapuram Nagapattinam Road Private Limited	2,170	2,170

Notes Forming Part of the Financial Statements

*** Closing balances as at** (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Welspun Road Infra Private Limited	-	9,566
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	3,550
MBL (CGRG) Road Limited	3,279	2,824
Corbello Trading Private Limited	3,144	3,144
Chikhali - Tarsod Highways Private Limited	3,095	3,095
Investment in optionally convertible debentures	**56,295**	**32,151**
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	3,550
Welsteel Enterprises Private Limited	3,475	3,475
Welspun Sattanathapuram Nagapattinam Road Private Limited	585	-
Welspun Road Infra Private Limited	1,499	-
Welspun Infrafacility Private Limited	14,039	-
Joint Venture Companies		
MBL (GSY) Road Limited	8,314	7,910
MBL (CGRG) Road Limited	6,564	6,457
Chikhali - Tarsod Highways Private Limited	5,727	1,954
Other related party		
Welspun Energy Thermal Private Limited	-	856
Payable at the end of the year		
Income received in advance	-	147
Joint Venture Companies		
MBL (CGRG) Road Limited	-	47
Chikhali - Tarsod Highways Private Limited	-	100
Bank guarantee issued and outstanding for advance received by Subsidiaries/ Joint Arrangements/ Associate	**30,363**	**15,680**
Subsidiaries		
Welspun Road Infra Private Limited	1,460	1,460
Welspun Aunta-Simaria Project Private Limited	5,805	5,805
Welspun Sattanathapuram Nagapattinam Road Private Limited	22,050	-
Joint Venture Companies		
MBL (GSY) Road Limited	-	1,184
MBL (CGRG) Road Limited	-	942
Chikhali - Tarsod Highways Private Limited	1,048	6,289
Corporate guarantee outstanding for performance security of Subsidiaries/ Joint Arrangements/ Associate	**6,000**	**10,000**
Subsidiary		
Welspun Sattanathapuram Nagapattinam Road Private Limited	6,000	10,000
Corporate guarantee outstanding for advance received by Subsidiaries/ Joint Arrangements/ Associate	**4,064**	**4,064**
Subsidiary		
Welspun Aunta-Simaria Project Private Limited	4,064	4,064
Bank guarantee issued and outstanding towards performance security of Subsidiaries/ Joint Arrangements/ Associate	**4,194**	**2,314**

Notes Forming Part of the Financial Statements

*** Closing balances as at** (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Subsidiaries		
Welspun Projects (Himmatnagar Bypass) Private Limited	-	10
Dewas Waterprojects Works Private Limited	361	361
Associate		
Adani Welspun Exploration Limited	3,833	1,943

* 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 ₹ 4,028 lakhs (March 31, 2020 5,171 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, 2020 ₹ 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 ₹ 486 lakhs (March 31, 2020 ₹ 500 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 ₹ 6,285 lakhs (March 31, 2020 ₹ Nil)

During the earlier year, the Company had given guarantee for Welspun Infrafacility Private Limited (‘WIPL’) for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 79,394 lakhs (March 31, 2020 ₹ Nil)

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 ₹ 6,254 lakhs (March 31, 2020 ₹ 10,834 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 ₹ 2,772 lakhs (March 31, 2020 ₹ 16,008 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 ₹ 14,986 lakhs (March 31, 2020 ₹ 18,951)

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 ₹ 8,268 lakhs (March 31, 2020 ₹ 4,000)

During the earlier years, the Company had given performance guarantee to its subsidiaries namely WDMEPL and DWPPL aggregating to ₹ 4,323 lakhs and ₹ 280 lakhs respectively and also to its joint ventures namely GSY and CGRG aggregating to ₹ 6,080 lakhs and ₹ 4,844 lakhs respectively.

All transactions with related parties are made on arm’s length basis in the ordinary course of business.

Notes Forming Part of the Financial Statements

48 DISCLOSURE REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('THE ACT') ARE GIVEN AS FOLLOWS :-

(₹ in lakhs)

	March 31, 2021	March 31, 2020
a) Principal amount payable to the suppliers under the Act		
- For capital goods	-	-
- For others	411	2
b) Principal amount due to the suppliers under the Act	-	-
c) Interest accrued and due to the suppliers under the Act, on the above amount	-	-
d) Payment made to suppliers other than interest beyond the appointed day, during the year	-	-
e) Interest paid to suppliers under the Act	-	-
f) Interest due and payable to suppliers undet the Act, for payment already made	-	-
g) Interest accrued and remaining unpaid at the end of the year under the Act	-	
h) The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available to the Company

49 A) Disclosure pertaining to Ind AS 115 " Revenue from Contracts with Customers"

The Company believes that the information provided under Note 31 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, 2021	As at March 31, 2020
Trade receivables	20,884	34,101
Contract assets	28,221	32,551
Contract liabilities	25,992	9,906

a) Trade receivables are non-interest bearing and are generally on terms as per agreements.

b) Explanation for increase in Contract assets/ Contract liabilities

(i) Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. The significant decrease in Contract assets in March 2021 is on account of reduction in unbilled revenue.

(ii) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer and an excess of billing over revenue i.e. unearned revenue. The increase in Contract liabilities in March 2021 is on account of increase in unearned revenue.

(iii) Amount of revenue recognised from :-

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Amounts included in contract liabilities at the beginning of the year	5,583	214

Notes Forming Part of the Financial Statements

50 During the previous year, Anjar Road Private Limited ('Transferor Company') is merged with Welspun Enteprises Limited ('WEL') ('Transferee Company') pursuant to Hon'ble National Company Law Tribunal order dated June 21, 2019 approving the Scheme of Amalgamation with effective date being July 20, 2019 and appointed date being December 10, 2018. As prescribed by the Scheme, all assets and liabilities and reserve appearing in the books of transferor company are recorded by transferee company at their respective book value appearing in transferor company. Further, difference if any between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) has been adjusted in capital reserve of transferor company (to the extent available), balance if any has been adjusted in Reserve and Surplus (General Reserve) of transferee company. The authorised share capital will stand increased automatically by ₹ 5 Lakhs.

The following assets and liabilities of the Transferor companies as at July 20, 2019 have been recorded at their book value

Details of assets and liabilities acquired :-

(₹ in lakhs)

	As at July 20, 2019	As at July 20, 2019
Assets		
a) Non-current tax asset	3	
b) Current investments		
Investment in bonds	806	
Investment in mutual funds	132	
	938	
c) Cash and cash equivalents	1	942
Liabilities		
a) Other current liabilities - Stamp duty payable	685	
b) Trade payable	10	
c) Current tax liabilities - Provision for tax	1	696
Net assets taken over		**246**
Difference between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) adjusted in Reserve and Surplus (General Reserve) of the Company		246

51 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, 2021	As at March 31, 2020
Opening balance	387	-
Add: Additions	387	694
Less : Depreciation	(344)	(307)
Net carrying amount	**431**	**387**

Notes Forming Part of the Financial Statements

B The details of the lease liability of the Company is as follows:

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Opening balance	393	-
Add: Additions during the year	387	663
Add: Accretion of interest	50	51
Less: Payments/ Waiver	(382)	(321)
Net carrying amount	**448**	**393**
Lease liability (Current) shown under Other Current Financial Liabilities	268	240
Lease liability (Non Current) shown under Other Non-Current Financial Liabilities	180	153
	448	**393**

C

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	344	307
Interest expense on lease liabilities	50	51
Total amount recognised in profit or loss	**394**	**358**

The Company had total cash outflows for leases of ₹ 360 lakhs (₹ 321 Lakhs March 31, 2020). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 387 Lakhs (₹ 663 lakhs March 31, 2020)

52 CODE ON SOCIAL SECURITY

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

53 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 OF THE COMPANIES ACT, 2013

a) The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.

b) There are no investments other than as disclosed in Note 7 and 14 forming part of the financial statements.

Notes Forming Part of the Financial Statements

54 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, 2021 @	Maximum amount outstanding during the year ended March 31, 2021	Balance as at March 31, 2020 @	Maximum amount outstanding during the year ended March 31, 2020
i.	**Loans and advances in the nature of loans to subsidiary**				
	Welspun Natural Resources Private Limited @@	25,186	22,957	2,009	26,342
	MSK Projects (Kim Mandvi Corridor) Private Limited	56	380	379	699
	Welspun Projects (Himmatnagar Bypass) Private Limited	1	112	27	27
	ARSS Bus Terminal Private Limited	21	21	18	18
	Dewas Waterprojects Works Private Limited	407	788	315	5,364
	Welspun Delhi Meerut Expressway Private Limited	-	1,560	2,168	4,926
	Welspun Build-Tech Private Limited (Formerly Welspun Construction Private Limited)	4	4	2	2
	Welspun Sattanathapuram Nagapattinam Road Private Limited	0	525	-	467
	DME Infra Private Limited	2	2	1	1
	Grenoble Infrastructure Private Limited	1	1	0	0
	Welspun Amravati Highways Private Limited	6	6	5	5
	Welspun Road Infra Private Limited	2,222	29,612	4,407	6,098
	Welsteel Enterprises Private Limited	2	2	0	0
	Welspun Aunta-Simaria Project Private Limited	0	9,612	477	497
	Welspun Infrafacility Private Limited	14,708	44,407	32	33
ii.	**Loans and advances in the nature of loans to Associate**				
	Adani Welspun Exploration Limited	67	76	19	30
iii.	**Loans and advances in the nature of loans to Joint Venture Companies**				
	RGY Roads Private Limited	3	3	3	3
	MBL (GSY) Road Limited	8,209	13,026	2,005	2,799
	MBL (CGRG) Road Limited	6,956	13,945	1,073	1,371
	Corbello Trading Private Limited	5	5	3	3
	Chikhali - Tarsod Highways Private Limited	0	6,038	341	1,992
iv.	**Loans and advances in the nature of loans to firms/ companies in which directors are interested**	Nil	Nil	Nil	Nil
v.	**Investment by the loanee in the shares of the Company**	Nil	Nil	Nil	Nil

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

@@ After considering expected credit loss of ₹ 13,377 Lakhs (March 31, 2020 : ₹ 13,377 Lakhs)

Notes Forming Part of the Financial Statements

55 PROPOSED DIVIDENDS ON EQUITY SHARES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Dividend proposed for March 31, 2021 ₹ 1.50 per share (March 31, 2020 ₹ 2.00 per share)	2,233	2,969

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (Including tax on dividend in previous year) as at reporting date.

56 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, 2020	3,340	27,661	14,846	93,336
Cash inflow	47,500	19,785	-	-
Cash outflow	(2,969)	(37,982)	-	-
Non cash changes - other changes (Refer note below (b))	2,642	268	41	525
As at March 31, 2021	**50,514**	**9,732**	**14,886**	**93,861**

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 alloted pursuant to exercise of stock option (Refer note 44)

iv) Conversion of Investment (Compulsorily Convertible Debentures) to Loans during the year is ₹ 22,705 lakhs

v) Conversion of loan to investment in subsidiaries during the year is ₹ 43,934 lakhs

vi) Conversion of loan to investment in joint venture companies during the year is ₹ 5,343 lakhs

vi) Conversion of advance for investment into investment during the year is ₹ 5,224 lakhs

vii) Conversion of Investment (Compulsorily Convertible Debentures) to Investment (Equity) during the year is ₹ 9,565 lakhs

57 CORPORATE SOCIAL RESPONSIBILITY ('CSR')

(₹ in lakhs)

	March 31, 2021	March 31, 2020
Contribution to Welspun Foundation for Health & Knowledge ('WFHK')	345	168
Amount required to be spent as per Section 135 of the Companies Act 2013	345	168
Amount spent by WFHK during the year on:		
Construction/ acquisition of an asset	-	-
On purposes other than above	217	168

Notes Forming Part of the Financial Statements

58 ESTIMATION OF UNCERTAINITY RELATING TO COVID - 19 OUTBREAK

The Company's operations and financial results had been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the current year with limited availability of workforce and disrupted supply chain. With easing of lockdown, the Company's performance for the current year has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Company has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

59 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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Independent Auditor's Report

To
The Members of
Welspun Enterprises Limited

1. OPINION

We have audited the accompanying consolidated financial statements of **Welspun Enterprises Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate and joint venture companies which comprise the consolidated balance sheet as at 31 March 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statement and on other financial information of subsidiaries, associate and joint venture companies referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Group as at 31 March 2021, and its consolidated profit, consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Auditor's response
Accuracy in respect of Construction contract revenue involves critical estimates. • Estimated cost is a critical estimate to determine revenues. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, costs incurred till date, costs required to complete the remaining contract performance obligations.	**Principal audit procedures** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluated the design of internal controls relating to recording of costs incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to allocation and budgeting systems which prevents unauthorized changes to recording of costs incurred. • Selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimated through inspection of evidence of performance of these controls.

Key audit matter	Auditor's response
	• Selected a sample of contracts and performed a retrospective review of costs incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated costs.

4. OTHER INFORMATION

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

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

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

5. MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture companies in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its 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 twelve subsidiaries whose financial statements reflect total assets of ₹ 266,217 lakhs as at 31 March 2021, total revenues of ₹ 109,318 lakhs, total net profit after tax of ₹ 714 lakhs, total comprehensive income of ₹ 714 lakhs and total cash inflow of ₹ 1,101 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 ₹ 965 lakhs and total comprehensive loss of ₹ 963 lakhs for the year ended 31 March 2021, 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, we report that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

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

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associate and joint venture companies which are incorporated in India, none of the directors of the Group, its associate and joint venture companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture companies.

ii. Provision has been made in consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring the amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its associates and joint venture companies during the year.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 16 June 2021
UDIN: 21048215AAAAGA1236

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 31 March 2021.

