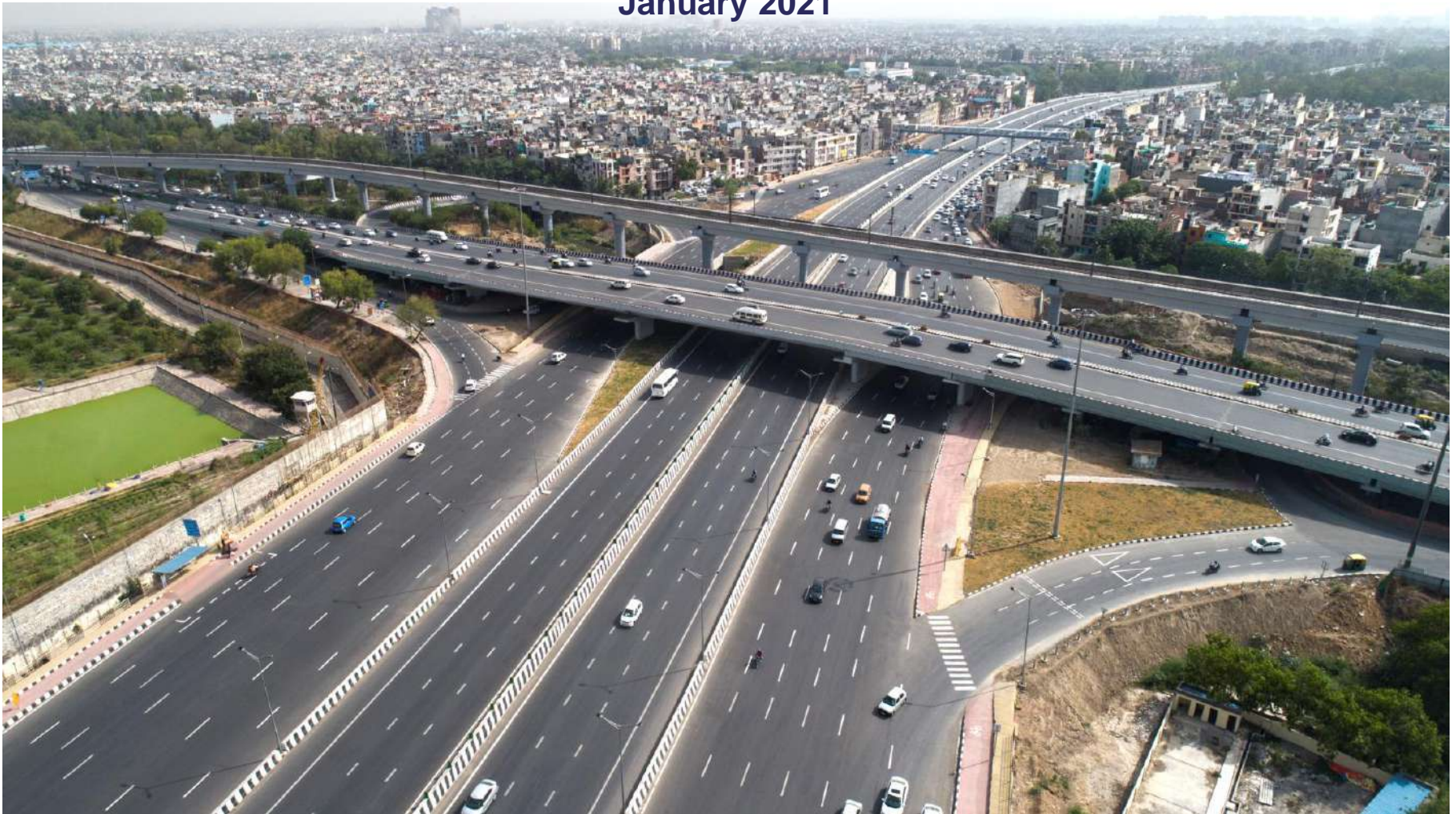


# WELSPUN ENTERPRISES LTD

## An Infra Player with a Difference

January 2021



# SAFE HARBOR

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Any reference herein to "the Company" shall mean Welspun Enterprises Limited, together with its consolidated subsidiaries.

# COVID-19 – IMPACT AND RESPONSE



# FIGHTING COVID19 TOGETHER



## #WellAndHome : Safety and Comfort for extended 100,000+ Welspun family

- Robust IT infrastructure to enable Work from Home
- Isolation wards, Tie-ups with hospitals, Emergency helpline

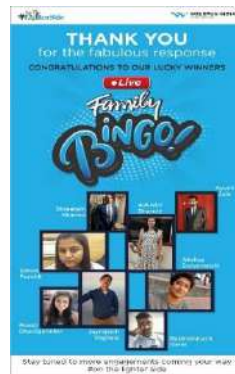
AI based robotic consultancy, virtually connecting with specialist doctor



**TOGETHER WE FIGHT COVID\_19**  
#WellAndSafe

## #WellAndLearn: Wellness & Learning

- Digital modules for employee Health, Wellness & Learning
- Engaging employees and Families



## #WellAndSafe: Supporting Govt. & Society

- Leveraging group capacities to make hand wipes and face masks to meet demand-supply gap
- 24x7 Medical care & essential provisions for employees and neighborhood



# OVERCOMING COVID-19 IMPACT

## Environment & Operations

- Order inflows of Rs. 11,000 mn in EPC Water segment
- All government guidelines are being followed during construction
- Received PCOD of Gagalheri-Saharanpur-Yamunanagar (GSY)
- Received Appointed date of Sattanathapuram-Nagapattinam

## Liquidity

- All interest and principal repayments are made as per schedule
  - No deferment / moratorium sought from banks
- Company has unutilized bank limits with sufficient treasury balance
- Raised Rs 3.75 bn of NCDs for future growth in May 2020
- No delays or issues on NHA1 payment till date
- RBI measures helped to improved liquidity in the market

## Profitability

- Invoked Force Majeure to ensure interest of the company is protected
- No impact envisaged on operational HAM project (DME)
- Expect the pace of work to gather momentum post monsoon

## Sustainability

- Current EPC Order Book at Rs. 53,407 mn, providing future visibility
- Strong Balance sheet – LT credit rating ‘AA-‘
- Selectively bidding for few projects, while maintaining the threshold return
- Explore inorganic growth opportunities, through measured evaluation
- Company is well-positioned for early financial closure of new projects

# KEY INVESTMENT HIGHLIGHTS

## Welspun Group

- comes with vast experience of
- Nurturing businesses
  - Executing marquee projects
  - Investing & timely value unlocking

## Sunrise Infra Sector

- ~ Rs. 111 trillion capital expenditure in infrastructure sector during FY2020-25 as per NIP report

## Hybrid Annuity Model (HAM) Opportunity

- Win-win model for government & developer
- Around 1/3<sup>rd</sup> of road awards happening through HAM

## Welspun Enterprises

- Focused as a developer with special emphasis on HAM
- Robust order book provides strong visibility
- Demonstrated operational excellence
  - Financial strength

## Asset Light Model

- Focused on Project Management Consultancy (PMC)
- Minimal Plant & Machinery
  - Low Working Capital
- Continuous asset value unlocking
  - High RoCE, Low Leverage

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# WELSPUN GROUP OVERVIEW

**Revenue**  
**Rs. 194 bn**

CAGR 20% (1995-2020)

**EBITDA**  
**Rs. 28 bn**

Overall 15% EBITDA margin

**Fixed Asset Base**  
**Rs. 64 bn**

Asset creation calibrated to  
Demand & Cash flows

**Net Debt of Rs. 34 bn**

Continuous focus on reducing  
high cost debt

**Net Cash** position in **WEL**  
Almost **Zero Debt** in **WCL**

**Net Debt to Equity**  
**0.39 x**

Indicates minimal leverage

**Net Debt to EBITDA**  
**0.82 x**

Continuous reduction with  
profitability & reducing debt

**Strong Credit Rating**

Welspun India: AA  
Welspun Corp: AA  
Welspun Enterprises: AA-

**Current Ratio 1.36 x**

Robust liquidity to meet short  
term obligations



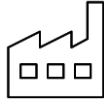
## GROUP'S RICH EXPERIENCE OF PROJECT EXECUTION

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**History of designing & building manufacturing plants & projects worth USD 3 bn+**

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**Successfully built Anjar Welspun City, spread across 2,500 acres in Gujarat**

---



**Built renewable energy portfolio of 1,000+ MW worth Rs.10,000+ crores & successfully divested it**

---



**Track record of delivering quality projects, on or before time**

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**Successfully built one-of-its-kind anciliarisation (captive outsourcing) model in Textiles**

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**Experience of value unlocking from assets of more than Rs. 130 bn in the past five years**

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**Group vision to be among the Top-3 Value Creators in the Industry**

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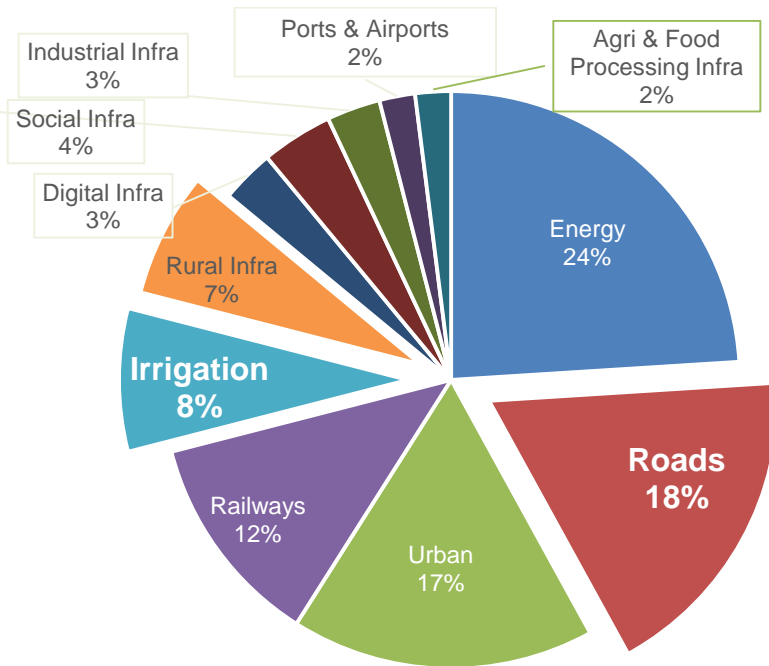
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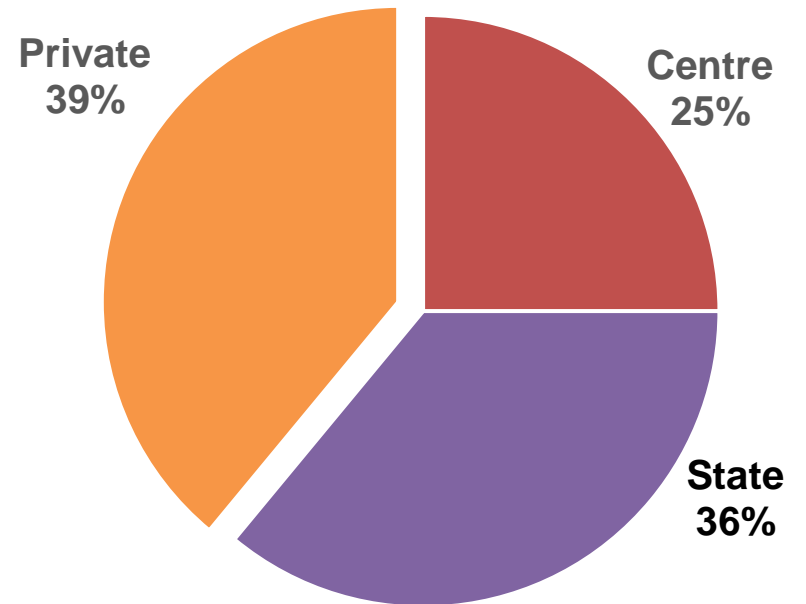
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# ROAD SECTOR TO GET STRONG THRUST FROM GOVERNMENT

**Sector wise break up of Capex of Rs. 111 trillion in NIP during 2020-2025**



**Sector wise share in the NIP for Road sector**



**Roads amount to 18% of the projected infrastructure investments**

**Private sector is expected to be largest contributor towards roads**

# ROAD SECTOR TO GET STRONG THRUST FROM GOVERNMENT

## Vision 2025 for Roads



Development of 60,000 km of NH - 2,500 km of Expressways, 9,000 km of Economic corridors, 2,000 km of coastal and port connectivity



Higher penetration of advanced technology



Significantly higher share of the private sector in NH



Last-mile connectivity - improved access to all remote areas after the completion of Bharatmala Phase-1

## Some key measures required to attract more private investment:

- Focus on project preparation and availability of required land
- Better contract enforceability and robust dispute resolution mechanism
- Acquiring 90% of contiguous land along with project clearances
- Increased use of financing options such as InvITs and TOT

**Capital expenditure to be incurred over FY20 to FY25 (Rs. 20.3 trillion)**



# POTENTIAL UNDER BUY & TURNAROUND STRATEGY

Several projects awarded to various infra players with weaker balance sheet are not financially closed / execution is stuck

....WEL with its strong banking relationship, robust balance sheet and operational excellence sees this as an opportunity to be a Turnaround Specialist

## Welspun Enterprises' Turnaround Record – 4 projects till date

(1) Gagalheri-Saharanpur-Yamunanagar (GSY) & (2) Chutmalpur-Ganeshpur & Roorkee-Chutmalpur-Gagalheri (CGRG)

**Concessionaire**

Concessionaire not in a position to achieve financial closure



Along with Welspun Enterprises  
Financially closed **within 2 months**

(3) Chikhali-Tarsod (Package-IIA)

**Concessionaire**

Concessionaire not in a position to achieve financial closure



Along with Welspun Enterprises  
Financially closed **within 1 month**

(4) Mukarba Chowk – Panipat Toll Roads Limited

**Concessionaire**

Concessionaire not able to continue execution due to financial distress



Along with Welspun Enterprises  
Took over existing liabilities.  
Expect to complete the project by H1 FY22

# WATER SECTOR – KEY FOCUS AREA FOR GOVERNMENT

## Government’s Mission: ‘Har Ghar Nal Se Jal’

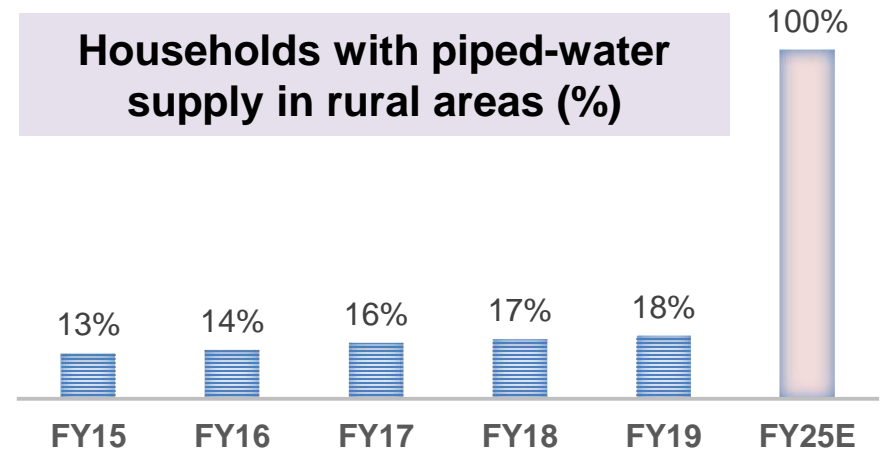
With India’s water crisis nearing a tipping point, the government announced the Jal Jeevan Mission to provide potable water to every rural household by 2024.

**Rs 12.6 trillion capital expenditure to be spent in building Water Infrastructure**

Department	FY20	FY21	FY22	FY23	FY24	FY25
Rural Water & Sanitation	0.4	0.6	1.0	0.8	0.8	-
Irrigation	1.1	2.0	1.8	1.4	1.2	0.7

Rs Trillion

**Households with piped-water supply in rural areas (%)**



**Urban Water & Sanitation - Additional Rs 3.3 trillion will be spent in building Water Infrastructure**

### Vision 2025 for Water Infrastructure:



~100% of urban and rural households connected to piped-water supply



Interlinking of rivers to increase area under irrigation, domestic & industrial water supply

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# NHAI HYBRID ANNUITY MODEL (HAM) INTRODUCED IN 2016....

....to overcome BOT issues including

Land Acquisition

Change of scope

Traffic changes

Toll Risk

Financing

....thus, now NHAI awarding more projects under HAM and pure EPC.