We have audited the internal financial controls over financial reporting of **Welspun Enterprises Limited** ("the Holding Company") and its subsidiaries, associate and joint venture companies incorporated in India as at 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors of the subsidiary companies, associate and joint venture companies incorporated in India , in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Holding Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company, its subsidiary companies, associate and joint venture companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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, 16 June 2021
UDIN: 21048215AAAAGA1236

Consolidated Balance Sheet

At at March 31, 2021

(₹ in lakhs)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	4,135	4,485
(b) Right-of-use asset	5	431	387
(c) Capital work-in-progress	4	6,381	6,381
(d) Intangible assets	6	5,689	5,831
(e) Intangible assets under development	6	133,919	-
(f) Investments in an associate and joint venture companies	53	64,568	54,556
(g) Financial assets			
i. Investments	7	13	857
ii. Loans	8	3,207	2,856
iii. Receivable under service concession arrangement	9	113,624	88,122
iv. Others	10	9,783	307
(h) Deferred tax assets (net)	43	562	1,549
(i) Non-current tax assets (net)	11	2,470	2,175
(j) Other non-current assets	12	819	1,649
Total non-current assets		**345,600**	**169,155**
2. Current assets			
(a) Inventories	13	489	68
(b) Contract assets	14	10,541	28,638
(c) Financial assets			
i. Investments	15	15,830	39,342
ii. Trade receivables	16	13,452	18,674
iii. Cash and cash equivalents	17	19,858	12,558
iv. Bank balances other than (iii) above	18	1,577	2,330
v. Loans	19	17,065	3,342
vi. Receivable under service concession arrangement	20	17,027	5,149
vii. Other financial assets	21	58	5,340
(d) Other current assets	22	34,839	24,521
Total current assets		**130,735**	**139,962**
Assets held-for-sale	23	2,513	2,513
		133,248	**142,475**
Total assets		**478,848**	**311,630**
Equity and liabilities			
Equity			
(a) Equity share capital	24(a)	14,886	14,846
(b) Other equity	24(b)	153,561	143,099
Equity attributable to equity holders of the parent		**168,447**	**157,945**
Non-controlling interests	54	129	10
Total equity		**168,576**	**157,955**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	204,383	47,776
(ii) Other financial liabilities	26	180	153
(b) Provisions	27	2,964	2,967
(c) Deferred tax liabilities (net)	43	1,056	-
(d) Other non current liabilities	28	285	285
Total non-current liabilities		**208,868**	**51,181**
2. Current liabilities			
(a) Contract liabilities	29	31,593	17,859
(b) Financial liabilities			
i Borrowings	30	9,731	27,661
ii Trade payables	31		
- Due of micro enterprises and small enterprises		411	2
- Due of creditors other than micro enterprises and small enterprises		32,532	28,197
iii Other financial liabilities	32	23,029	24,991
(c) Provisions	33	251	221
(d) Other current liabilities	34	3,856	3,558
(e) Current tax liabilities (net)	35	-	5
Total current liabilities		**101,404**	**102,494**
Total equity and liabilities		**478,848**	**311,630**
Notes forming part of the consolidated financial statements	1 to 68		

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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in lakhs)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	36	152,951	180,759
Other income	37	14,201	11,184
Total income		**167,152**	**191,943**
Expenses			
Cost of materials consumed	38	605	862
Subcontracting, civil and repair work		112,951	142,888
Employee benefits expense	39	8,281	8,714
Finance costs	40	11,045	7,736
Depreciation and amortisation expense	41	1,599	2,254
Other expenses	42	13,974	7,337
Total expenses		**148,455**	**169,791**
Profit before share of profit of an associate and joint venture companies		**18,697**	**22,152**
Share of loss from an associate and joint venture companies	53	(725)	(1,878)
Profit before tax		**17,972**	**20,274**
Tax expense	43		
- Current tax		2,927	5,883
- Deferred tax charge/ (credit)		2,027	(722)
Total tax expense		**4,954**	**5,161**
Profit for the year		**13,018**	**15,113**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan		60	31
Income tax effect on above		(15)	(8)
Share of OCI of associate		1	(0)
Other comprehensive income for the year (net of tax)		**46**	**23**
Total comprehensive income for the year		**13,064**	**15,136**
Profit attributable to :			
Equity holders of the parent		12,899	14,888
Non-controlling interest		119	225
Total comprehensive income attributable to :			
Equity holders of the parent		12,945	14,911
Non-controlling interest		119	225
Earnings per equity share of ₹10 each fully paid up	47		
Basic (₹)		8.67	10.04
Diluted (₹)		8.60	9.91
Notes forming part of the consolidated financial statements	1 to 68		

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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
A	**Cash flow from operating activities**		
	Profit before tax	17,972	20,274
	Adjustments for		
	Depreciation and amortisation expense	1,599	2,254
	Gain on sale/ discard of property, plant and equipment (net)	(1)	(565)
	Interest income	(12,106)	(6,735)
	Finance costs	11,045	7,736
	Dividend income	(9)	(22)
	Provision for gratuity and leave encashment	27	172
	Net gain on financial assets mandatorily measured at FVTPL	(1,670)	(3,799)
	Reversal of provision no longer required	(93)	(16)
	Balances written off	133	-
	Unwinding of discount on security deposits	(10)	(9)
	Share based payments to employees	531	884
	Share of loss from associate and joint venture companies	725	1,878
	Operating profit before working capital changes	**18,143**	**22,052**
	Adjustments for		
	Decrease/ (Increase) in trade and other receivables	(20,775)	10,169
	(Decrease)/ Increase in trade and other payables	7,155	(31,234)
	Decrease / (Increase) in inventories	(421)	5
	Cash used in operations	**4,102**	**992**
	Direct taxes paid (net of refund)	(3,228)	(6,785)
	Net cash used in operating activities (A)	**874**	**(5,793)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(177)	(1,148)
	Intangible assets and Intangible assets under development	(74,556)	(598)
	Sale of property, plant and equipment and assets held-for-sale	7	1,956
	Gain on sale of current investments (net)	(395)	(279)
	Investment in other entity	(12)	-
	Loans given to joint venture companies	(20,718)	(10,373)
	Loans given to associate	(5,171)	(2,953)
	Loans given to joint venture companies repaid	3,640	2,930
	Loans given to associate repaid	84	6,391
	Loans given to others repaid	-	10
	Advance for investment	-	(5,224)
	Redemption of investment in optionally convertible debentures	699	1,171
	Redemption of investment	5,224	-
	Increase in other bank balances and restricted investments	(6,254)	(2,369)
	Inter-corporate deposits given repaid	50	-
	Dividend received	9	22
	Interest received	5,818	4,258
	Net cash used in investing activities (B)	**(91,752)**	**(6,206)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	115,627	53,247
	Repayment of long-term borrowings	(10,426)	(43,168)
	(Decrease)/ Increase in short-term borrowings (net)	(18,982)	11,871
	Principal payment of lease liabilities	(360)	(321)
	Interest paid	(7,579)	(7,578)
	Dividend paid (Including tax on dividend in previous year)	(2,974)	(3,458)
	Net cash generated from financing activities (C)	**75,306**	**10,595**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(15,572)**	**(1,405)**
	Cash and cash equivalents at the beginning of the year	49,269	49,422
	Cash and cash equivalents adjustment for reclassification	-	312
	Cash and cash equivalents of Anjar Road Private Limited (Refer Note 60)	-	940
	Cash and cash equivalents at the end of the year	**33,697**	**49,269**

Notes:

1.	**Break up of cash and cash equivalents are as follows**	As at March 31, 2021	As at March 31, 2020
	Current investments	14,624	37,015
	Cash and cash equivalents	19,858	12,254
	Less : Bank Overdraft (disclosed under current financial liabilities - borrowings)	(785)	-
		33,697	**49,269**

2. As required by Ind AS 7 “Statement of Cash Flows”, a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 64

3. Cash and cash equivalents disclosed above excludes restricted cash balances of ₹ Nil (March 31, 2020 : ₹ 305 lakhs) forming part of Cash and cash equivalents as disclosed in Balance Sheet.

4. The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 64

5. 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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

	Note	Amount
Balance as at March 31, 2019	24 (a)	**14,808**
Changes in equity share capital		38
Balance as at March 31, 2020	24 (a)	**14,846**
Changes in equity share capital		41
Balance as at March 31, 2021	24 (a)	**14,886**

B. OTHER EQUITY

(₹ in lakhs)

	Notes	Reserves and surplus						Total other equity	Non-controlling interests	Total
		Capital reserve	Securities premium	Share options outstanding account	Amalgamation reserve	General reserve	Retained earnings			
Balance as at April 01, 2019 (A)		**27,993**	**92,850**	**1,662**	**521**	**322**	**7,206**	**130,554**	**7**	**130,561**
Profit for the year		-	-	-	-	-	14,887	14,887	225	15,113
Other comprehensive income for the year		-	-	-	-	-	23	23	-	23
Total comprehensive income for the year (B)		**-**	**-**	**-**	**-**	**-**	**14,910**	**14,910**	**225**	**15,136**
Compensation options granted	49 & 24(b)	-	-	884	-	-	-	884	-	884
Exercise of share options	49 & 24(b)	-	485	(522)	-	-	-	(38)	-	(38)
Scheme of Amalgamation	60					246		246		246
Dividends paid	63	-	-	-	-	-	(2,962)	(2,962)	-	(2,962)
Dividends distribution tax paid	63	-	-	-	-	-	(494)	(494)	-	(494)
Non-controlling interest	54	-	-	-	-	-	-	-	(223)	(223)
Share of an associate	53	-	-	-	-	-	(0)	(0)	-	(0)
Total (C)		**-**	**485**	**362**	**-**	**246**	**(3,456)**	**(2,364)**	**(223)**	**(2,587)**
Balance as at March 31, 2020 (D = (A + B + C))		**27,993**	**93,334**	**2,024**	**521**	**568**	**18,660**	**143,099**	**10**	**143,109**
Profit for the year		-	-	-	-	-	12,899	12,899	119	13,018
Other comprehensive income		-	-	-	-	-	46	46	-	46
Total comprehensive income for the year (E)		**-**	**-**	**-**	**-**	**-**	**12,945**	**12,945**	**119**	**13,064**
Compensation options granted	49 & 24(b)	-	-	531	-	-	-	531	-	531
Exercise of share options	49 & 24(b)	-	525	(566)	-	-	-	(41)	-	(41)
Dividends paid	63	-	-	-	-	-	(2,974)	(2,974)	-	(2,974)
Non-controlling interest	54	-	-	-	-	-	-	-	-	-
Share of an associate	53	-	-	-	-	-	0	0	-	0
Total (F)		**-**	**525**	**(35)**	**-**	**-**	**(2,974)**	**(2,484)**	**(0)**	**(2,484)**
Balance as at March 31, 2021 (G = D+E+F))		**27,993**	**93,859**	**1,989**	**521**	**568**	**28,632**	**153,561**	**129**	**153,690**

Notes forming part of the consolidated financial statements 1 to 68

Consolidated Statement of Changes in Equity
for the year ended March 31, 2021

Nature and purpose of reserves

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

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

c) Share options outstanding account
The share options outstanding account represents the value of equity settled share based payment provided to employees as part of their remuneration. Refer note 49 for further details of this plan.

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

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

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

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

Notes Forming Part of the 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, 2021 were authorised for issue by the Board of Directors at their meeting held on June 16, 2021.

2 BASIS OF PREPARATION

The CFS have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) from time to time and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI)

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

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

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

c) Defined benefit plan assets and liabilities

d) Share based payments

The Consolidated Financial Statements are presented in Indian rupees (INR) with values rounded off to the nearest lakhs, except otherwise stated. Zero '0' denotes amount less than ₹ 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, 2021.

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.

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

Notes Forming Part of the Financial Statements

Name of the Subsidiaries	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)		Country of Incorporation
	March 31, 2021	March 31, 2020	
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 Amravati Highways Private Limited	100%	100%	India
Welspun Infrafacility Private Limited *	100%	100%	India

* became subsidiary w.e.f. September 13, 2019

Became subsidiary on November 1, 2019 (earlier - classified as Jointly controlled companies)

@ 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.

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.

Notes Forming Part of the Financial Statements

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, 2021	March 31, 2020	
Associate			
Adani Welspun Exploration Limited	35%	35%	India
(Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)			
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

3(B) SIGNIFICANT ACCOUNTING POLICIES

i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The group classifies all other liabilities as non-current.

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

ii) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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.

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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.

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

Notes Forming Part of the Financial Statements

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.

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.

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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.

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.

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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 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

vi) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangibles assets are amortised as explained in note iv (b) above

Intangible assets not ready for the intended use as on the date of the Balance Sheet are disclosed as "Intangible Assets Under Development"

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

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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 and components are valued at lower of cost or 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 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

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interest) are recognised in other comprehensive income in the period in which they occur.

c) **Defined contribution plans**
Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

xiii) Share based payments
Employees (including senior executives) of the group receive remuneration also in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions)

Employee stock options
The fair value of the options granted under the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

xiv) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds.

xv) Taxes on income

a) **Current tax**
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) **Deferred tax**
Deferred tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the consolidated balance sheet and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit.

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.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporay differences and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the group expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to item recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the entity will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the entity will pay normal income tax during the specified period.

xvi) Foreign Currency transactions

The consolidated financial statements are presented in Indian rupee (INR), which is Welspun Enterprises Limited's functional and presentation currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date, are translated at the closing rate and are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

xvii) Leases

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

Company as a lessee

The Group applies a single recognition and measurement approach for all leases,

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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 of useful lives of the leased assets.

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

ii) **Lease Liabilities**
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) **Short-term leases and leases of low-value assets**
The Group applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

xviii) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

xix) Earnings per share
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

xx) Provisions, contingent liabilities and contingent assets

a) **Provisions**
Provisions are recognized when the group has a present obligation

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(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 occurence or non occurence of one or more uncertain future events beyond the control of the group or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. Contingent asset is not recognized, but its existence is disclosed in the financial statements.

xxi) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. **Financial assets**

a) **Initial recognition and measurement**

Financial assets are recognized when the group becomes a party to the contractual provisions of the instrument. The group determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

b) **Subsequent measurement**

For the purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments measured at amortised cost

ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments measured at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

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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.

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.

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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.