## HAM advantageous to both Developer & Authority

**NHAI** as a partner providing **40% funding**

**12-15%** of project cost  
Minimal Equity requirement

At least **80% land** provided by the authority on appointed date. COD given based on land provided

**All Clearances** provided by the authority before appointed date

**No Toll Collection Risk**  
No traffic risk

**O&M covered** by separate payments from authority

During construction, **Better Credit Rating than BOT** on account of lower risk

Once constructed, **AAA (SO) Credit Rating** as semi-annual assured payments from NHAI

**Public Private Partnership** to build world class infrastructure

**Lesser Cash Outflow** as compared to EPC model

**Revenue Generation** from toll collection which funds the annuity

**Quality Assured** due to maintenance obligation of 15 years by concessionaire

For details refer appendix



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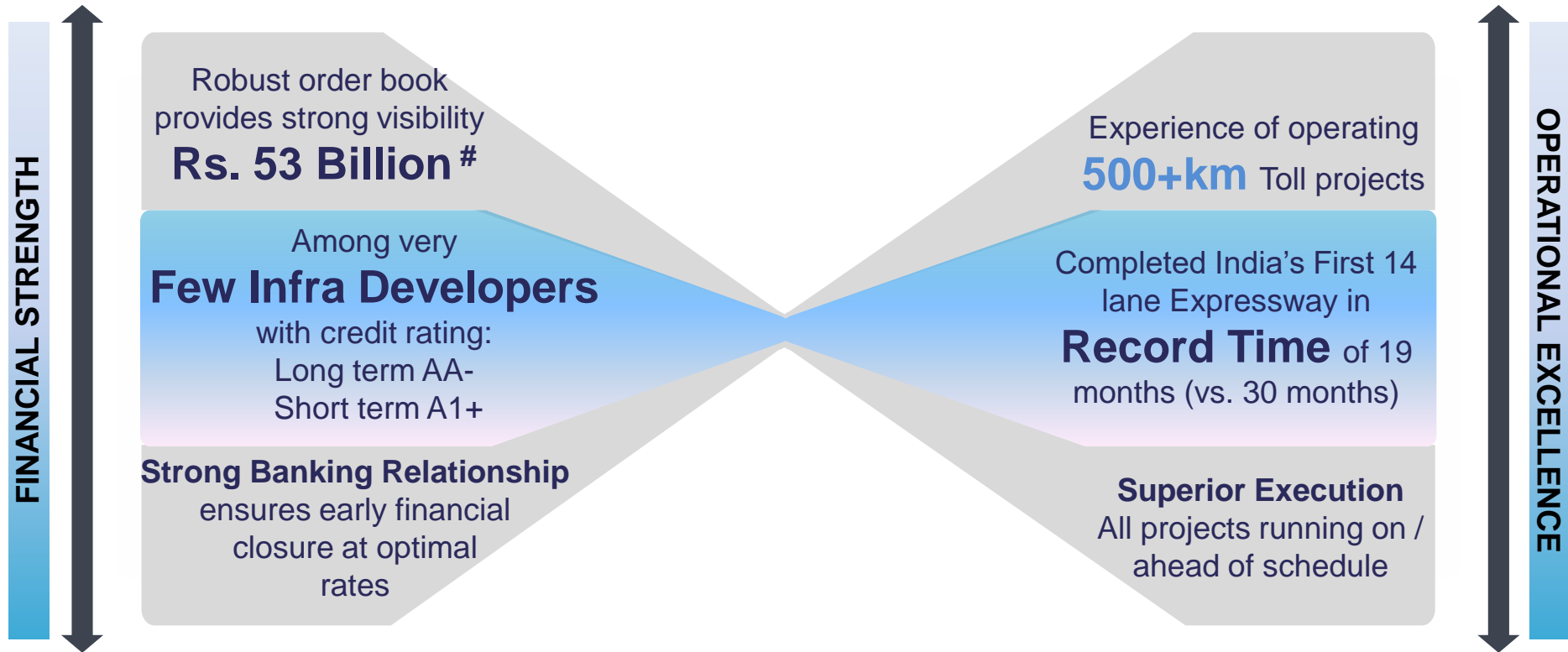
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# ROBUST ROAD PORTFOLIO: Rs. 106+ BILLION, 660+ KM WITH....



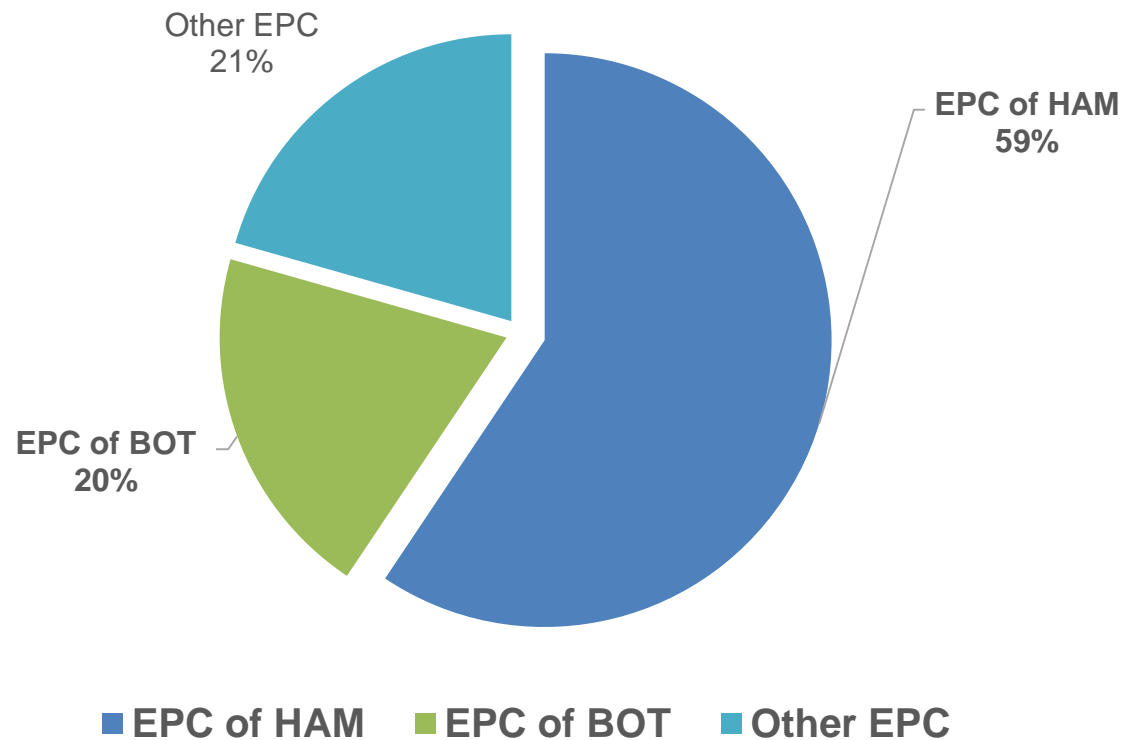
High value creation with special focus on Road & Water Projects

# excluding GST

# STRONG PLATFORM SET FOR FUTURE GROWTH

Continuously building Road and water portfolio through bid / buy strategy for profitable growth  
Current order book at ~Rs 53 billion (excluding GST)

As on December 2020



# **RS. 11,000 MN WORTH ORDERS POURING INTO EPC WATER SEGMENT**

**Lead Partner in Joint Venture with Kaveri Infraprojects Limited, Hyderabad 74 : 26**

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

**Execution of EPC Projects of 1,099 villages for the Project of Survey, Design, Preparation of DPR, Construction, Commissioning and Operation and Maintenance for 10 years of Rural Water Supply**

**Estimated aggregate contract value: Rs.11,000 mn. The final value will be determined on completion of preparation of Detailed Project Report (DPR) by the JV and its approval by the SWSM.**

**Preparation of DPR and Construction of the Project is to be progressively completed in 21 to 24 months and thereafter Operated and Maintained by Welspun for a period of 10 years.**

**Execution of EPC Projects of 1,099 villages across Chandauli, Jaunpur and Sant Ravidas Nagar in Varanasi and Ambedkar Nagar and Amethi in Ayodhya**

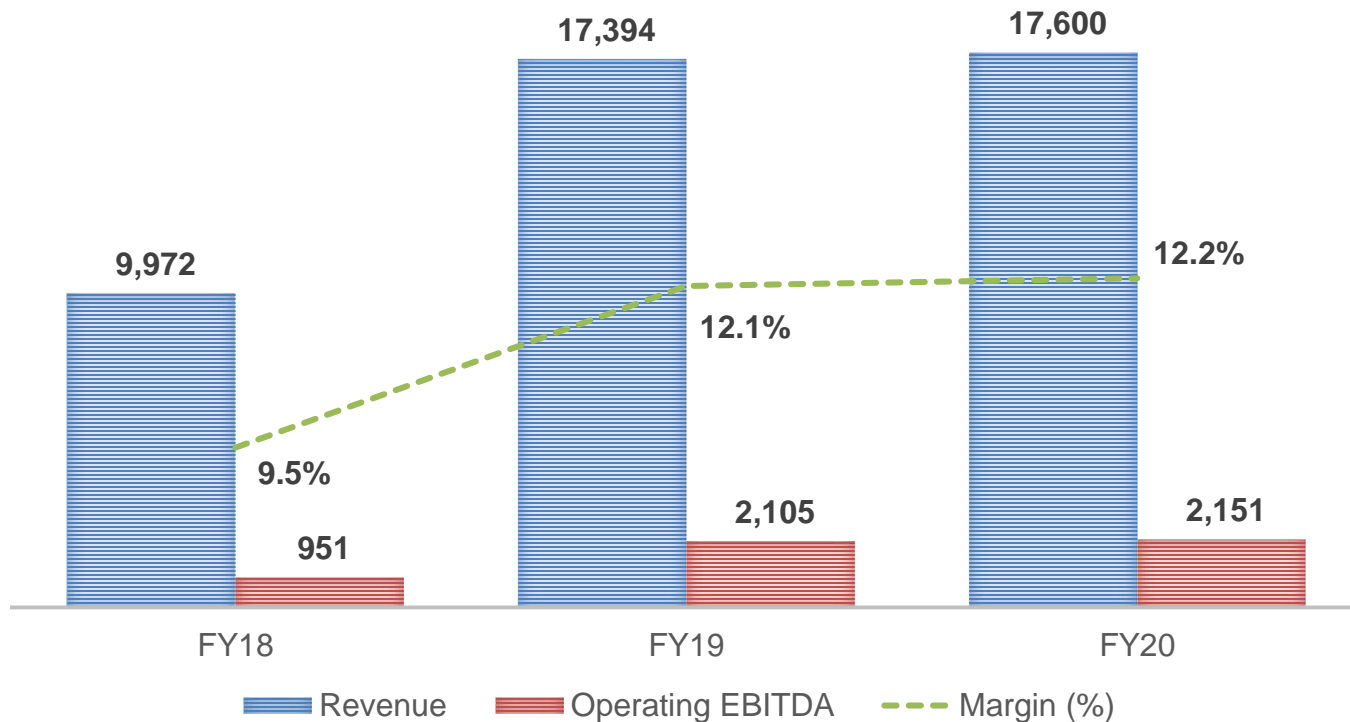


# OPERATING LEVERAGE TO IMPROVE MARGINS

FY20 revenue contributed by 5 HAM projects

Margin improvement as fixed cost absorption increased with higher execution on multiple projects

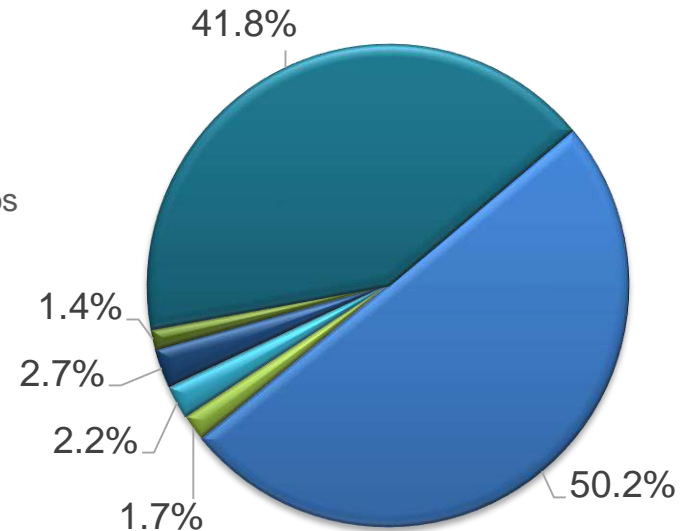
## Revenues and Operating EBITDA (Rs. Mn)



# WITH UNDIVIDED FOCUS ON SHAREHOLDER VALUE CREATION

## Shareholding Pattern (as on 31<sup>st</sup> December 2020)

- Promoter
- Management
- FIIs
- Banks & Insurance Cos
- Mutual Funds/AIF
- Public



## Market Statistics

As on Dec 31, 2020	INR	USD
Price per share (Face value Rs. 10 per share)	86.5	1.81
No of Shares outstanding (Mn)	148.8	
Market Capitalization (Mn)	12,874	176
Daily Average Trading Volumes (Q3FY21) No of shares in Mn	0.19	
Daily Average Trading Value (Q3FY21) (Mn)	15.49	0.21

## Creating Shareholder value

### Stated Dividend Distribution Policy

- Endeavor to achieve distribution of an amount of profit subject to maximum of 25% of PAT
- Applicable FY18 onwards
- **FY20 dividend at Rs. 2 per share**

# THROUGH AN EXPERIENCED BOARD AND MANAGEMENT

## Board of Directors

### **B.K.Goenka, Chairman**

- Amongst India's most dynamic businessmen; Past President ASSOCHAM (2019)
- Recipient of Asian Business Leadership (ABLF) Award, 2019

### **Rajesh Mandawewala, Group MD**

- Qualified Chartered Accountant; Played an instrumental role in establishing Welspun's Textile & Pipe business
- Authorization of investment decisions for Welspun

### **Dr. Aruna Sharma, Independent Director**

- Retired IAS officer (1982 batch, Madhya Pradesh cadre) with 38+ years of experience and PhD (Dev. Economics)
- Expertise in IT, Big Data & Cyber Security, Steel, Rural Development.

### **Mohan Tandon, Independent Director**

- Ex MD of GIC of India, and Chairman & MD of National Insurance Co. Ltd.
- Expert in Org. Restructuring; Productivity-oriented Incentive Schemes

### **Raghav Chandra, Independent Director**

- Retd. IAS officer (1982 batch) with more than 3 decades of experience.
- Held key positions with Center / State Govt. at various levels; Expert in Infrastructure Development & Public Private Partnership

## Management Team

### **Sandeep Garg, Managing Director & CEO, Member of Board**

- Harvard Graduate with 30+ years of experience in diverse roles in infrastructure and oil & gas sector
- Prior experience with ONGC, Punj Lloyd, IL&FS

### **Asim Chakraborty, Chief Operating Officer (COO) - Highways**

- 32 years experience in Designing, Engineering and Construction of Infrastructure projects

### **Banwari Lal Biyani, Operation Head – BOT & EPC**

- AICWA professional with approx 39 years experience in Commercial, Planning & Budgeting, Business Excellence & Strategy and Operations

### **Yogen Lal, Head- Water Business**

- Civil engineer with 26+ years experience in water segment

## Management Team : Group Support

### **Deepak Chauhan, Head – Group Legal**

- 20 years experience in legal, majorly in infrastructure and transportation

### **Devendra Patil, Head – Group Secretarial**

- 30+ years experience in secretarial and legal

### **Akhil Jindal, Group CFO & Head - Strategy**

- 22+ years of experience in corporate finance, M&A, strategy and fund raising
- Significantly contributed to Welspun Group in the last 12 years with its global expansion plans

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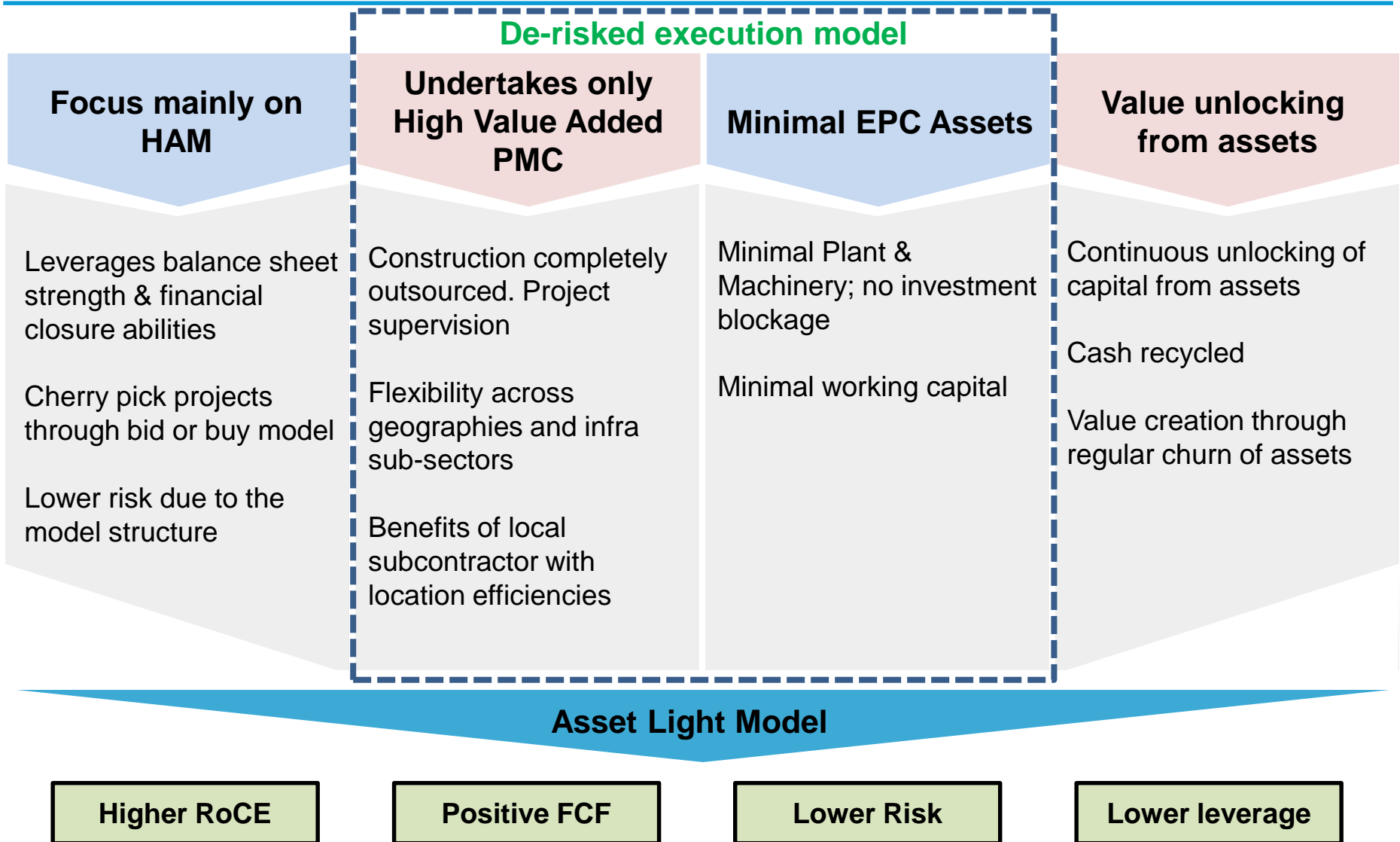
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# ONE OF ITS KIND ASSET LIGHT MODEL