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

Notes Forming Part of the Financial Statements

at fair value with changes in fair value recognized in the statement of profit and loss.

c) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

xxii) Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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 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

Notes Forming Part of the Financial Statements

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) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

a) Changes in existing presentation requirements for certain items in Balance Sheet. For eg. Lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on equity share capital.

b) Additional disclosures requirements in specified formats. For eg Trade receivables, trade payables, capital work-in-progress, intangible assets, shareholding of promoters.

c) Disclosure if fund have been used other than for the specific purpose for which it was borrowed from bank and financial institutions.

d) Additional Regulatory Information such as compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

e) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

Notes Forming Part of the Financial Statements

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

3 (D) SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to exercise judgment in applying the group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a) Contract estimates

The group prepares budgets in repect of each EPC projects to compute project profitability and construction revenue under percentage of completion method. The major component of contract estimate is budgeted cost to complete the contract. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Provision for employee benefits

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in note 50.

c) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the group. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

d) Impairment testing

i) Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

ii) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Taxes

The group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The group records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be

Notes Forming Part of the Financial Statements

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 0value measurement**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 44).

g) **Classification of associate and joint arrangement**

Please refer note 53 (b) (v) and 53 (c) (v)

h) **Share based payments**

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

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.

j) **Impact of COVID-19 (Pandemic)**

The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in forecast cost of long term construction contracts and impact on leases. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

3(E) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notification which would have been applicable from April 01, 2021.

Notes Forming Part of the Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

	Freehold land	Buildings	Plant and machinery	Furniture and Fixtures	Vehicles	Office and other equipments	Computers	Total
Gross carrying amount								
Balance as at April 01, 2019	**1,798**	**6**	**5,681**	**94**	**2,136**	**142**	**29**	**9,886**
Additions	-	-	1,602	13	301	36	18	1,970
Disposals	48	-	458	-	193	0	-	699
Reclassification as held-for-sale	-	-	3,318	-	1,050	-	-	4,369
Balance as at March 31, 2020	**1,750**	**6**	**3,507**	**107**	**1,194**	**179**	**47**	**6,789**
Additions	-	223	104	16	3	142	52	539
Disposals	-	-	18	0	30	0	4	53
Balance as at March 31, 2021	**1,750**	**229**	**3,593**	**122**	**1,166**	**321**	**94**	**7,275**

	Freehold land	Buildings	Plant and machinery	Furniture and Fixtures	Vehicles	Office and other equipments	Computers	Total
Accumulated depreciation								
Upto April 01, 2019	**-**	**2**	**1,380**	**23**	**389**	**70**	**17**	**1,882**
Additions	-	0	1,115	22	442	48	12	1,639
Disposals	-	-	167	-	61	-	-	228
Reclassification as held-for-sale	-	-	672	-	316	-	-	989
Upto March 31, 2020	**-**	**2**	**1,656**	**45**	**454**	**118**	**30**	**2,305**
Additions	-	2	547	20	228	69	16	882
Disposals	-	-	14	0	29	0	4	47
Upto March 31, 2021	**-**	**5**	**2,188**	**65**	**653**	**187**	**41**	**3,140**
Net carrying amount								
Balance as at March 31, 2021	**1,750**	**224**	**1,405**	**57**	**513**	**134**	**53**	**4,135**
Balance as at March 31, 2020	**1,750**	**4**	**1,851**	**61**	**740**	**61**	**17**	**4,485**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Net carrying amount		
Property, plant and equipment	4,135	4,485
Capital work-in-progress	6,381	6,381

Note

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

For details of property, plant and equipment pledged as security, refer note 25 & 30

Notes Forming Part of the Financial Statements

5 RIGHT-OF-USE ASSETS

(₹ in lakhs)

	Leased premises	Total
Gross carrying amount		
Balance as at April 01, 2019	**-**	**-**
Additions	694	694
Disposals	-	-
Balance as at March 31, 2020	**694**	**694**
Additions	387	387
Disposals	-	-
Balance as at March 31, 2021	**1,081**	**1,081**

(₹ in lakhs)

	Leased premises	Total
Accumulated depreciation		
Upto April 01, 2019	**-**	**-**
Additions	306	306
Disposals	-	-
Upto March 31, 2020	**306**	**306**
Additions	344	344
Disposals	-	-
Upto March 31, 2021	**650**	**650**
Net carrying amount		
Balance as at March 31, 2021	**431**	**431**
Balance as at March 31, 2020	**387**	**387**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Net carrying amount		
Right-of-use assets	431	387

6 INTANGIBLE ASSETS

(₹ in lakhs)

	Dewas Water Supply Project	Himmatnagar Bypass Private Limited *	Total
Gross carrying amount			
Balance as at April 01, 2019	-	350	350
Additions	6,100	-	6,100
Balance as at March 31, 2020	**6,100**	**350**	**6,450**
Additions	231	-	231
Balance as at March 31, 2021	**6,331**	**350**	**6,681**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

	Dewas Water Supply Project	Himmatnagar Bypass Private Limited *	Total
Accumulated amortisation			
Upto April 01, 2019	-	311	311
Additions	284	25	309
Upto March 31, 2020	**284**	**335**	**619**
Additions	358	15	373
Upto March 31, 2021	**642**	**350**	**992**
Net carrying amount			
Balance as at March 31, 2021	**5,690**	**-**	**5,689**
Balance as at March 31, 2020	**5,816**	**15**	**5,831**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Net carrying amount		
Intangible Assets	5,689	5,831
Intangible Assets Under Development	133,919	-

Note :

For details of intangible assets pledged as security, refer note

* Handed over to Gujarat State Road Development Corporation Limited ('GSRDC') on August 09, 2020.

7 NON-CURRENT INVESTMENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current investments		
Investment at fair value through profit and loss		
Investment - Quoted		
Union Bank of India (Formerly known as Corporation Bank Limited)		
2,640 (March 31, 2020 : 2,640) equity Shares of ₹ 10/- each fully paid up	1	1
Investments - Unquoted		
Welspun Energy Thermal Private Limited		
(Formerly known as Solarsys Infra Projects Private Limited)		
1,549 (March 31, 2020 : 1,549) equity shares of ₹ 10 each fully paid up	-	0
1,570,832 (March 31, 2020 : 8,559,325) 0% unsecured optionally convertible debentures of ₹ 10 each fully paid up @	-	856
Welassure Private Limited		
1,900 (March 31, 2020 : Nil) equity shares of ₹ 10 each fully paid up	12	-
Welspun Global Services Private Limited		
1,900 (March 31, 2020 : Nil) equity shares of ₹ 10 each fully paid up	0	-
Ecstatic Engineering Consultants Private Limited		
480 (March 31, 2020 : 480) equity shares of ₹ 10 each fully paid up	0	0
Investment in Government Securities		
Indira Vikash Patra	0	0
Total	**13**	**857**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Aggregate book value of quoted investments	1	1
Aggregate book value of unquoted investments	12	857
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, 2021	As at March 31, 2020
Secured		
Security deposits- considered good - others	400	-
Unsecured		
Security deposits- considered good		
- Related parties (Refer note 51)	-	14
- Others	161	209
	161	**223**
Loans to related parties (Refer note 51)		
Considered good	2,646	2,633
	2,646	**2,633**
Total	**3,207**	**2,856**

9 RECEIVABLE UNDER SERVICE CONCESSION ARRANGEMENT

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Service concession receivables	113,624	88,122
Total	**113,624**	**88,122**

10 NON-CURRENT FINANCIAL ASSETS -OTHERS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Deposit - others	162	296
Bank deposit having maturity of more than 12 months - * Held as margin money against guarantees and other commitments (with various government authorities and banks)	9,621	11
Total	**9,783**	**307**

* Deposits with banks earns interest at prevailing bank deposit rates.

11 NON-CURRENT TAX ASSETS (NET)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with government authorities :		
- Direct tax (net of provision for taxation)	2,470	2,175
Total	**2,470**	**2,175**

Notes Forming Part of the Financial Statements

12 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital advances	32	21
Prepaid expenses	126	970
Balances with government authorities - Indirect taxes	660	658
Total	**818**	**1,649**

13 INVENTORIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Raw materials (including consumables)	489	68
Total	**489**	**68**

14 CONTRACT ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Contract assets (Refer note 59)		
- Related parties (Refer note 51)	10,541	17,928
- Others	-	10,710
Total	**10,541**	**28,638**

15 CURRENT INVESTMENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Investments at fair value through profit and loss		
I. Quoted		
a) Investment in bonds	13,462	19,611
b) Investment in mutual funds *	2,208	19,627
c) Investment in equity shares		
NMDC Limited	135	80
100,000 (March 31, 2020 : 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, 2020 : 5,584) 0% unsecured optionally convertible debentures of ₹ 100 each fully paid up (at fair value) #		
Total	**15,830**	**39,342**
Aggregate book value of quoted investments	15,805	39,317
Aggregate book value of unquoted investments	25	25
Aggregate market value of quoted investments	15,805	39,317

* ₹ 1,069 lakhs (March 31, 2020: ₹ 3,226 lakhs) represents restricted balances towards DSRA obligation.

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.

Notes Forming Part of the Financial Statements

16 TRADE RECEIVABLES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good		
- Related parties (Refer note 51)	10,727	15,988
- Others	2,725	2,686
Total	**13,452**	**18,674**

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

17 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks in		
- Current accounts	4,917	1,590
- Deposits with banks having original maturity period of less than three months #	-	305
Cash on hand	1	7
Remittances in transit *	14,939	10,656
Total	**19,858**	**12,558**

* Subsequently cleared on 03 April 2021 (March 31, 2020 : 04 April 2020).

Lien marked against issuance of bank guarantees

18 BANK BALANCES (OTHER THAN 17 ABOVE)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- Deposits with banks having maturity period of less than twelve months ^	369	1,103
- Held as margin money against guarantees and other commitments (with various government authorities and banks)#	1,163	1,201
- Unclaimed dividend account	44	26
Total	**1,577**	**2,330**

Note :

^ Lien marked against issuance of bank guarantees ₹ Nil (March 31, 2020 : ₹ 1,103 lakhs)

Represents lien marked against bank guarantees and restricted bank balances.

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19 CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured, considered good		
Security deposits - Others	103	-
Unsecured, considered good		
Inter corporate deposits - Others	50	100
Security deposits		
- Related parties (Refer note 51)	17	16
- Others	2,033	147
Loans and advances		
- Related parties (Refer note 51)	12,595	812
- Others	2,267	2,267
Total	**17,065**	**3,342**

20 RECEIVABLE UNDER SERVICE CONCESSION ARRANGEMENT

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Service concession receivables	17,027	5,149
Total	**17,027**	**5,149**

21 OTHER CURRENT FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances recoverable	57	116
Advance towards purchase of investment	-	5,224
Total	**57**	**5,340**

22 OTHER CURRENT ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advance against goods and services	16,389	7,815
Mobilisation advance receivable	3,375	3,598
Prepaid expenses	1,477	1,230
Balances with government authorities - Indirect tax	13,599	11,878
Total	**34,839**	**24,521**

23 ASSETS HELD-FOR-SALE

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Assets held-for-sale *	2,513	2,513
Total	**2,513**	**2,513**

* Due to COVID-19 pandemic (circumstances arise 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.

Notes Forming Part of the Financial Statements

24 EQUITY

21(a) - Equity share capital

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Authorised		
275,000,000 (March 31, 2020: 180,050,000) equity shares of ₹ 10/- each	27,500	18,005
	27,500	**18,005**
Issued, subscribed and paid up		
148,864,056 (March 31, 2020: 148,458,056) equity shares of ₹ 10/- each fully paid up	14,886	14,846
	14,886	**14,846**

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

	As at March 31, 2021		As at March 31, 2020	
	Number of equity shares	(₹ in lakhs)	Number of equity shares	(₹ in lakhs)
At the beginning of the year	148,458,056	14,846	148,083,056	14,808
Add : Pursuant to exercise of stock options (Refer note 49)	406,000	41	375,000	38
Add : Equity shares issued (Refer note 60)	-	-	58,415,951	5,842
Less : Equity shares cancelled (Refer note 60)	-	-	(58,415,951)	(5,842)
Outstanding at the end of the year	**148,864,056**	**14,886**	**148,458,056**	**14,846**

(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 incase of interim dividend.

In the event of liquidation of the company, the holders of the equity shares are entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at March 31, 2021		As at March 31, 2020	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Balkrishan Goenka as Trustee of Welspun Group Master Trust	6,73,09,526 *	45.22%	67,309,526	45.34%

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

(iv) Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the last five years immediately preceding the reporting date.

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
a) Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to the Scheme of Amalgamation and Arrangement (Appointed date April 01, 2014)	-	157,768,980
- Pursuant to exercise of stock options (Refer note 49)	1,811,000	2,125,000
b) Equity shares bought back	(26,987,479)	(26,987,479)

Notes Forming Part of the Financial Statements

(v) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the company, please refer note 49

24(b) - Other equity

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital reserve	27,993	27,993
Securities premium	93,859	93,334
Share options outstanding account	1,989	2,024
Amalgamation reserve	521	521
General reserve	568	568
Retained earnings	28,632	18,660
Total	**153,561**	**143,099**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(i) Capital reserve		
As per last balance sheet	27,993	27,993
	27,993	**27,993**
(ii) Securities premium		
As per last balance sheet	93,334	92,850
Exercise of share options	525	485
	93,859	**93,334**
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	2,024	1,662
Compensation options granted during the year (Refer note 49)	531	884
Share options exercised during the year (Refer note 49)	(566)	(522)
	1,989	**2,024**
(b) Amalgamation reserve		
As per last balance sheet	521	521
(c) General reserve		
As per last balance sheet	568	322
Scheme of Amalgamation (Refer note 60)	-	246
Closing balance	**568**	**568**
(d) Retained earnings		
As per last balance sheet	18,660	7,206
Profit for the year	12,899	14,887
Other comprehensive income ('OCI') for the year	46	23
Dividend paid	(2,974)	(2,962)
Dividend distribution tax paid	-	(494)
Share of an associate in OCI	0	(0)
	28,632	**18,660**
Total	**153,561**	**143,099**

Notes Forming Part of the Financial Statements

25 NON-CURRENT BORROWINGS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured		
Term loans from banks *	107,033	47,457
Term loans from financial institutions *	66,331	6,088
Non convertible debentures *	40,154	-
	213,518	**53,545**
Less : Current maturities disclosed under other current financial liabilites - (Refer note 32)	(9,135)	(5,770)
Total	**204,383**	**47,776**
Term loans from banks / financial institutions		
In Parent Company		
IndusInd Bank Limited	363	2,200
Tata Capital Financial Services Limited ('TCFSL')	46	1,139
Axis Finance Limited	9,951	-
Non- convertible debentures	40,154	-
In Subsidiary Companies		
Union Bank of India	23,247	3,781
Axis Bank Limited	25,048	41,476
L&T Infrastructure Finance Company Limited	-	4,949
India Infrastructure Finance Company Limited	31,520	-
Indian Bank	9,435	-
Bank of Maharashtra	9,435	-
Aditya Birla Finance Limited	5,511	-
Bank of Baroda	3,020	-
Central Bank of India	1,522	-
State Bank of India	31,424	-
IDFC First Bank	19,261	-
Punjab National Bank	3,581	-
	213,518	**53,545**

* Includes accrued interest

NATURE OF SECURITY AND TERMS OF REPAYMENTS FOR LONG TERM BORROWINGS

A In Parent Company

i) IndusInd Bank Limited

Term loan from IndusInd Bank Limited was secured by first and exclusive charge over the assets financed under the facility, providing minimum asset over of 1.2x throughout the tenor of the loan

Repayment terms : Repayment in 8 equal quarterly installments starting from 1st quarter end from the date of first disbursement i.e. from September 2019.