# CREATING VALUE THROUGH A PROFOUND STRATEGY

**1**

**Bid for differentiated projects/  
Buy distressed projects**

- Lower competition
- Better IRRs

**2**

**Achieve early financial closure**

- Strong Balance Sheet
- Reduced finance cost

**3**

**Award construction to best suited sub-contractor**

- Reduce execution risk
- Minimal investment in Plant & Machinery

**4**

**Project Management Consultancy**

- Rigorous monitoring
- Achieve early completion

**8**

**Reinvest proceeds in new projects**

- Ensure optimal balance sheet size

**7**

**Timely value unlocking**

- Divest to long term investor with lower cost
- Sustained Cashflow

**6**

**Refinance to reduce interest cost**

- Rating improvement
- Reduce financing cost

**5**

**Achieve COD ahead of schedule**

- Earn early completion bonus
- Improve returns



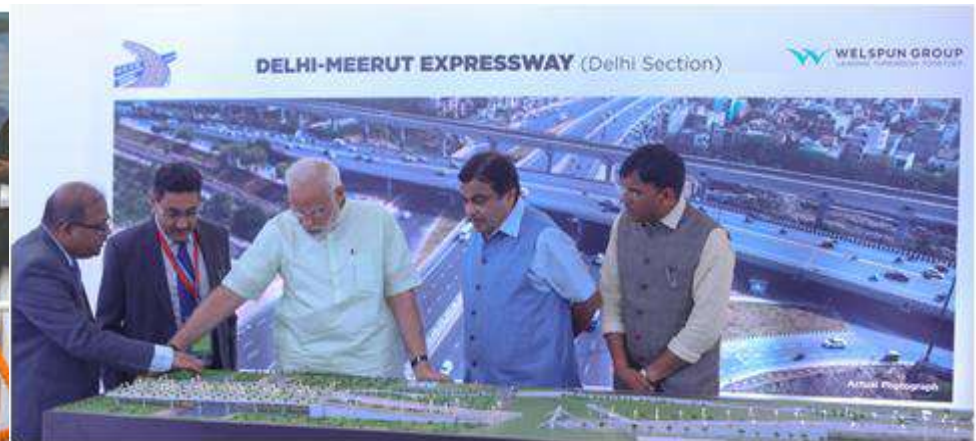
# DELHI MEERUT E-WAY: VALIDATING OUR DIFFERENTIATED STRATEGY

Project Under the Aegis of Prime Minister of India Shri Narendra Modi and NHA

Laying of foundation stone



Inauguration of completed project



- ★ India's FIRST 14-Lane Expressway
- ★ India's FIRST Green Expressway
- ★ India's FIRST COMPLETED HAM project – 332 Days ahead of schedule
- ★ India's FIRST HAM project to be awarded AAA (SO) credit rating
- ★ India's FIRST HAM project to receive annuity
- ★ India's FIRST HAM project to be re-financed post completion





# APPRECIATION BY PRIME MINISTER OF INDIA SHRI NARENDRA MODI

New Delhi  
23 May, 2018

**Shri B. K. Goenka Ji,**

I am delighted to know of your valuable contribution to the completion of Package I of Delhi-Meerut Expressway, which as you know got completed much before the target date.

We, as a nation, are standing at the cusp of a wave of development that is driven by a young nation with great aspirations. The infrastructure we are building will create new pathways for India's all-inclusive development and open new vistas of opportunity for our people.

It was our former Prime Minister Shri Atal Bihari Vajpayee's vision to connect each and every village and city with all-weather roads. He envisioned India's future built on a firm foundation of enhanced connectivity for people and businesses.

Today, from highways to I-ways, we are ensuring that our nation is ahead of the curve in infrastructural development.

The Delhi-Meerut expressway has showcased India's engineering capabilities that are well integrated with our goal of sustainable development. Also appreciable is the way in which the expressway has been converted into a green belt with initiatives such as drip water irrigation, solar plant and landscape development.

It is a matter of immense joy to see pride in people's eyes when they experience seamless commute through these modern day marvels. The new expressway is one such marvel that will ease the lives of citizens by saving them time and money as well as ensuring that local economy flourishes.

It is my firm belief that the highways built today will become runways for dreams of tomorrow to take flight. I, once again, congratulate everyone associated with this project for achieving a remarkable feat and delivering not just an expressway, but a roadway to progress and prosperity.

I wish you success in all your future endeavours.

Yours Sincerely,



(Narendra Modi)



# APPRECIATION BY SHRI NITIN GADKARI, UNION MINISTER





# BUILDING MUCH MORE THAN AN EXPRESSWAY



Vertical garden developed along the entire bridge

**40,000+ Trees**

transplanted and retained existing trees



**3,230 Solar Panels**

Electrification through solar power of 1050 kWp



**Beautification Initiatives**

Wall art & replicas of famous monuments



# WELSPUN ENTERPRISES CSR INITIATIVES

Our social mission is enshrined within the 3Es i.e. Education, Empowerment and Environment & Health



## EDUCATION.

### Project Gyankunj

To enhance the teaching & learning process for teachers & students with the use of technology

Current Reach: 3 Districts, 116 Schools, 961 Teachers Trained and 55,750 Students.

## ENVIRONMENT.

### Project Model Village

To create a sustainable rural community that generates and maintains the resources to improve its level of well-being and happiness without depleting economic, social and environmental values.

Current Reach: 5 Villages and 19,600 People



## EMPOWERMENT.

### Welspun Super Sports Women

To identify and support female athletes in achieving their sporting endeavours through scholarships

Current Reach: 14 Sports Women

# FINANCIALS

# INCOME STATEMENT Q3 FY21 - STANDALONE

Income Statement Snapshot (Rs Million)								
Particulars	Q3FY21	Q3FY20	YoY Growth	Q2FY21	QoQ Growth	9MFY21	9MFY20	YoY Growth
<b>Revenue from Operations</b>	<b>4,073</b>	<b>4,899</b>	<b>-16.9%</b>	<b>3,242</b>	<b>25.7%</b>	<b>9,056</b>	<b>13,096</b>	<b>-30.9%</b>
Other Income	77	112	-31.2%	101	-23.3%	274	375	-26.9%
<b>Total Income</b>	<b>4,150</b>	<b>5,011</b>	<b>-17.2%</b>	<b>3,342</b>	<b>24.2%</b>	<b>9,330</b>	<b>13,471</b>	<b>-30.7%</b>
<b>Operating EBITDA**</b>	<b>465</b>	<b>548</b>	<b>-15.2%</b>	<b>381</b>	<b>21.9%</b>	<b>1,041</b>	<b>1,543</b>	<b>-32.5%</b>
<i>Operating EBITDA margin</i>	<i>11.4%</i>	<i>11.2%</i>	<i>23 bps</i>	<i>11.8%</i>	<i>-35 bps</i>	<i>11.5%</i>	<i>11.8%</i>	<i>-28 bps</i>
<b>EBITDA</b>	<b>532</b>	<b>642</b>	<b>-17.2%</b>	<b>465</b>	<b>14.2%</b>	<b>1,272</b>	<b>1,846</b>	<b>-31.1%</b>
EBITDA margin	12.8%	12.8%	-1 bps	13.9%	-111 bps	13.6%	13.7%	-7 bps
PBT	392	549	-28.6%	320	22.6%	872	1,511	-42.3%
<b>Reported PAT</b>	<b>300</b>	<b>406</b>	<b>-26.1%</b>	<b>247</b>	<b>21.5%</b>	<b>677</b>	<b>1,106</b>	<b>-38.7%</b>
<i>Reported PAT margin</i>	<i>7.2%</i>	<i>8.1%</i>	<i>-87 bps</i>	<i>7.4%</i>	<i>-16 bps</i>	<i>7.3%</i>	<i>8.2%</i>	<i>-95 bps</i>
<b>Cash PAT</b>	<b>340</b>	<b>468</b>	<b>-27.4%</b>	<b>352</b>	<b>-3.5%</b>	<b>866</b>	<b>1,364</b>	<b>-36.5%</b>

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

\*\* Adjusted for non cash ESOP exp.

## INCOME STATEMENT TREND - STANDALONE

Income Statement Snapshot (Rs Million)			
Particulars	FY19	FY20	9M FY21
<b>Revenue from Operations</b>	<b>17,394</b>	<b>17,600</b>	<b>9,056</b>
Other Income	546	526	274
<b>Total Income</b>	<b>17,940</b>	<b>18,126</b>	<b>9,330</b>
<b>Operating EBITDA**</b>	<b>2,106</b>	<b>2,106</b>	<b>1,041</b>
<i>Operating EBITDA margin</i>	<i>12.1%</i>	<i>12.1%</i>	<i>11.5%</i>
<b>EBITDA</b>	<b>2,369</b>	<b>2,589</b>	<b>1,272</b>
<i>EBITDA margin</i>	<i>13.2%</i>	<i>14.3%</i>	<i>13.6%</i>
PBT	2,122	2,141	872
<b>PAT</b>	<b>1,537</b>	<b>1,593</b>	<b>677</b>
<i>Reported PAT margin</i>	<i>8.6%</i>	<i>8.8%</i>	<i>7.3%</i>
<b>Cash PAT (before exceptional)</b>	<b>1,610</b>	<b>1,851</b>	<b>866</b>

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

\*\* Adjusted for notional interest under IndAS & non cash ESOP exp.



## BALANCE SHEET SNAPSHOT - STANDALONE

Balance Sheet Snapshot (Rs. Million)	31 <sup>st</sup> Dec 2020	30 <sup>th</sup> Sep 2020	31st Mar 2020
Net worth	<b>17,785</b>	<b>17,472</b>	<b>17,355</b>
Gross Debt	5,018	4,014	3,100
- Long Term Debt	4,033	3,994	334
- Short Term Debt	986	740	2,766
Cash & Cash Equivalents <sup>#</sup>	<b>1,982</b>	<b>2,476</b>	<b>5,293</b>
Net Debt /(Cash)	3,036	1,537	(2,193)
Other Long Term Liabilities	305	309	306
Total Net Fixed Assets (incl. CWIP)	520	548	565
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.) <sup>@</sup>	2,083	2,459	1,784
Other Long Term Investments and assets (adj.) <sup>@</sup>	18,523	16,311	13,119

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

*@ Temporary funding of Rs. 3,580 million has been made in lieu of drawing debt at the subsidiary/JV level in order to minimise the interest cost. This temporary funding has not been included in the cash balance of Rs. 1,982 million. The same is reflected in Other Long Term Investments and assets*

## KEY HIGHLIGHTS

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- ✓ **Well Positioned to Benefit from India's Economic Growth & Development**

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- ✓ **Unique Position with Strong Financials to tap Infra Opportunities**

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- ✓ **Strong Order book providing visibility for next 2 years**

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- ✓ **Asset light business model in Infra with regular project value-enhancement post COD**

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- ✓ **Demonstrated Operational Excellence with earlier-than-scheduled completion**

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- ✓ **Focus on Sustainable and Inclusive Growth**

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- ✓ **Strong Corporate Governance - Experienced Board with 50% Independent Directors**

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- ✓ **Transparency through Timely Disclosures with Stated Dividend Distribution Policy**

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- ✓ **Management with Proven Track Record**

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# WAY FORWARD

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 **Continue approach of prudent bid/buy strategy to strengthen Road and Water portfolio**

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 **Selectively evaluating EPC and BOT (Toll) projects**


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 **Apart from NHAI, WEL is also evaluating road HAM projects of State and Municipal agencies**

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 **Divest/securitise completed projects in order to unlock value and capital**

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 **Looking at opportunities in associated areas in Infrastructure; targeting water segment**

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 **Explore and develop existing oil & gas blocks**

# THANK YOU

**For further details, please contact:**

**Alisha Nachane**

Email: [alisha\\_nachane@welspun.com](mailto:alisha_nachane@welspun.com)

# APPENDIX

# NHAI HYBRID ANNUITY MODEL (HAM) OVERVIEW

**Award criterion:** Lowest NPV value based on Construction cost and O&M cost, quoted by the bidders

40% of Project Cost (Construction Support) by Govt.

Hybrid Annuity Project

60% of Project Cost arranged by Concessionaire for Financial Closure  
- 12-15% through equity from developer  
- Remaining through debt

Construction Period

COD

**Returns to Concessionaire on Capital Arranged**

- Annuity payments (biannually) till end of concession period as per predetermined schedule
- Interest payments (on reducing balance @ Bank Rate + 3%)
- O&M payments at the bid rate with escalation

Toll collection by Govt.

O&M by Concessionaire

O&M Period

# HAM - LOWER RISK-REWARD vs. BOT

	<b>BOT Toll</b>	<b>HAM</b>
<b>Traffic Risk</b>	Risk borne by concessionaire	No risk on the concessionaire
<b>Toll Tariff Rates</b>	Risk with concessionaire as tariffs decided as per National Tariff Policy	No risk on the concessionaire
<b>Equity Requirement</b>	Higher (25-30% of project cost)	Lower (12-15% of project cost)
<b>Project Credit Rating</b>	Lower rating based on the higher risk	Better rating during construction Once constructed, AAA (SO) credit rating
<b>Mobilization Advances</b>	No mobilization advance is granted from Authority during construction period	Mobilization advances can be availed from Authority upto 10% of bid Project Cost @ RBI Bank Rate during construction period
<b>O&amp;M Payments</b>	No separate O&M payments from the authority	Separate O&M payments from the authority



# WELSPUN ENTERPRISES INFRASTRUCTURE PORTFOLIO

Robust portfolio of 10 infrastructure projects in roads and water supply

## HAM PROJECTS

### Delhi-Meerut Expressway (Pkg 1)

Authority: NHAI  
 Status: Completed; Four Annuities Received

1

### Gagalheri-Saharanpur-Yamunanagar (GSY)

Authority: NHAI  
 Status: PCOD received

2

### Chutmalpur-Ganeshpur (CGRG)

Authority: NHAI  
 Status: PCOD received

3

### Aunta-Simaria

Authority: NHAI  
 Status: Under Construction

4

### Chikhali-Tarsod

Authority: NHAI  
 Status: Under Construction

5

### Package No. AM 2

Authority: Maharashtra PWD  
 Status: Under Construction

6

### Sattanathapuram-Nagapattinam

Authority: NHAI  
 Status: Under Construction

7

## BOT PROJECTS

### Mukarba Chowk – Panipat

Authority: NHAI  
 Status: Under Construction

1

### Dewas Water

Authority: MPSIDC  
 Status: Operational

*(Modified Project PCOD recd)*

2

### Himmatnagar Bypass

Authority: GSRDC  
 Status: Completed

3

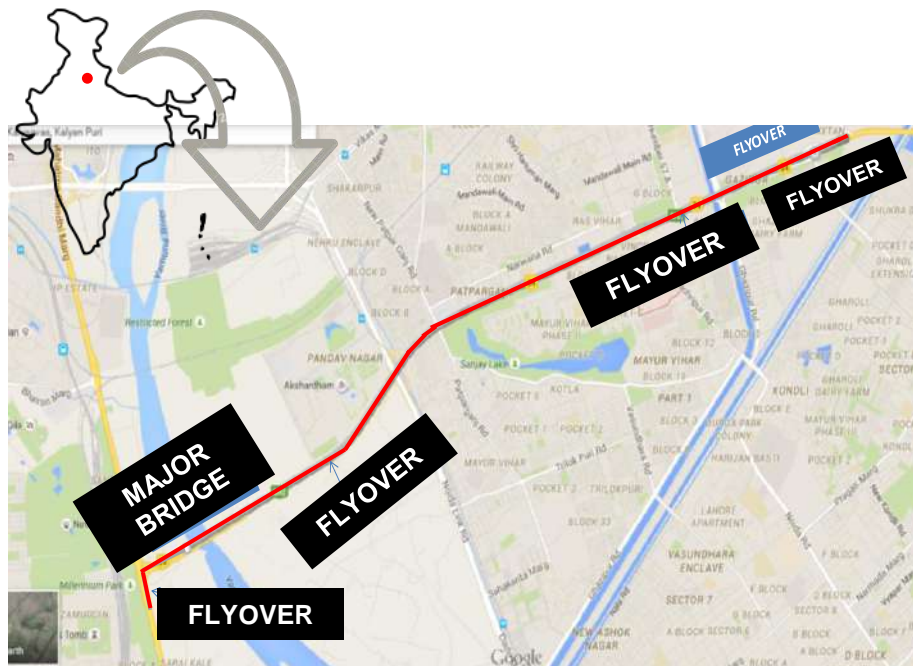
# 1 HAM: DELHI-MEERUT EXPRESSWAY PACKAGE 1