Rate of Interest : 1 year MCLR + 0.25% spread

ii) 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')

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.

Notes Forming Part of the Financial Statements

iii) **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

iv) **Non-convertible debentures**

The Company had issued 1,750 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹10 lacs each aggregating to ₹ 17,500 lakhs. The debentures beared 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 pasu 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 beared an interest at an agreed upon annual rate of repo rate plus spread of 485 bps ie 8.85% 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 pasu 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.

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 1, 2022	8.85%

B In Subsidiaries

i) **Union Bank of India and 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 leashold rights, if any, both present and future, save and except Project Assets. Lien over all accounts of the borrower, including the escrow accounts and sub accounts and all funds from time to time, deposited therein (save and except 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 Financial Statements

ii) **Axis Bank Limited**

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 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

Notes Forming Part of the Financial Statements

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.

v) L&T Infrastructure Finance Company Limited

Secured by first charge on immovable properties, tangible movable assets, and intangible assets, both present and future except Project assets. A first charge over all accounts of the Dewas Waterprojects Works Private Limited ('DWWPL') including Escrow account and the sub accounts.

Repayment terms : 44 quarterly installments - 11 years from end of moratorium (Moratorium period : 1.5 years from COD) However, the borrowing is fully repaid during the year and all charges has been fully satisfied.

Rate of Interest : 30 days average Bloomberg 5 years yield + 162 bps

vi) Axis Bank Limited

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 machinary, furniture, fixture, vehicles and all other movable assets, machinary spares, tools and accessories, both present and future. First charge on all the accounts including Escrow Account and the sub-accounts including but not

Notes Forming Part of the Financial Statements

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, 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%

viii) India Infrastructure Finance Company Limited (Lead Corsortium), 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 machinary, 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%

26 NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Refer note 61)	180	153
Total	**180**	**153**

27 NON-CURRENT PROVISIONS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	376	379
Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
Total	**2,964**	**2,967**

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

Notes Forming Part of the Financial Statements

28 NON-CURRENT LIABILITIES - OTHERS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Statutory dues	285	285
Total	**285**	**285**

29 CONTRACT LIABILITIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Refer note 59)		
- Related parties (Refer note 51)	1,571	4,323
- Other parties	30,022	13,536
Total	**31,593**	**17,859**

30 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured		
Measured at amortised cost		
Loans repayable on demand		
Working capital loans from banks (Refer note A and B below) *	4,000	18,482
Bank overdraft (Refer note A below)	785	-
Commercial paper (Refer note A & B below)	4,947	-
Unsecured		
Measured at amortised cost		
Commercial paper (Refer note B below)	-	9,179
Total	**9,732**	**27,661**

* Includes interest accrued and not due ₹ Nil (March 31, 2020 ₹ 3 Lakhs)

A Nature of security for secured borrowings

i) **IDBI Bank Limited (₹ 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 (₹ 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 (₹ 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 5.10% (March 31, 2020: 8% - 8.60%) and are repayable on June 17, 2021- ₹ 5,000 lakhs (March 31, 2020: June 03, 2020- ₹ 2,000 lakhs and September 22, 2020- ₹ 7,500 lakhs)

Notes Forming Part of the Financial Statements

31 TRADE PAYABLES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Dues of micro enterprises and small enterprises (Refer note 58)	411	2
Dues of creditors other than micro enterprises and small enterprises		
- Acceptances	2,863	-
- Others (Refer note 51)	29,669	28,197
Total	**32,943**	**28,199**

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

32 CURRENT FINANCIAL LIABILITIES - OTHERSS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (Refer note 25) *	9,135	5,770
Security deposits/ retention money payable	12,570	18,014
Payable to employees	1,012	941
Lease liabilities (Refer note 61)	268	240
Unclaimed dividend payable	44	26
Total	**23,029**	**24,991**

* Includes interest accrued but not due ₹ 3,121 lakhs (March 31, 2020 : ₹ 347 lakhs)

33 CURRENT PROVISIONS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	251	221
Total	**251**	**221**

34 OTHER CURRENT LIABILITIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade advances	116	-
Income received in advance	-	147
Statutory dues	3,740	3,411
Total	**3,856**	**3,558**

35 CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for tax	-	5
Total	**-**	**5**

Notes Forming Part of the Financial Statements

36 REVENUE FROM OPERATIONS

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from		
- Engineering, Procurement and Construction #	150,047	178,854
- Operation and Maintenance	1,673	432
- Build Operate Transfer (BOT) Business	1,174	1,345
- Advisory and consultancy income #	42	117
Other operating revenues		
- Scrap sales	1	11
- Other material sales	14	-
Total	**152,951**	**180,759**

Refer note 51 for related parties transactions

37 OTHER INCOME

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on financial assets at amortised cost		
- On bank deposits	240	326
- On loans and advances to related parties #	367	59
- On financial assets	11,075	4,813
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	258	543
- From related parties # ^	-	11
- Others *	240	982
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	9	22
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	1,670	3,799
Reversal of provision no longer required	93	16
Insurance claim	198	0
Unwinding of discount on interest free deposits #	10	9
Gain on sale of property, plant and equipment (net)	1	565
Rent income	3	-
Miscellaneous income #	37	37
Total	**14,201**	**11,184**

* Includes interest income recognised on mobilisation advances and on income tax refund

Refer note 51 for related parties transactions

^ Refer note 45

Notes Forming Part of the Financial Statements

38 COST OF MATERIALS CONSUMED

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year	68	73
Add: Purchases	1,026	858
	1,094	**930**
Less: Inventories at the end of the year	(489)	(68)
Total	**605**	**862**

39 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	7,084	7,018
Contribution to provident and other funds	468	552
Share based payments to employees (Refer note 49)	531	884
Staff welfare expenses	198	260
Total	**8,281**	**8,714**

40 FINANCE COSTS

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses on financial liabilities at amortised cost		
- Term loans	5,778	4,442
- Debentures	2,785	-
- Working capital	729	1,602
Net interest on net defined benefit liability	40	59
Interest on lease liability	50	51
Other interest costs *	700	613
	10,082	**6,768**
Bank charges and other finance costs	963	968
Total	**11,045**	**7,736**

* Refer note 45

41 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	882	1,639
Depreciation of right-of-use assets	344	306
Amortisation of intangible assets	373	309
Total	**1,599**	**2,254**

Notes Forming Part of the Financial Statements

42 OTHER EXPENSES

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Site expenses	236	457
Stores and spares consumed	20	32
Hire charges	432	343
Power, fuel and water charges	352	268
Repairs and maintenance		
- Property, plant and equipment	21	19
- Others	556	644
Project monitoring and maintenance fees	12	-
Rent	150	187
Rates and taxes	5,458	1,428
Insurance	782	406
Travelling and conveyance expenses	558	610
Communications expenses	19	25
Legal and professional fees	3,911	1,870
Freight	4	4
Business promotion and advertisement	153	291
Printing and stationary	17	33
Directors sitting fees	40	27
Payment to Auditor :-		
- Audit fees (including fees for limited review)	32	40
- Certifications	28	11
- Reimbursement of expenses	0	2
Donation	1	312
Balances written off	133	-
Corporate Social Responsibility	345	168
Miscellaneous expenses	715	160
Total	**13,974**	**7,337**

43 INCOME TAX

a) The major components of income tax for the year ended March 31, 2021 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, 2021	Year ended March 31, 2020
Current tax		
Current tax on taxable income for the year	2,927	5,883
	2,927	**5,883**
Deferred tax		
Relating to origination and reversal of temporary differences	2,027	(722)
Total deferred tax (credit) / charge	**2,027**	**(722)**
Income tax expense/ (credit) reported in the consolidated statement of profit and loss	**4,954**	**5,161**

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(15)	(8)
Deferred tax charged/(credited) to Other Comprehensive Income	**(15)**	**(8)**

Notes Forming Part of the Financial Statements

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

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	**17,972**	**20,274**
Income tax @ 25.168% (March 31, 2020 : 25.168%)	4,523	5,103
Non-deductible expenses for tax purpose		
- Share of results of joint venture companies and associate	182	473
- Other non deductible expenses and business loss on which no deferred tax is recognised	958	832
Other allowances and exempt income for tax purpose	(656)	(294)
Utilisation of previously unrecognised tax losses/ MAT credit	(53)	(952)
Income tax expense/ (credit) reported in the consolidated statement of profit and loss	**4,954**	**5,161**

c) Deferred tax relates to the following:

(₹ in lakhs)

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
A. Deferred tax assets (net)						
I). Deferred tax assets						
Unused tax losses and unabsorbed depreciation	954	954	-	-	-	-
Fair value adjustments	176	49	(127)	(49)		
Deferred tax acquired in business combination (Refer note 55)	-	386	386		-	-
Employee benefits / expenses allowable on payment basis	80	697	602	(450)	15	5
Total (i)	**1,210**	**2,086**	**861**	**(499)**	**15**	**5**
Less : Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	678	677	1	38	-	-
Employee benefits / expenses allowable on payment basis	-	3	(3)		-	3
Fair value adjustments	58	(62)	120	157	-	-
Total (ii)	**736**	**618**	**119**	**195**	**-**	**3**
Add: MAT credit entitlement (iii)	89	81	(8)	(85)	-	-
		-	-			
(A) Total (i - ii + iii)	**562**	**1,549**	**972**	**(389)**	**15**	**8**
B. Deferred tax liabilities (net)						
II). Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	15	-	15	-	-	-
Fair value adjustments	1,048	-	1,048	(333)	-	-
Total (i)	**1,063**	**-**	**1,063**	**(333)**	**-**	**-**
Less : Deferred tax assets						
Employee benefits / expenses allowable on payment basis	8	-	(8)	-	-	-
Total (ii)	**8**	**-**	**(8)**	**-**	**-**	**-**
(B) Total (i - ii)	**1,056**	**-**	**1,056**	**(333)**	**-**	**-**
Deferred tax charge/(credit) (A+B)			**2,027**	**(722)**	**15**	**8**

Notes Forming Part of the Financial Statements

d) Unrecognised deferred tax assets on unused tax losses

i) The Group has brought forward long term capital losses of ₹81,167 lakhs (31st March 2020 ₹81,167 lakhs) (majority of which is expiring in March 31, 2023) and short term capital losses of ₹ 7,895 lakhs (March 31, 2020 ₹ 7,895 Lakhs) (majority of which is expiring in March 31, 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of ₹18,571 lakhs (March 31, 2020 ₹ 18,571 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 ₹ 1,985 lakhs (March 31, 2020 ₹ 1,987 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 ₹ 3,985 Lakhs (March 31, 2020 ₹ 1,009 Lakhs) (majority of which is expiring in March 31, 2022) that are available for offsetting future taxable business losses . Deferred tax assets of ₹ 1,106 Lakhs (March 31, 2020 ₹ 266 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits.

iii) The Group has brought forward unabsorbed depreciation of ₹ Nil (March 31, 2020 ₹ 2,062 Lakhs) that are available for offsetting against future taxable income. Deferred tax assets of ₹ Nil (March 31, 2020 ₹ 574 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits.

44 FAIR VALUE MEASUREMENTS

Financial instruments by category

(₹ in lakhs)

	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in associate and joint venture companies at cost)				
Non-current assets				
Investments	13	-	857	-
Investments in optionally convertible debentures	20,604	-	16,321	-
Service concession receivables	-	113,624	-	88,122
Loans	-	3,207	-	2,856
Other financial assets	-	9,783	-	307
Current assets				
Investments	15,830	-	39,342	-
Service concession receivables	-	17,027	-	5,149
Trade receivables	-	13,452	-	18,674
Cash and cash equivalents	-	19,858	-	12,558
Other bank balances	-	1,577	-	2,330
Loans	-	17,065	-	3,342
Other financial assets	-	57	-	5,340
Total financial assets	**36,447**	**195,650**	**56,520**	**138,677**
Non-current liabilities				
Borrowings	-	204,383	-	47,776
Other financial liabilities	-	180	-	153
Current liabilities				
Borrowings	-	9,732	-	27,661
Trade and other payables	-	32,943	-	28,199
Other financial liabilities	-	23,029	-	24,991
Total financial liabilities	**-**	**270,268**	**-**	**128,779**

Notes Forming Part of the Financial Statements

Fair value hierarchy
The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:
The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.

(₹ 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	-	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**	**20,642**

(₹ in lakhs)

	As at March 31, 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	857	857	1	-	857
Investments in optionally convertible debentures	16,321	16,321	-	-	16,321
Current Investments	39,342	39,342	19,707	19,611	25
Total	**56,520**	**56,520**	**19,707**	**19,611**	**17,202**

Valuation technique used to determine fair value

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

b) Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI

c) Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

Notes Forming Part of the Financial Statements

45 FINANCIAL RISK MANAGEMENT

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board. The Group is exposed to market risk - foreign currency and interest rate, credit risk and liquidity risk.

A Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

a) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Long term borrowings	173,364	53,545

(ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(₹ in lakhs)

Effect on Profit before tax	Year ended March 31, 2021	Year ended March 31, 2020
Interest rates : (Increase) by 50 basis points	(867)	(268)
Interest rates : Decrease by 50 basis points	867	268

In line with the requirement of Ind AS 1 "Presentation of Financial Statements" , finance cost (representing LC discounting charges) aggregating to ₹ 282 lakhs (March 31, 2020 : ₹ 1,050 lakhs) are offsetted by the Company with reimbursable right to recover the same from its joint venture companies to reflect the substance of the transaction/arrangement.

b) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. However the foreign currency risk exposure of the group is immaterial.

Notes Forming Part of the Financial Statements

B Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

a) Trade receivables

The group extends credit to customers in normal course of business. The group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The group has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

b) Financial instruments and cash deposits

The group considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the group has also availed borrowings.

c) The ageing analysis of the receivables (gross of expected credit loss) has been considered from the date the invoice falls due

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Up to 3 months	10,938	14,293
3 to 6 months	-	2,626
More than 6 months	2,514	1,755
Total	**13,452**	**18,674**

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

d) Service concession receivables

The Group manages concession arrangement which include the construction of road on hydrid annuity basis followed by a period in which the Group maintains and services the infrastructure. These concession arrangements set out rights and obligations relating to the infrastructure and services to be provided. For fulfilling those obligations, the Group is entitled to receive cash from the grantor. The Consideration received or receivable is allocated by reference to the relative fair value of the services provided. The same is classified and disclosed as current and non current service concession receivables in the balance sheet based on the criteria of current and non current classification mentioned in note 3(B)(i).

The credit exposure in respect of Service Concession Receivables of the group are as below :

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
More than 12 months	113,624	88,122
Less than 12 months	17,027	5,149
	130,650	**93,270**

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.

Notes Forming Part of the 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, 2021	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	204,383	-	89,881	114,502
Short term borrowings	9,732	9,732	-	-
Trade payables	32,943	32,943	-	-
Other financial liabilities	23,210	23,029	180	-

(₹ in lakhs)

As at March 31, 2020	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	47,776	-	13,455	34,321
Short term borrowings	27,661	27,661	-	-
Trade payables	28,199	28,199	-	-
Other financial liabilities	25,143	24,991	153	-

46 CAPITAL MANAGEMENT

For the purpose of group's capital management, capital includes issued capital and other equity reserves attributable to the shareholders. The primary objective of the Group's capital management is to maximize shareholder value. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants, if any.

The group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
Net debt	A	271,201	101,642
Total capital	B	168,448	157,945
Capital and net debt	C = A+B	439,649	259,587
Gearing ratio	**A / C**	**62%**	**39%**

47 EARNINGS PER SHARE (EPS)

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (₹ in Lakhs)	12,899	14,888
Weighted average number of equity shares for Basic EPS (Number of shares)	148,727,114	148,219,326
Weighted average number of equity shares for Diluted EPS (Number of shares)	149,946,620	150,139,595
Nominal value of equity shares (₹)	10	10
Basic EPS (₹)	8.67	10.04
Diluted EPS (₹)	8.60	9.91

Notes Forming Part of the Financial Statements

48 CONTINGENCIES AND COMMITMENTS

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

i) Claims against the group not acknowledged as debts

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Disputed labour cess demand (net of provision)	426	405
Stamp duty payable on concession agreement disputed in respect of BOT Projects	115	115
Disputed income tax liability	1,480	1,465
Disputed service tax liabilty	2,347	2,340
Disputed GST liability	928	-
Disputed value added tax liability*	298	298
Claims against the Company not acknowledged as debts	337	281
Letter of credit outstanding	834	-
	6,765	**4,904**

* excluding interest and penalty amounting to Rs 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 corporate financial guarantees

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Bank guarantees issued	18,018	33,887
	18,018	**33,887**

iii) Corporate financial guarantees

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Guarantee given for the facilities granted		
- Joint venture companies	24,012	45,794
- Others	1,895	1,895
	25,907	**47,689**

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. This risk has been covered through appropriate insurance policy. However, on prudent basis in line with Ind AS requirements, the same has been disclosed as contingent liability above.

(c) Commitments

i) The group has an outstanding commitments of ₹ 44,160 lakhs (March 31, 2020 ₹ 25,658 lakhs) towards equity contribution (net of temporary loan) in its SPVs under the financing arrangement tied up with bankers.

ii) The group has an outstanding commitments of ₹ 2,847 lakhs (March 31, 2020 ₹ 441 lakhs) in associate entity towards estimated amount of contract remaining to be executed on capital account and not provided for (net of advances).

Notes Forming Part of the Financial Statements

iii) Pursuant to the understanding with MBL Projects Private Limited, with respect to investment in RGY Roads Private Limited ('RGY'), paid against option for acquisition of balance 51% shares in RGY equivalent to ₹ 1,450 lakhs (March 31, 2020 ₹ 1,450 lakhs) on February 22, 2018. The balance amount is ₹122 lakhs (March 31, 2020 ₹ 122 lakhs).

iv) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), ₹ 1.63 lakhs (March 31, 2020 ₹ 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, 2020 ₹ 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, 2020 ₹ 745 lakhs) . The balance amount is ₹ 72 lakhs (March 31, 2020 ₹ 72 lakhs).

vi) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') ₹ 0.48 lakhs (March 31, 2020 ₹ 0.48 lakhs) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is ₹ 0.03 lakhs (March 31, 2020 ₹ 0.03 lakhs).

49 SHARE BASED PAYMENTS

a) In accordance with the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" the company has granted 3,000,000 equity shares (maximum 2,000,000 equity shares to the "Managing Director") at zero cost on 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 ₹ 531 lakhs (March 31, 2020 - ₹ 884 lakhs) is shown as "Share based payment to employee"" in the statement of profit and loss (Refer note 34).

The salient features of the Scheme ("Welspun Enterprises Limited - Employees Stock Option Plan 2017") are as under:

(i) Vesting: Options to vest shall happen at every anniversary of the date of grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the date of grant. However vesting period may be extended by the entire duration of the leave period for Employees on the long Leave. The Vesting Schedule is as under:

Number of ESOP	Date of Grant	Date of Vesting
600,000	10-Oct-17	9-Oct-18
600,000	10-Oct-17	9-Oct-19
600,000	10-Oct-17	9-Oct-20
600,000	10-Oct-17	9-Oct-21
600,000	10-Oct-17	14-Jul-22

(ii) Exercise: Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled. .

Date of Grant	10-Oct-17
Number of Options Granted	3,000,000
Exercise Period	3 years from date of Vesting of respective Employee Stock Options
Exercise Price	₹ Nil

Notes Forming Part of the Financial Statements

(₹ in lakhs)

	March 31, 2021		March 31, 2020	
	No. of Stock Options	Weighted Average Exercise Price (₹)	No. of Stock Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the period	2,075,000	Nil	2,450,000	Nil
Options granted during the year the period	Nil	Nil	Nil	Nil
Options exercised during the year	406,000	Nil	375,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the period *	1,669,000	Nil	2,075,000	Nil
Options vested but not exercised at the end of the year	469,000	Nil	275,000	Nil

* includes options vested but not exercised

(iii) 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

Information in respect of options outstanding as at March 31, 2020

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (₹)
2,075,000	27	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	9-Oct-18
600,000	10-Oct-17	9-Oct-19
600,000	10-Oct-17	9-Oct-20
600,000	10-Oct-17	9-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 Financial Statements

(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, 2021	As at March 31, 2020
Share options outstanding account (Refer note 24(b))	1,989	2,024
Share based payments to employees (Refer note 39)	531	884

50 GRATUITY AND OTHER POST EMPLOYMENT BENEFITS PLANS

The disclosures of employee benefit as defined in the Ind AS 19 - " Employee Benefits" are given below :

a. The group makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by LIC of India. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. **Details of post retirement gratuity plan are as follows :-**

i. **Expenses recognised during the year in the statement of profit and loss :-**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Current service cost	97	106
Interest cost (net)	20	36
Net expenses recognised in statement of profit and loss	**117**	**142**

ii. **Expenses recognised during the year in other comprehensive income (OCI)**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Actuarial (gains) / losses arising from changes in demographic assumptions	-	1
Actuarial (gains) / losses arising from changes in financial assumptions	2	16
Actuarial (gains) / losses arising from changes in experience assumptions	(61)	(47)
Expected return on plan assets excluding interest	(0)	0
Net expenses recognised in other comprehensive income	**(60)**	**(30)**

iii. **Net liability recognised in the balance sheet**

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	374	350
Present value of obligation	683	653
Net liability recognized in balance sheet	**308**	**303**

Notes Forming Part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation as at the beginning of the year	653	565
Current service cost	97	104
Interest cost	44	45
Actuarial (gain) / loss on obligation	(60)	(30)
Liability transferred in/ (paid)/ adjusted	(53)	(28)
Benefits directly paid by the Company	-	(3)
Defined benefit obligation at the end of the year	**683**	**653**

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Fair values of plan assets at the beginning of the year	350	83
Return on plant assets, excluding interest income	25	6
Employer contribution	46	287
Fund charges	(5)	(2)
Benefits paid	(41)	(25)
Fair value of plan assets at year end	**374**	**349**

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Net defined benefit obligation as at the beginning of the year	303	482
Current service cost	97	104
Interest cost (net)	20	38
Actuarial (gain) / loss on obligation	(60)	(30)
Liability transferred in/ (paid)	-	(2)
Fund charges	5	2
Contribution paid to the fund	(46)	(287)
Benefit paid by Company	-	(3)
Provision no longer required	(11)	-
Net defined benefit obligation at the end of the year	**308**	**303**

vii. Actuarial assumptions

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Mortality Table	100% of Indian assured lives Mortality (2012-14)	100% of Indian assured lives Mortality (2012-14)
Discount rate(per annum)	6.81%	6.91%
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	13% - 30% up to age 30, 13% - 30% from age 31 to 44 and 23% -26% thereafter	12% - 30% up to age 30, 19% - 24% from age 31 to 44 and 21% -22% thereafter

Notes Forming Part of the Financial Statements

viii. Quantitative sensitivity analysis

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Impact of change in discount rate		
Present value obligation at the end of the period	683	653
Impact due to increase of 0.50%	(9)	(11)
Impact due to decrease of 0.50%	9	11
Impact of change in salary increase		
Present value obligation at the end of the period	683	653
Impact due to increase of 0.50%	9	(8)
Impact due to decrease of 0.50%	(9)	8

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement..

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

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Year ended		
31-Mar-21	-	317
31-Mar-22	345	176
31-Mar-23	211	215
31-Mar-24	257	257
31-Mar-25	309	331
31-Mar-26	331	-

The average duration of defined benefit obligation is 12.19 (2020 - 12.22)

Notes

1. Amounts recognized as an expense and included in the Note 39 "Employee benefits expense" are gratuity ₹ 97 lakhs (March 31, 2020 ₹ 106 lakhs) and leave encashment ₹ 35 lakhs (March 31, 2020 ₹ 13 lakhs). Net interest cost on defined benefit obligation (gratuity and leave encashment) recognised in Note 40 under "Finance costs" is ₹ 40 lakhs (March 31, 2020 ₹ 59 lakhs)
2. The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
3. Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 39 of the financial statements.

Notes Forming Part of the Financial Statements

51 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, 2021	As at March 31, 2020	
RGY Roads Private Limited	49%	49%	India
MBL (GSY) Road Limited #	49%	49%	India
MBL (CGRG) Road Limited #	49%	49%	India
Corbello Trading Private Limited	49%	49%	India
Chikhali - Tarsod Highways Private Limited ##	49%	49%	India
Welsteel Enterprises Private Limited ^	NA	49%	India
Welspun Aunta-Simaria Project Private Limited ^	NA	74%	India

^ Became subsidiary on November 1, 2019 (earlier - classified as Jointly controlled companies)

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 Entity	Extent of holding		Principal place of business
	As at March 31, 2021	As at March 31, 2020	
Adani Welspun Exploration Limited ('AWEL')	35%	35%	India
(Held through Welspun Natural Resources Private Limited - Wholly owned subsidiary)			

c) Directors / Key Managerial Personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Executive Chairman and Whole Time Director
Mr. Sandeep Garg	Managing Director
Mr Rajesh R. Mandawewala	Non Independent Director
Dr Aruna Sharma	Independent Director
Mr. Dhruv Subodh Kaji *	Independent Director
Mr. Mohan Tandon	Independent Director
Mr Raghav Chandra **	Independent Director
Ms. Mala Todarwal ***	Independent Director
Mr Ved Mani Tiwari #	Deputy CEO
Mr. Shriniwas Kargutkar ##	Chief Financial Officer
Mr Sridhar Narasimhan ###	Chief Financial Officer
Ms. Priya Pakhare	Company Secretary

* Ceased to be director w.e.f. August 09, 2019

** Appointed to be director w.e.f. May 05, 2019

*** Ceased to be director w.e.f. August 04, 2019

Appointed w.e.f. April 01, 2020 and resigned w.e.f. December 03, 2020

Ceased to be Chief Financial Officer w.e.f October 31, 2019

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

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; Anjar Road Private Limited ^; Welassure Private Limited; Welspun Global Services Private Limited

^ Anjar Road Private Limited merged with Welspun Enterprises Limited w.e.f July 20, 2021