**Scope:** 14 Lane expressway: Six-laning of Delhi – Meerut Expressway & four-laning either side from 0<sup>th</sup> km to existing km 8.4 of NH-24 in Delhi

**Status:** Record completion within 19 months. Received four annuities within the stipulated time and early completion bonus of Rs. 271 mn from NHAI  
Outstanding loan re-financed at lower rate with top-up loan

## PROJECT DETAILS

Project Length (Kms)	8.716 Km
Award Date	Jan 2016
Financial Closure	Achieved
Appointed Date	28 <sup>th</sup> Nov 2016
Scheduled Construction Period	30 months
COD Date	28 <sup>th</sup> June 2018
Concession Period after COD	15 Years



## PROJECT COST & FINANCING (Rs. Mn)

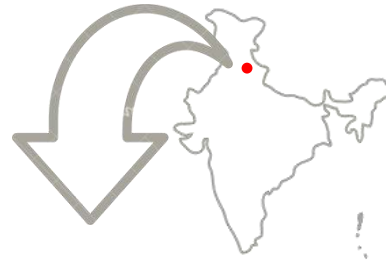
<b>Completion cost</b>	<b>8,887</b>
<i>Means of Finance</i>	
- NHAI	3,366
- Debt	4,000
- Sponsor's Commitment	1,049
- Escalation	472
<b>O&amp;M Cost (First Year)</b>	<b>39.5</b>

\* Table figures are excluding GST

## 2 HAM: GAGALHERI-SAHARANPUR-YAMUNANAGAR

**Scope:** 4-Laning of Gagalheri-Saharanpur-Yamunanagar section of NH-73 in UP / Haryana

**Status:** NHAI declared the Appointed Date for the Project as 26<sup>th</sup> January 2018; Received PCOD on 31<sup>st</sup> October 2020



### PROJECT DETAILS

Project Length (Kms)	51.5 Km
Acquisition Date	Jan 2018
Financial Closure	Achieved
Appointed Date	26 <sup>th</sup> Jan 2018
PCOD	31 <sup>st</sup> October 2020
Concession Period after COD	15 Years

### PROJECT COST & FINANCING (Rs. Mn)

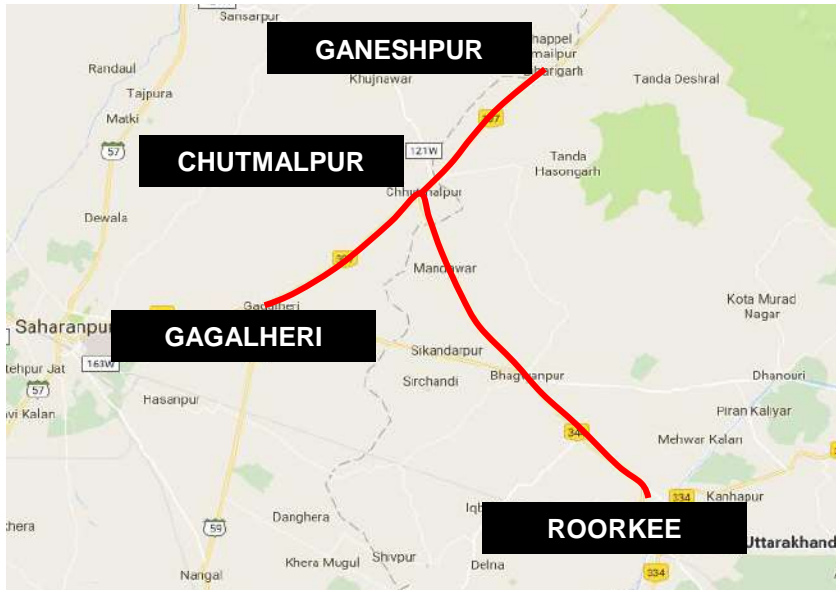
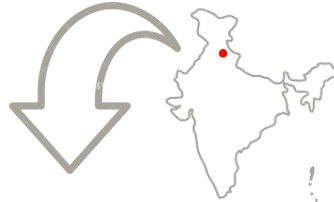
<b>Estimated Completion Cost</b>	<b>13,519</b>
<b>Means of Finance</b>	
- NHAI	4,736
- Debt	5,683
- Sponsor's Commitment	1,421
- Estimated Escalation	1,679
<b>O&amp;M Cost (First Year)</b>	<b>100</b>

\* Table figures are excluding GST

### 3 HAM: CHUTMALPUR-GANESHPUR & ROORKEE-CHUTMALPUR-GAGALHERI

**Scope:** 4-Laning of Chutmalpur-Ganeshpur section of NH-72A & Roorkee-Chutmalpur-Gagalheri section of NH-73 in UP & Uttarakhand

**Status:** NHAH declared the Appointed Date as 28th February 2018; Received PCOD on 5th August 2020



#### PROJECT DETAILS

Project Length (Kms)	53.3 Km
Acquisition Date	Jan 2018
Financial Closure	Achieved
Appointed Date	28th Feb 2018
PCOD	5th August 2020
Concession Period after COD	15 Years

#### PROJECT COST & FINANCING (Rs. Mn)

<b>Estimated Completion Cost</b>	<b>10,790</b>
<b>Means of Finance</b>	
- NHAH	3,768
- Debt	4,522
- Sponsor’s Commitment	1,130
- Estimated Escalation	1,370
<b>O&amp;M Cost (First Year)</b>	<b>100</b>

\* Table figures are excluding GST

## 4 HAM: AUNTA-SIMARIA (Ganga Bridge with Approach Roads)

**Scope:** Six- Laning from Aunta-Simaria (Ganga Bridge with Approach Roads) Section from km 197.9 to km 206.1 of NH-31 in Bihar. **Includes widest extradosed bridge on Ganga river**

**Status:** NHA declared the Appointed Date as 30th August 2018; execution in full swing



### PROJECT DETAILS

Project Length (Kms)	8.15 Km
Award Date	Aug 2017
Financial Closure	Achieved
Appointed Date	30 <sup>th</sup> Aug 2018
Scheduled Construction Period	42 months
Concession Period after COD	15 Years

### PROJECT COST & FINANCING (Rs. Mn)

<b>Bid Project Cost</b>	<b>13,465</b>
<i>Means of Finance</i>	
- NHA	4,644
- Debt	5,573
- Sponsor's Commitment	1,393
- Estimated Escalation	1,855
<b>O&amp;M Cost (First Year)</b>	<b>99</b>

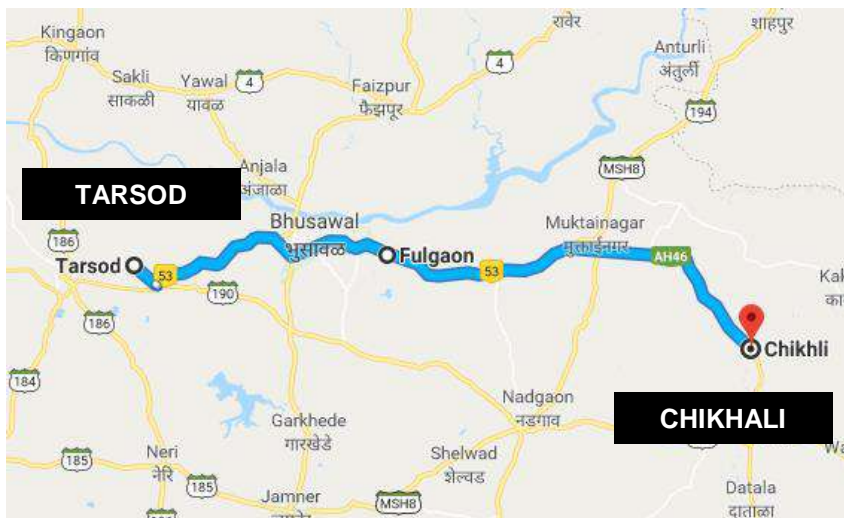
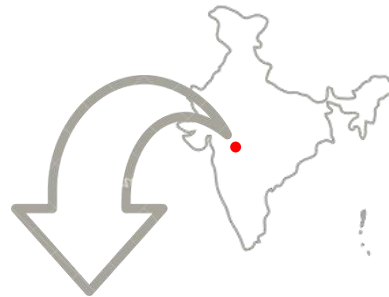
\* Table figures are excluding GST