Notes Forming Part of the Financial Statements

e) **Transactions with related parties**

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Construction contract revenue (including unbilled work-in-progress)	**37,410**	**102,582**
Joint Venture Companies		
Welspun Aunta-Simaria Projects Private Limited	-	7,419
MBL (CGRG) Road Limited	3,868	26,734
MBL (GSY) Road Limited	9,386	32,665
Chikhali - Tarsod Highways Private Limited	24,156	35,764
Interest income on loans and advances	**-**	**19**
Associate		
Adani Welspun Exploration Limited	-	19
Interest income	**282**	**1,061**
Joint Venture Companies		
MBL (CGRG) Road Limited	47	281
MBL (GSY) Road Limited	-	362
Chikhali - Tarsod Highways Private Limited	235	418
Operation and maintenance income	**1,177**	**-**
Joint Venture companies		
MBL (CGRG) Road Limited	636	-
MBL (GSY) Road Limited	541	-
Advisory and consultancy income	**30**	**112**
Joint Venture companies		
MBL (CGRG) Road Limited	-	44
MBL (GSY) Road Limited	9	47
Chikhali - Tarsod Highways Private Limited	21	21
Interest income on loans and advances #	**367**	**41**
Joint Venture Companies		
MBL (CGRG) Road Limited	122	11
MBL (GSY) Road Limited	245	30
Income on Unwinding of discount on interest free deposits #	**5**	**4**
Other Related Party		
Welspun Realty Private Limited	5	4
Miscellaneous Income #	**8**	**-**
Other Related Party		
Welspun Realty Private Limited	8	-
Interest expense on lease liability #	**11**	**11**
Other Related Parties		
Welspun Realty Private Limited	7	11
Welspun Corp Limited	4	-
Welspun Multiventures LLP	0	-
Right-to-use an underlying asset #	**65**	**130**
Other Related Parties		
Welspun Realty Private Limited	-	130
Welspun Corp Limited	62	-
Welspun Multiventures LLP	3	-
Obligation to make lease payment #	**65**	**130**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Other Related Parties		
Welspun Realty Private Limited	-	130
Welspun Corp Limited	62	-
Welspun Multiventures LLP	3	-
Repayment of lease obligation #	**98**	**50**
Other Related Parties		
Welspun Realty Private Limited	50	50
Welspun Corp Limited	46	-
Welspun Multiventures LLP	2	-
Rent expenses	**98**	**94**
Other Related Parties		
Welspun Corp Limited	46	42
Welspun Realty Private Limited	50	50
Welspun Multiventures LLP	2	2
Business promotion expenses	**18**	**32**
Other Related Party		
Welspun Global Brands Limited	18	32
Insurance expenses	**-**	**2**
Other Related Party		
Welspun Corp Limited	-	2
Office expenses	**10**	**-**
Other Related Party		
Welassure Private Limited	10	-
Retainership Expenses	**56**	**-**
Other Related Party		
Welspun India Limited	56	-
BG Commission reimbursement	**49**	**-**
Associate		
Adani Welspun Exploration Limited	49	-
Staff welfare expenses	**20**	**29**
Other Related Parties		
Welspun Corp Limited	20	28
Welspun India Limited	-	1
Donation	**345**	**168**
Other Related Party		
Welspun Foundation for Health and Knowledge	345	168
Rent Income	**3**	**-**
Associate		
Adani Welspun Exploration Limited	3	-
Loss on fair value of investment	**157**	**-**
Other Related Party		
Welspun Energy Thermal Private Limited	157	-
Investment (Fair value of interest free loan) #	**354**	**407**
Joint Venture Companies		
MBL (GSY) Road Limited	236	274
MBL (CGRG) Road Limited	118	133
Loans/ deposits/ advances given	**25,890**	**13,325**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Associate		
Adani Welspun Exploration Limited	5,171	2,953
Joint Venture Companies		
RGY Roads Private Limited	0	0
MBL (GSY) Road Limited	8,712	4,742
MBL (CGRG) Road Limited	7,767	2,864
Welspun Aunta-Simaria Project Private Limited	-	404
Corbello Trading Private Limited	1	0
Chikhali - Tarsod Highways Private Limited	4,238	2,362
Other Related Party		
Welspun India Limited	0	-
Cancellation of equity shares of the Company at face value	**-**	**5,842**
Other Related Party		
Anjar Road Private Limited	-	5,842
Allotment of equity shares of the Company at face value	**-**	**5,842**
Other Related Party		
Balkrishan Goenka as Trustee of Welspun Group Master Trust	-	5,842
Repayment of loans/ advances given	**3,724**	**9,321**
Associate		
Adani Welspun Exploration Limited	84	6,391
Joint Venture Companies		
MBL (GSY) Road Limited	1,507	1,910
MBL (CGRG) Road Limited	1,326	953
Chikhali - Tarsod Highways Private Limited	806	67
Security deposit given refunded	**18**	**206**
Other Related Party		
Welspun Realty Private Limited	18	206
Mobilisation advance repaid/ adjusted	**3,012**	**4,977**
Joint Venture Company		
Chikhali - Tarsod Highways Private Limited	3,012	4,977
Redemption of Investment in optionally convertible debentures	**699**	**1,171**
Other Related Party		
Welspun Energy Thermal Private Limited	699	1,171
Conversion of loan/ advance to Compulsorily Convertible Debentures	**6,232**	**4,777**
Associate		
Adani Welspun Exploration Limited	5,171	4,777
Joint Venture Companies		
MBL (GSY) Road Limited	605	-
MBL (CGRG) Road Limited	456	-
Conversion of loan/ advance to Optionally Convertible Debentures	**4,283**	**3,585**
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	3,773	1,954
MBL (GSY) Road Limited	403	806
MBL (CGRG) Road Limited	106	805
Welspun Aunta-Simaria Project Private Limited	-	20
Conversion of Compulsorily Convertible Debentures to Optionally Convertible Debentures	**-**	**2,026**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
Other Related Party		
Welspun Energy Thermal Private Limited	-	2,026
Investment in equity shares	12	-
Other Related Parties		
Welassure Private Limited	12	-
Welspun Global Services Private Limited	0	-
Bank guarantee given/ (discharged) for advance received by Joint Arrangements/ Associate	**(7,367)**	**(13,459)**
Joint Venture Companies		
MBL (GSY) Road Limited	(1,184)	(2,960)
MBL (CGRG) Road Limited	(942)	(2,355)
Welspun Aunta-Simaria Project Private Limited	-	(2,903)
Chikhali - Tarsod Highways Private Limited	(5,241)	(5,241)
Bank guarantee given/ (discharged) for performance security of Joint Arrangements/ Associate	**1,890**	**(15,871)**
Associate		
Adani Welspun Exploration Limited	1,890	-
Joint Venture Companies		
MBL (GSY) Road Limited *	-	(5,920)
MBL (CGRG) Road Limited *	-	(4,710)
Chikhali - Tarsod Highways Private Limited *	-	(5,241)
Directors Sitting Fees paid/ provided	**40**	**27**
Mr. Mohan Tandon	12	10
Ms. Mala Todarwal	1	2
Dr. Aruna Sharma	13	8
Mr. Raghav Chandra	13	5
Ms Amita Karia	1	0
Mr. Dhruv Kaji	-	2
Remuneration paid/ provided to KMP ^	**1,995**	**1,910**
Short term benefits **	1,995	1,910

^ 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, 2020 ₹ 120 lakhs) paid from AWEL to Mr Sandeep Garg

Represents transactions related to Ind AS adjustments

Notes Forming Part of the Financial Statements

*** Closing balances as at** (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Loans, advances and deposits given	**15,258**	**3,474**
Associate		
Adani Welspun Exploration Limited	67	19
Joint Venture Companies		
RGY Roads Private Limited	3	3
MBL (GSY) Road Limited	8,209	2,005
MBL (CGRG) Road Limited	6,956	1,073
Corbello Trading Private Limited	5	3
Chikhali - Tarsod Highways Private Limited	0	341
Other related parties		
Welspun Realty Private Limited	5	18
Welspun Multiventures LLP	5	5
Welspun Corp Limited	7	7
Trade and other receivables (including Contract Assets)	**21,268**	**33,916**
Joint Venture Companies		
Chikhali - Tarsod Highways Private Limited	7,538	10,739
MBL (GSY) Road Limited	7,943	9,202
MBL (CGRG) Road Limited	5,787	13,975
Other related party		
Welassure Private Limited	0	-
Right-to-use an underlying asset	**68**	**97**
Other Related Parties		
Welspun Realty Private Limited	48	97
Welspun Corp Limited	18	-
Welspun Multiventures LLP	1	-
Lease Liabilities	**55**	**77**
Other Related Parties		
Welspun Realty Private Limited	34	77
Welspun Corp Limited	20	-
Welspun Multiventures LLP	1	-
Trade payable and other payables	**68**	**17**
Other Related Party		
Welspun India Limited	56	-
Welspun Corp Limited	12	17
Contract Liabilities	**1,572**	**4,323**
Joint Venture Companies		
MBL (GSY) Road Limited	261	-
Chikhali - Tarsod Highways Private Limited	1,311	4,323
Investment in equity shares	**12**	**0**
Other related parties		
Welassure Private Limited	12	-
Welspun Global Services Private Limited	0	-
Welspun Energy Thermal Private Limited	-	0
Investment in Jointly Controlled Entities (Refer Note 53)(c)	**45,033**	**39,947**
RGY Road Private Limited	8,673	8,673
MBL (GSY) Road Limited	12,874	12,206

Notes Forming Part of the Financial Statements

*** Closing balances as at** (₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
MBL (CGRG) Road Limited	10,447	10,041
Corbello Trading Private Limited	3,927	3,928
Chikhali - Tarsod Highways Private Limited	9,112	5,099
Investment in Associate (Refer Note 53)(b)	**19,536**	**14,608**
Adani Welspun Exploration Limited	19,536	14,608
Investment in optionally convertible debentures	**-**	**856**
Other related party		
Welspun Steel Limited	-	856
Income received in advance	**-**	**147**
Joint Venture Companies		
MBL (CGRG) Road Limited	-	47
Chikhali - Tarsod Highways Private Limited	-	100
Bank guarantee issued and outstanding for advance received by Joint Arrangements/ Associate	**1,048**	**8,415**
Joint Venture Companies		
MBL (GSY) Road Limited	-	1,184
MBL (CGRG) Road Limited	-	942
Chikhali - Tarsod Highways Private Limited	1,048	6,289
Bank guarantee issued and outstanding towards performance security of Joint Arrangements/ Associate	**3,833**	**1,943**
Associate		
Adani Welspun Exploration Limited	3,833	1,943

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

Notes :

During the earlier years, the Company had given guarantee for MBL (GSY) Road Limited ('GSY') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to ₹ 6,254 lakhs (March 31, 2020 ₹ 10,834 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 ₹ 2,772 lakhs (March 31, 2020 ₹ 16,008 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 ₹ 14,986 lakhs (March 31, 2020 ₹ 18,951)

All transactions with related parties are made on arm's length basis in the ordinary course of business.

Notes Forming Part of the Financial Statements

52 CONCESSION ARRANGEMENTS - MAIN FEATURES

a)	(i)	Name of the concession	Delhi Meerut Express Way Package-1 (NHAI)
	(ii)	Description of arrangements	Development of Delhi Meerut Expressways from Km 0.00 to Km 27.50 including 6/8 laning of NH-24 from Km 0.00 to Km 49.346 (Haspur byspass) in state of Delhi and Uttar Pradesh, Pakage - I from Km 0.00 to exising Km 8.36 in state of Delhi on Hybrid Annuity Model ('HAM')
	(iii)	Significant terms of arrangements	Period of Concession: 15 Years Construction Period: 910 days from Appointed Date 28.11.2016
			a) Remuneration: Annuity, Interest and O&M
			b) Investment grant from concession grantor: Yes
			c) Infrastructure return to grantor at end of concession : Yes
	(iv)	Construction completion date	June 28, 2018
	(v)	Asset	Financial asset
b)	(i)	Name of the concession	BOT Project at Himmatnagar With Gujarat State Road Development Corporation Limited
	(ii)	Description of arrangements	Toll Collection for 8.7 km length & 7 meter width + 2 meter paved shoulder Road. (Handed over to Gujarat State Road Development Corporation Limited ('GSRDC') on August 09, 2020)
	(iii)	Significant terms of arrangements	Period of Concession: 15 Years
			a) Remuneration: Toll Collection
			b) Investment grant from concession grantor: Yes
			c) Infrastructure return to grantor at end of concession : Yes
	(iv)	Asset	Intangible
c)	(i)	Name of the concession	Restructured Dewas Water Supply Scheme
	(ii)	Description of arrangements	Project envisaging planning, design, engineering, financing, procurement, construction, restructuring, establishment of systems, operation and maintenance of water supply scheme of Dewas Industrial Area in Madhya Pradesh under Public Private Partnership (PPP) mode under Swiss Challenge Guidelines
	(iii)	Significant terms of arrangements	Period of Concession: up to 15-06-2037.
			Construction Period: 365 days from Appointed Date
			a) Remuneration: Water Supply Fees
			b) Investment grant from concession grantor: Yes
			c) Infrastructure return to grantor at end of concession : Yes
			d) Investment and renewal obligations: No
			e) Re-pricing dates: Every year of O&M
			f) Basis upon which re-pricing or re-negotiation is determined: Tariff escalation formula as defined in concession agreement
	(iv)	Asset	Intangible
d)	(i)	Name of the concession	Aunta - Simaria Highway Project
	(ii)	Description of arrangements	Four/Six laning of Aunta - Simaria (Ganga Bridge with approach road) section of NH 31 from KM 197.900 to 206.050 (Design Chainage) and (Existing Chainage Km 204.741 to Km 209.945 of NH-31) [Total Design Length – 8.150 km] in the State of Bihar on HAM basis
	(iii)	Significant terms of arrangements	Period of Concession: 15 Years
			Construction Period: 1277 days from Appointed Date
			Investment grant from concession grantor: Yes
			Infrastructure return to grantor at end of concession : Yes
			Investment and renewal obligations: No
			Re-pricing dates: Half Yearly for O&M
			Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement.
	(iv)	Asset	Financial asset

Notes Forming Part of the Financial Statements

e)	(i)	Name of the concession	Chikhali – Tarsod Highway
	(ii)	Description of arrangements	Four laning of Chikhali – Tarsod (Package- IIA) section of NH-6 from km. 360.000 to km. 422.700 in the State of Maharashtra to be executed on Hybrid Annuity pattern under NHDP Phase IV
	(iii)	Significant terms of arrangements	Period of Concession: 15 Years
			Construction Period: 910 days from Appointed Date
			Remuneration: Annuity, Interest and O&M
			Investment grant from concession grantor: Yes
			Infrastructure return to grantor at end of concession : Yes
			Investment and renewal obligations: No
			Re-pricing dates: Half Yearly for O&M
			Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv)	Asset	Financial asset
f)	(i)	Name of the concession	Gagalheri-Saharanpur-Yamunanagar Highway
	(ii)	Description of arrangements	Four Laning of Gagalheri-Saharanpur-Yamunanagar (UP/ Haryana Border) section of NH-73 from km33.000 (design chainage km 35.400) to km 71.640 (design chainage km 86.855) in the State of Uttar Pradesh under NHDP-IV on HAM basis
	(iii)	Significant terms of arrangements	Period of Concession: 15 Years
			Construction Period: 730 days from Appointed Date
			Remuneration: Annuity, Interest and O&M
			Investment grant from concession grantor: Yes
			Infrastructure return to grantor at end of concession : Yes
			Investment and renewal obligations: No
			Re-pricing dates: Half Yearly for O&M
			Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv)	Asset	Financial asset
g)	(i)	Name of the concession	Chutmalpur-Ganeshpur and Roorkee-Gagalherisection Highway
	(ii)	Description of arrangements	4-Laning of Chutmalpur-Ganeshpur section of NH-72A from km 0.000 (km 22.825 of NH-73) to km 16.000 (Design Chainagekm 17.900) & Roorkee-Chutmalpur- Gagalherisection of NH-73 from km 0.000 (km 167.800 of NH- 58) to km 33.000 (Design Chainage 35.400) in the State of Uttarakhand and Uttar Pradesh under NHDP-IV on HAM basis
	(iii)	Significant terms of arrangements :	Period of Concession: 15 Years.
			Construction Period: 730 days from Appointed Date
			Remuneration: Annuity, Interest and O&M
			Investment grant from concession grantor: Yes
			Infrastructure return to grantor at end of concession : Yes
			Investment and renewal obligations: No
			Re-pricing dates: Half Yearly for O&M
			Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv)	Asset	Financial asset