5

# HAM: CHIKHALI-TARSOD

**Scope:** 4-laning of Chikhali – Tarsod (Package-IIA) section of NH-6 from km 360.0 to km 422.7 in Maharashtra

**Status:** NHA declared the Appointed Date as 16th January 2019; execution in full swing



## PROJECT DETAILS

Project Length (Kms)	62.7 Km
Acquisition Date	Jan 2018
Financial Closure	Achieved
Appointed Date	16 <sup>th</sup> Jan 2019
Scheduled Construction Period	30 months
Concession Period after COD	15 Years

## PROJECT COST & FINANCING (Rs. Mn)

<b>Bid Project Cost</b>	<b>12,383</b>
<i>Means of Finance</i>	
- NHA	4,192
- Debt	5,030
- Sponsor’s Commitment	1,258
- Estimated Escalation	1,903
<b>O&amp;M Cost (First Year)</b>	<b>40.1</b>

\* Table figures are excluding GST



6

# HAM: PACKAGE NO. AM 2

**Scope:** Upgradation of Roads in Maharashtra State or Two Laning Road/ Two Laning Road with paved shoulder under MRIP Package on Hybrid Annuity Mode (HAM) Package No. AM 2.

**Key Features:** Concessionaire to receive 60% of the Bid Project Cost (BPC) during the construction period (vs. 40% in NHAI projects); balance 40% of BPC and O&M paid in a period of 10 years (vs. 15 years in NHAI projects)

**Status:** Authority declared the Appointed Date as 28th May 2019; execution in full swing



## PROJECT DETAILS

Project Length (Kms)	352.15 Km
Award Date	Nov 2018
Financial Closure	Achieved
Appointed Date	28 <sup>th</sup> May 2019
Scheduled Construction Period	24 months
Concession Period after COD	10 Years

## PROJECT COST & FINANCING

(Rs. Mn)

<b>Bid Project Cost</b>	<b>16,472</b>
<b>Means of Finance</b>	
- Maharashtra PWD	8,760
- Debt	4,088
- Sponsor's Commitment	1,752
- Estimated Escalation	1,872
<b>O&amp;M Cost (First Year)</b>	<b>315</b>

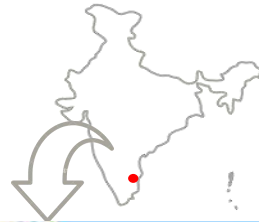
\* Table figures are excluding GST



# 7 HAM: SATTANATHAPURAM - NAGAPATTINAM

**Scope:** 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

**Status:** 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 current land availability is 89% under 3G, balance land is at advanced stage of acquisition by NHAI.



## PROJECT DETAILS

Project Length (Kms)	55.755 Km
Award Date	July 2018
Financial Closure	FC documents submitted to NHAI
Appointed Date	5 <sup>th</sup> October 2020
Scheduled Construction Period	24 months
Concession Period after COD	15 Years

## PROJECT COST & FINANCING (Rs. Mn)

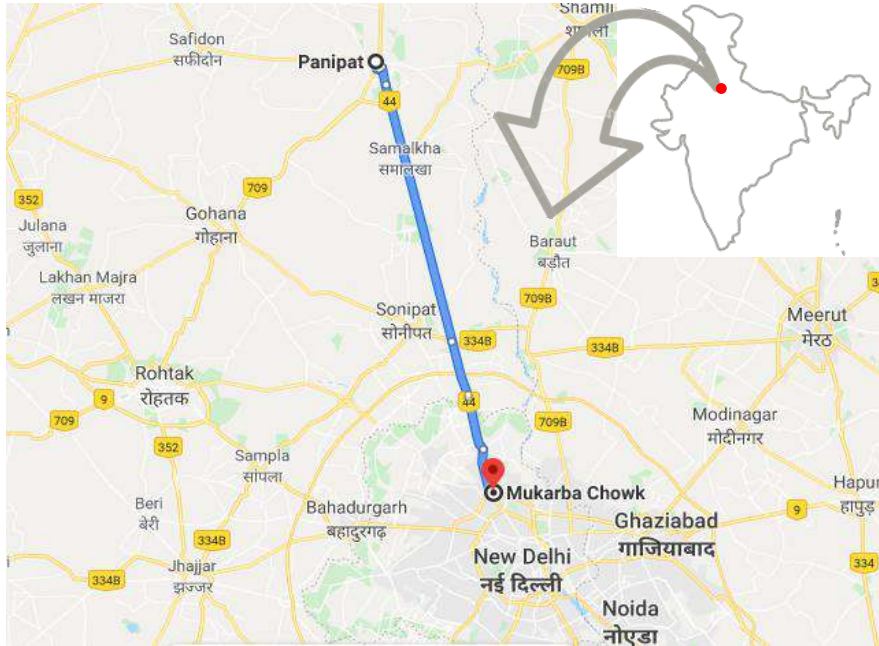
<b>Bid Project Cost</b>	<b>22,725</b>
<b>Means of Finance</b>	
- NHAI	8,018
- Debt	9,622
- Sponsor's Commitment	2,405
- Estimated Escalation	2,680
<b>O&amp;M Cost (First Year)</b>	<b>50</b>

\* Table figures are excluding GST

# 1 BOT: MUKARBA CHOWK – PANIPAT

**Scope:** 6 to 8 laning from Mukarba Chowk at Km 15.5 and extends to Panipat at Km 86 in the State of Haryana. Project Stretch lies in the Panipat & Sonipat district of Haryana and Delhi

**Status:** Financial tie up in place. Expect to complete the construction by H1 FY22. Execution in full swing



## PROJECT DETAILS

Project Length (Kms)	71.1 Km
Acquisition Date	June 2020
Financial Closure	Achieved
Scheduled Construction Period	15 months post takeover
Commercial Operational Date	H1FY22E
Concession End Date	October 2033*

\* Extension of up to 3.5 years possible depending on actual traffic on Target Date of April 1, 2025

## PROJECT COST & FINANCING (Rs. Mn)

<b>Bid Project Cost</b>	<b>21,220</b>
<b>Means of Finance</b>	
- NHAI	1,890
- Debt	12,560
- Subordinate Debt	4,770
- Equity	2,000

## OTHER BOT PROJECTS SUMMARY

Experience & expertise of successfully operating water project and 500+ kms of roads

(Rs. Mn)

Sector	Project Name	Location	Value on books (March-20)	External Debt on books (March-20)	COD	Concession End
Highways	Himmatnagar Bypass	Gujarat	6	-	Apr-06	Aug-20
Water Supply	Dewas Water*	MP	1,242	481	Sep-08	Jun-37
<b>Total</b>			<b>1,253</b>	<b>494</b>		

### \*Dewas Water – Modified Project

- Modified project involves the supply of treated water of up to 23 MLD to industrial customers in Dewas
- PCOD received w.e.f 30<sup>th</sup> April 2019
- FY20 revenue stands at Rs. 79 mn with EBITDA of Rs. 36 mn

### Dewas Bhopal Road Project

- In FY19, 13% residual stake in Dewas Bhopal road project was sold for Rs. 577 million.
- With this, WEL has completely exited the project at a total consideration of Rs. 1,841 million as against its fund infusion of Rs. 854 million implying a multiple of 2.15x

# INVESTMENT IN OIL & GAS BLOCKS: POTENTIAL VALUE ACCRETION

Adani Welspun Exploration Ltd (AWEL), a 65:35 JV between Adani Group & WEL, is the key investment vehicle

Block Name	Location	AWEL Stake	WEL Effective Stake	Status
MB-OSN-2005/2	Mumbai High	100%	35%	AWEL has decided to execute Phase – II of the exploration
GK-OSN-2009/1	Kutch	25%	8.75%	Declaration of Commerciality (DoC) filed by operator; preparation of Field Development Plan (FDP) in progress
CB-ONN-2005/4	Palej	- *	35%	Consortium had stuck oil in the block. Termination notice served by MoPNG due to default of Naftogaz India holding 10% stake; non-defaulting partners AEL and WEL have requested for transfer of this 10% stake to AEL/AWEL. Request pending for approval by DGH/MoPNG.
B9 Cluster (DSF)	Mumbai High	100%	35%	Field Development Plan (FDP) submitted to DGH; drilling to start post Mumbai Block drilling

**Value accretion expected on the invested amount of Rs. 5 Bn**  
**Revenue from first block expected in FY21-22**

\* 55% stake directly held by Adani Enterprises Ltd and 35% by WEL