Notes Forming Part of the Financial Statements

h)	(i)	Name of the concession	Akola Amravati Road Project
	(ii)	Description of arrangements	Upgradation of Roads in Maharashtra State or Two Laning Road/ Two Laning Road with paved shoulder under MRIP Package No. AM 2 on Hybrid Annuity Mode (HAM) under Public Works Department, Special Project Division, Amravati on design, build, operate and transfer ("DBOT Annuity or Hybrid Annuity") basis
	(iii)	Significant terms of arrangements :	Period of Concession: 10 Years.
			Construction Period: 730 days from Appointed Date
			Remuneration: Annuity, Interest and O&M
			Investment grant from concession grantor: Yes
			Infrastructure return to grantor at end of concession : Yes
			Investment and renewal obligations: No
			Re-pricing dates: Half Yearly for O&M
			Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv)	Asset	Financial asset
i)	(i)	Name of the concession	Sathanathapuram Nagapattinam Road Project
	(ii)	Description of arrangements	Four laning of Sattanathapuram to Nagapattinam (Design Ch Km 123+800 to Km 179+555) section of NH-45A (New NH -332) in the State of Tamil Nadu under NHDP Phase-IV on Hybrid Annuity Mode
	(iii)	Significant terms of arrangements:	Period of Concession: 15 Years.
			Construction Period: 730 days from Appointed Date
			Remuneration: Annuity, Interest and O&M
			Investment grant from concession grantor: Yes
			Infrastructure return to grantor at end of concession : Yes
			Investment and renewal obligations: No
			Re-pricing dates: Half Yearly for O&M
			Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv)	Asset	Financial asset
j)	(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 Financial Statements

53 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, 2021	As at March 31, 2020	
Associate			
Adani Welspun Exploration Limited ('AWEL')	35%	35%	India
(Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)			
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
Welspun Aunta-Simaria Project Private Limited ### ^	-	-	
Welsteel Enterprises Private Limited ^	-	-	

^ Became subsidiary on November 1, 2019 (earlier - classified as Jointly controlled entity)

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

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

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

b) Interest in an associate

The group has a 35% interest in Adani Welspun Exploration Limited ('AWEL') which is in the business of exploration and production of oil and natural gas in India and overseas. The group's interest in AWEL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

i) Summarised balance sheet is as under

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipments	17	19
Capital work-in-progress	115,186	97,547
Other intangible asstes	2	3
Financial assets		
Investments	1	1
Other financial assets	1,389	1,296
Income tax assets (net)	38	45
Other non-current assets	105	165
Non-current assets	116,737	99,075
Financial assets		
Cash and cash equivalents	280	131
Other bank balances	-	-
Loans	5	3
Other financial assets	14	14
Other current assets	216	149
Current assets	515	298
Total assets (A)	**117,252**	**99,373**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current liabilities		
Financial liability - borrowings		-
Provisions	38	22
Non-current liabilities	38	22
Financial liabilities		
Trade payables	23	100
Short term borrowings	-	-
Other financial liabilities	3,167	174
Short term provisions	12	27
Other current liabilities	633	36
Current liabilities	3,835	337
Total liabilities (B)	**3,872**	**359**
Net assets (A-B)	**113,379**	**99,014**
Proportion of the Company's ownership	35%	35%
Proportionate net asset value	**39,683**	**34,655**

ii) Reconciliation to carrying amounts

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Opening net assets	99,014	98,618
Instrument entirely equity in nature	14,686	13,895
Total comprehensive income for the year	(320)	(13,500)
Closing net assets	**113,380**	**99,014**
Proportion of the Company's ownership	35%	35%
Proportionate net asset value	**39,683**	**34,655**
Fair value adjustments	(20,147)	(20,046)
Carrying amount of the investment (Net of Provision for investment ₹ 3,775 lakhs (March 31, 2020 ₹ 3,775 lakhs)	**19,536**	**14,609**

iii) Summarised statement of profit and loss

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	-	-
Other income	92	86
Total income	**92**	**86**
Employee benefits expense	158	194
Finance costs	84	275
Depreciation and amortisation expense	6	11
Unsuccessful exploration costs	-	12,973
Other expenses	168	132
Total expenses	**417**	**13,584**
Loss before tax	**(324)**	**(13,499)**
Tax expense	-	-
Loss for the year	(324)	(13,499)
Other comprehensive income	4	(1)
Total comprehensive income for the year	**(320)**	**(13,500)**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Proportion of the Company's ownership	35%	35%
Group's share of loss for the year (before adjustment)	**(114)**	**(4,725)**
Consolidation adjustment	-	3,385
Group's share of loss for the year (after adjustment)	**(114)**	**(1,340)**
Group's share of other comprehensive income for the year	**1**	**(0)**

iv) **There are no contingent liabilities in respect of the associate.**

v) **Significant judgement - Existence of significant influence**

Pursuant to the shareholder agreement, two directors would be nominated by Welspun Natural Resources Pvt Limited ('WNRPL') on the board of AWEL. Further, it participates in all significant financial and operating decisions. Based on 35% holding in share capital read with contractual terms between shareholders, the group has determined that entity should be classified as an associate.

vi) In respect of Block MB-OSN-2005/2 (Mumbai Block), Directorate General of Hydrocarbons (DGH) vide its letter dated October 31, 2019, has granted approval on AWEL's request for entering into Exploration Phase II, with effect from October 30, 2019. During the year, AWEL had commenced drilling operations and drilled one well in the block. Drilling in the block has completed in the month of March 2021 with positive outcome.

In the ongoing drilling campaign after completion of well in the Mumbai block, AWEL had commenced drilling of one well in the Block MB/OSDSF/B9/2016 (B9 Block) which is under progress.

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 AWEL to submit Field Development plan(FDP) within the timelines of Production Sharing Contract of the Block. During the year under review, preparation of FDP is under progress.

c) **Investment in joint venture companies**

i) 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**

Summarised balance sheet as at March 31, 2020

(₹ 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	50,315	6,376	77,199	68,825	205,858
Current assets	2	6,724	1	10,429	6,540	23,697
Non-current liabilities	-	26,046	-	57,574	45,514	129,134
Current liabilities	4	25,278	3	23,198	24,054	72,537
Compulsorily convertible debentures	3,144	6,189	6,373	7,099	5,647	28,451
NET ASSETS	**(1)**	**(473)**	**1**	**(243)**	**149**	**(567)**
Proportion of the Group ownership	49.00%	73.99%	49.00%	73.94%	73.94%	
Carrying amount of the equity investment	(1)	(350)	0	(180)	110	(420)
Compulsorily convertible debentures	3,144	3,095	6,373	3,550	2,824	18,986
Optionally convertible debentures	-	1,954	-	7,910	6,457	16,321
Fair value adjustment on acquisition	785	-	2,300	-	-	3,085
Cumulative adjustment for fair value of interest free loan	-	-	-	274	133	407
Gain on bargain purchase	-	400	-	651	517	1,568
Carrying amount of the investment	**3,928**	**5,099**	**8,673**	**12,206**	**10,041**	**39,947**

Notes Forming Part of the Financial Statements

ii) 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
Employee benefits expense	-	-	-	-	-	-
Finance costs	-	3,641	-	5,955	4,558	14,155
Depreciation and amortisation expense	-	-	-	-	-	-
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)
Profit / (loss) for the period	**(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	-	-	-	-	-	-

Summarised statement of profit and loss for the year ended March 31, 2020 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')	Welsteel Enterprises Private Limited ('WEPL') *	Welspun Aunta-Simaria Project Private Limited ('WASPPL')*	Total
Revenue from operations	-	42,380	-	37,828	29,757	-	8,876	118,841
Other income	-	1,097	-	7,802	6,530	-	6	15,435
Total Income	**-**	**43,477**	**-**	**45,629**	**36,287**	**-**	**8,882**	**134,276**
Sub-contracting costs	-	35,764	-	34,956	28,876	-	7,419	107,016
Finance costs	0	1,845	-	4,816	3,597	0	500	10,757
Other expenses	1	6,616	0	5,626	3,227	0	2,957	18,428
Total Expenses	**1**	**44,225**	**0**	**45,398**	**35,701**	**0**	**10,876**	**136,201**
Profit /(loss) before tax	**(1)**	**(748)**	**(0)**	**231**	**587**	**(0)**	**(1,993)**	**(1,925)**
Tax expenses	-	(324)	-	(543)	(186)		(417)	(1,470)
Profit / (loss) for the year	**(1)**	**(424)**	**(0)**	**774**	**773**	**(0)**	**(1,576)**	**(455)**
Add : Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**(1)**	**(424)**	**(0)**	**774**	**773**	**(0)**	**(1,576)**	**(455)**

Notes Forming Part of the 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')	Welsteel Enterprises Private Limited ('WEPL') *	Welspun Aunta-Simaria Project Private Limited ('WASPPL')*	Total
Proportion of the Company's ownership	49.00%	73.99%	49.00%	73.94%	73.94%	49.00%	86.74%	
Group share of profit/ (loss) for the year	(0)	(314)	(0)	572	572	(0)	(1,367)	(538)
Group share of other comprehensive income for the year	-	-	-	-	-	-	-	-

* Became subsidiary on November 1, 2019 (earlier - classified as Jointly controlled entities). The amounts mentioned in the summarised statement of profit and loss above are for the period April 01, 2019 to October 31, 2019.

iii) **There are no contingent liabilities in respect of joint venture companies**

iv) **There are no commitments in respect of joint venture companies other than as disclosed in Note 48 (c)**

v) **Significant judgement - classification of joint arrangement**

The Shareholder Agreement ('SHA') in relation to CTPL, CTHPL, RGY, GSY, CGRG requires unanimous consent from all parties for all relevant activities (e.g. change of composition of board approval / removal of KMP, transaction with any related party, capital expenditure in excess of rupees one lakh etc.). As per SHA, for board composition two directors shall be nominated by JV partner from the list of names suggested by Welspun Enterprises Limited ('Welspun') and one director shall be nominated by the Welspun. However, chairman of the board shall be nominated by Welspun. Joint venture entity shall not act in general meeting without prior written consent of Welspun on any matter except for issuance and transfer of shares impacting change in shareholding. JV partner shall exercise voting rights in general meeting through its nominated representative as directed by Welspun.

Thus, based on 49% holding in share capital read with contractual terms between JV partners, the group has determined that entity should be classified as jointly controlled entity (Joint venture).

vi) **The group has pledged below mentioned shares :-**

Entities	As at March 31, 2021 Units	As at March 31, 2020 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 Financial Statements

54 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	Welspun Sattanathapuram Nagapattinam Road Private Limited	Welsteel Enterprises Private Limited	Welspun Aunta-Simaria Project Private Limited
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 Financial Statements

The following table summarises the information relating to each of the subsidiaries that has NCI.

(₹ in lakhs)

	Grenoble Infrastructure Private Limited	Welspun Sattanathapuram Nagapattinam Road Private Limited	Welsteel Enterprises Private Limited	Welspun Aunta-Simaria Project Private Limited
Summarised balance sheet as at March 31, 2020				
Non-current assets	0	92	3,475	20,940
Current assets	0	12,105	9	3,628
Non-current liabilities	-	-	-	(4,043)
Current liabilities	(0)	(9,922)	(3,476)	(13,574)
Instrument entirely equity in nature	-	(2,170)	-	(6,932)
Net Assets	**0**	**104**	**9**	**19**
Net assets attributable to NCI	0	16	4	(11)
Summarised statement of profit or loss for the year ended March 31, 2020				
Revenue	-	691	-	4,374
Other income	-	93	-	2,333
Subcontracting, civil and repair works	-	(602)	-	(4,177)
Finance costs	(0)	(81)	(0)	(437)
Other expenses	(1)	(88)	(1)	(197)
Profit /(loss) before tax for the year	**(1)**	**12**	**(1)**	**1,896**
Tax expenses	-	69	-	(284)
Profit /(loss) for the year	**(1)**	**81**	**(1)**	**1,612**
Other comprehensive income	-	-	-	-
Total comprehensive income	**(1)**	**81**	**(1)**	**1,612**
Profit/ (loss) allocated to NCI	(0)	12	(0)	214
OCI allocated to NCI	-	-	-	-
Total comprehensive income allocated to NCI	**(0)**	**12**	**(0)**	**214**
Summarised cash flow information as at March 31, 2020				
Cash flow from operating activities	(1)	61	(0)	(6,690)
Cash flow from investing activities	-	93	(2,100)	245
Cash flow from financing activities	0	6	2,100	6,750
Net increase / (decrease) in cash and cash equivalents	**(0)**	**160**	**(0)**	**305**

Notes Forming Part of the Financial Statements

55 BUSINESS COMBINATION

A Background

Pursuant to the substitution agreement and endorsement agreements, both dated June 8, 2020 entered into with National Highways Authority of India ('NHAI') and India Infrastructure Finance Company Limited ("IIFCL"), Welspun Infrafacility Private Limited ('WIFPL') has been appointed as the concessionaire under the concession agreement dated August 28, 2015 with NHAI with respect to the project involving the '8 laning of section NH-1 (New NH-44) from Mukarba Chowk at Km 15.500 to Panipat Km 86.00' on BOT (toll) basis in Haryana ("Mukarba Chowk -Panipat Project" ('MCP')).

B Summary of Assets and Liabilities on date of acquisition

The substitution was effected by acquiring identified assets and assumption of liabilities of the project for aggregate consideration of Re 1 (Rupee one only). In accordance with Ind AS 103 "Business Combination', based on a fair valuation report and purchase price allocation (PPA), the Group has recorded intangible assets under development of ₹ 66,315 lakhs and equivalent amount of liabilities assumed on acquisition resulting in Nil goodwill. The fair value of assets and liabilities acquired by WIFPL on account of acquisition of project of MCP are as follows

(₹ in lakhs)

	Welspun Infrafacility Private Limited
Assets	
Intangible assets under development	66,314
Total Assets	**66,314**
Liabilties	
Non-current financial liabilities :	
- Borrowings	52,905
Current financial liabilities :	
- Trade payables	5,889
- Other financial liabilities	6,720
Current liabilities	800
Total Liabilities	**66,314**
Total Identifiable Net Assets at fair value	**0**
Goodwill arising on acquisition	**Nil**
Purchase consideration transferred	0

Revenues recognised with respect to the aforesaid undertaking from acquisition date till reporting date is ₹ 62,933 lakhs.

56 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.

57 A) Segment Information

The Company for evaluating group performance and for allocating resources based on analysis of various performance indicators, has identified two operative segments on the basis of nature of business activities and other quantitative criteria specified in the Ind AS 108 :

i) Operating segments

a) Infrastructure

b) Oil and gas

Notes Forming Part of the Financial Statements

ii) **Segment revenue and results**

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

iii) **Segment assets and liabilities**

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, intangible assets (BOT), service concession receivables, trade receivables and other operating assets. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets/ liabilities.

(₹ in lakhs)

	March 31, 2021	March 31, 2020
Segment revenue		
- Infrastructure	152,951	180,759
Total	**152,951**	**180,759**
Less : Inter segment revenue	-	-
Total sales/ income from operations	**152,951**	**180,759**
Segment result		
- Infrastructure	23,890	25,808
- Oil and gas	-	-
Unallocable corporate	(7,945)	(7,219)
Total	**15,945**	**18,589**
Add : other income	13,797	11,299
Profit before finance costs, tax and exceptional items	**29,742**	**29,888**
Add / (Less) :		
Finance costs	(11,045)	(7,736)
Share of loss from associate and joint venture companies	(725)	(1,878)
Profit before tax	**17,972**	**20,274**
Less : Tax expense		
Current tax	2,927	5,883
Deferred tax	2,027	(722)
	4,954	**5,161**
Profit after tax	**13,018**	**15,113**
Segment assets		
- Infrastructure	321,838	165,568
- Oil and gas	5,726	5,726
Unallocable corporate	151,284	140,335
Total (A)	**478,848**	**311,629**
Segment liabilities		
- Infrastructure	78,089	64,996
Unallocable corporate	232,183	88,678
Total (B)	**310,272**	**153,674**
Total equity (A - B)	**168,576**	**157,955**

a) Segment assets excludes current and non-current investments, deferred tax assets, advance payment of income tax, etc

b) Segment liabilities excludes borrowings and current maturities of long term borrowing, deferred tax liability, accrued interest, non-controlling interests, etc.

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Other segment information		As at March 31, 2021	As at March 31, 2020
a)	**Non-current assets ***		
	Infrastructure	150,124	16,696
	Oil and gas	-	-
	Unallocable corporate	3,719	4,211
	Total	**153,843**	**20,907**
b)	**Capital expenditure**		
	Infrastructure	177	1,746
	Oil and gas	-	-
	Unallocable corporate	-	-
	Total	**177**	**1,746**
c)	**Depreciation and amortisation expense**		
	Infrastructure	1,255	1,948
	Oil and gas	-	-
	Unallocable Corporate	344	306
	Total	**1,599**	**2,254**

* Non-current assets excludes financial assets, deferred tax assets and investment in associate and joint venture companies

B) Information about major customers

Total revenue from customers accounting for more than 10% of revenue, amounting to ₹ 136,997 lakhs (March 31, 2020 ₹ 166,180 lakhs) disclosed under Infrastructure segment.

58 DISCLOSURE REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('THE ACT') ARE GIVEN AS FOLLOWS :-

(₹ in lakhs)

		March 31, 2021	March 31, 2020
a)	Principal amount payable to the suppliers under the Act		
	- For capital goods	-	-
	- For others	411	2
b)	Principal amount due to the suppliers under the Act	-	-
c)	Interest accrued and due to the suppliers under the Act, on the above amount	-	-
d)	Payment made to suppliers other than interest beyond the appointed day, during the year	-	-
e)	Interest paid to suppliers under the Act	-	-
f)	Interest due and payable to suppliers undet the Act, for payment already made	-	-
g)	Interest accrued and remaining unpaid at the end of the year under the Act	-	
h)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available to the Company

Notes Forming Part of the Financial Statements

59 A) Disclosure pertaining to Ind AS 115 " Revenue from Contracts with Customers"

The Company believes that the information provided under Note 36 Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

B) Contract Balances

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	13,452	18,674
Contract assets	10,541	28,638
Contract liabilities	31,593	17,859

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 decrease in Contract assets in March 2021 is on account of reduction in unbilled revenue.

(ii) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer and an excess of billing over revenue i.e. unearned revenue. The increase in Contract liabilities in March 2021 is on account of increase in unearned revenue.

(iii) Amount of revenue recognised from :-

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Amounts included in contract liabilities at the beginning of the year	193	49

60 During the previous year, Anjar Road Private Limited ('Transferor Company') is merged with Welspun Enteprises Limited ('WEL') ('Transferee Company') pursuant to Hon'ble National Company Law Tribunal order dated June 21, 2019 approving the Scheme of Amalgamation with effective date being July 20, 2019 and appointed date being December 10, 2018. As prescribed by the Scheme, all assets and liabilities and reserve appearing in the books of transferor company are recorded by transferee company at their respective book value appearing in transferor company. Further, difference if any between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) has been adjusted in capital reserve of transferor company (to the extent available), balance if any has been adjusted in Reserve and Surplus (General Reserve) of transferee company. The authorised share capital will stand increased automatically by ₹ 5 Lakhs.

The following assets and liabilities of the Transferor companies as at July 20, 2019 have been recorded at their book value

Notes Forming Part of the Financial Statements

Details of assets and liabilities acquired :-

(₹ in lakhs)

	As at July 20, 2019	As at July 20, 2019
Assets		
a) Non-current tax asset	2	
b) Current investments		
Investment in bonds	806	
Investment in mutual funds	132	
	938	
c) Cash and cash equivalents	1	942
Liabilities		
a) Other current liabilities - Stamp duty payable	685	
b) Trade payable	10	
c) Current tax liabilities - Provision for tax	1	696
Net assets taken over		**246**
Difference between assets (excluding investment in WEL) over liabilities and reserves (other than equity share capital) adjusted in Reserve and Surplus (General Reserve)		246

61 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 Company is as follows:

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Opening balance	387	-
Add: Additions	387	694
Less : Depreciation	(344)	(307)
Net carrying amount	**431**	**387**

B The details of the lease liabilities of the Group is as follows:

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Opening balance	393	-
Add: Additions	387	662
Add: Accretion of interest	50	52
Less: Payments/ Waiver	(382)	(321)
Net carrying amount	**448**	**393**
Lease liabilities (Current) shown under Other Current Financial Liabilities	268	240
Lease liabilities (Non Current) shown under Other Non-Current Financial Liabilities	180	153
	448	**393**

The maturity analysis of lease liabilities are disclosed in Note 45

Notes Forming Part of the Financial Statements

C

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
The following are the amounts recognised in statement of profit or loss:		
Depreciation expense of right-of-use assets	344	307
Interest expense on lease liabilities	50	52
Total amount recognised in statement of profit or loss	**394**	**358**

The Group had total cash outflows for leases of ₹ 360 lakhs (March 31, 2020 : ₹ 321 lakhs). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 387 lakhs (March 31, 2020 : ₹ 663 Lakhs) .

62 PROPOSED DIVIDENDS ON EQUITY SHARES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Dividend proposed for March 31, 2021 ₹ 1.50 per share (March 31, 2020 ₹ 2.00 per share)	2,233	2,969

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (Including tax on dividend in previous year) as at reporting date.

63 The Directorate General of Hydrocarbons ('DGH") have served termination notice on the ground that the designated operator in respect of the Block M/s Naftogaz India Pvt Ltd -"NIPL" had allegedly committed misrepresentation by falsely representing itself as the subsidiary of Naftogaz, Ukraine which has 10 % stake in the Block. Adani Group Companies-"Adani"-(55%) and Welspun Natural Resources Private Limited-"Welspun" (35%) together holding 90 % stake in the Block, have contested this notice. The 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. The Group has contested the same before Delhi High Court. The Hon'ble Court was of the view that the Group should pursue the remedies available under the contract. Accordingly the Group has initiated dispute resolution mechanism with the authority and also have initiated discussions with the Ministry of Petroleum and Natural Gas and DGH for a possible revival of the Block.

64 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	Equity share capital	Securities Premium
As at March 31, 2020	53,545	27,661	14,846	93,334
Cash inflow	115,627	14,464	-	-
Cash outflow	(10,770)	(32,661)	-	-
Non cash changes - other changes (Refer note b below)	55,116	268	41	525
As at March 31, 2021	**213,518**	**9,732**	**14,886**	**93,859**

Notes Forming Part of the Financial Statements

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 alloted pursuant to exercise of stock option (Refer note 49)

iv) Conversion of loan to investment in joint venture companies during the year is ₹ 5,343 lakhs

v) Conversion of loan to investment in associate entity during the year is ₹ 5,171 lakhs

vi) Conversion of advance for investment into investment during the year is ₹ 5,224 lakhs.

65 CORPORATE SOCIAL RESPONSIBILITY ('CSR')

(₹ in lakhs)

	March 31, 2021	March 31, 2020
Contribution to Welspun Foundation for Health & Knowledge ('WFHK')	345	168
Amount required to be spent as per Section 135 of the Companies Act 2013	345	168
Amount spent by WFHK during the year on:		
Construction/ acquisition of an asset	-	-
On purposes other than above	217	168

66 ESTIMATION OF UNCERTAINITY RELATING TO COVID - 19 OUTBREAK

The Group's operations and financial results had been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the year with limited availability of workforce and disrupted supply chain. With easing of lockdown, the Group's performance for the year has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Group has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The Group continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

Notes Forming Part of the Financial Statements

67 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Name of the Entity	March 31, 2021							
	Net Asset / (Net Liability) ie total assets minus total liabilities		Share in Profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit/ (loss)	Amount	% of consolidated other comprehensive income	Amount	% of total consolidated comprehensive income	Amount
Parent								
Welspun Enterprises Limited	107.9%	181,885	82.5%	10,745	67.6%	31	82.5%	10,777
Subsidiaries								
Dewas Waterprojects Works Private Limited	1.0%	1,725	-7.2%	(938)	29.6%	14	-7.1%	(924)
ARSS Bus Terminal Private Limited	0.5%	894	0.0%	(2)	-	-	0.0%	(2)
Welspun Project (Kim Mandvi Corridor) Private Limited	0.1%	175	1.4%	180	-	-	1.4%	180
Welspun Projects (Himmatnagar Bypass) Private Limited	0.2%	393	-0.6%	(73)	-	-	-0.6%	(73)
Welspun Build-tech Private Limited	1.0%	1,707	0.0%	(1)	-	-	0.0%	(1)
DME Infra Private Limited	0.0%	0	0.0%	(1)	-	-	0.0%	(1)
Welspun Delhi Meerut Expressway Private Limited	4.2%	7,054	0.5%	64	-	-	0.5%	64
Welspun Natural Resources Private Limited	0.5%	872	-11.3%	(1,467)	-	-	-11.2%	(1,467)
Welspun Road Infra Private Limited	10.6%	17,908	14.2%	1,849	-	-	14.2%	1,849
Welspun Amravati Highways Private Limited	0.0%	(1)	0.0%	(0)	-	-	0.0%	(0)
Welsteel Enterprises Private Limited	0.0%	7	0.0%	(2)	-	-	0.0%	(2)
Welspun Aunta-Simaria Project Private Limited	4.5%	7,575	4.8%	624	-	-	4.8%	624

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Name of the Entity	March 31, 2021							
	Net Asset / (Net Liability) ie total assets minus total liabilities		Share in Profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit/ (loss)	Amount	% of consolidated other comprehensive income	Amount	% of total consolidated comprehensive income	Amount
Grenoble Infrastructure Private Limited	0.0%	0	0.0%	(0)	-	-	0.0%	(0)
Welspun Sattanathapuram Nagapattinam Road Private Limited	1.5%	2,513	1.8%	239	-	-	1.8%	239
Welspun Infrafacility Private Limited	17.6%	29,692	-0.1%	(8)	-	-	-0.1%	(8)
Associate								
Adani Welspun Exploration Limited	23.5%	39,683	-0.9%	(114)	3.2%	1	-0.9%	(112)
Joint venture companies								
Corbello Trading Private Limited	0.0%	(1)	0.0%	(1)	-	-	0.0%	(1)
Chikhali - Tarsod Highways Private Limited	-0.1%	(110)	0.0%	0	-	-	0.0%	0
RGY Roads Private Limited	0.0%	0	0.0%	(0)	-	-	0.0%	(0)
MBL (GSY) Road Limited	-0.4%	(756)	0.0%	(0)	-	-	0.0%	(0)
MBL (CGRG) Road Limited	-0.1%	(164)	0.0%	(0)	-	-	0.0%	(0)

Note :

Net assets/ share of profit or loss of subsidiaries, associate and joint venture companies are considered based on the respective audited financial statements without considering eliminations/ consolidated adjustments.

Notes Forming Part of the Financial Statements

68 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 : June 16, 2021

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Priya Pakhare
Company Secretary

Place: Mumbai
Date : June 16, 2021

NOTES

NOTES

WELSPUN ENTERPRISES
INFRASTRUCTURE AND ENERGY

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