

WELSPUN ENTERPRISES LTD

An Infra Player with a Difference

June 2020



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

While the world is striving to combat COVID19, we as a responsible organization are standing in solidarity and ensuring safety and wellbeing of our extended family of 100,000+

Welspun is leaving no stone unturned in lending our support and assistance to the government, society, communities, customers and employees in this hour of crisis



Fighting COVID 19
TOGETHER

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

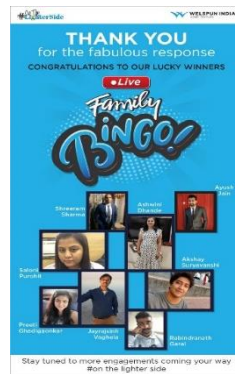
AI based robotic consultancy, virtually connecting with specialist doctor



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



COVID19 - IMPACT

Environment & Operations

- Project sites were temporarily shut from March end till Mid April
- No Covid cases were reported and operations have restarted gradually
- All government guidelines are being followed during construction
- Acquiring Mukarba chowk – Panipat project

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
- Recently raised Rs 3.75 billion of NCDs for future growth
- 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 gradually
- Confident of covering one month execution loss in the next 11 months

Sustainability

- Current EPC Order Book at Rs. 48,624 million, providing future visibility
- Strong Balance sheet – Net cash of Rs. 2,193 mn; 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 1/3rd 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

FY19 Revenue

Rs. 185 bn

CAGR 21% (1995-2019)

FY19 EBITDA

Rs. 25 bn

Overall 13% EBITDA margin

Fixed Asset Base

Rs. 61 bn

Asset creation calibrated to
Demand & Cash flows

Net Debt of Rs. 32 bn

Continuous focus on reducing
high cost debt

Net Debt to Equity of 0.40 x

25,000+ Employees

Managing large, diverse
workforce across geographies

Strong Credit Rating

Welspun India: AA

Welspun Corp: AA-

Welspun Enterprises: AA-



Global Leader in Home Textiles

Ranked #1 Home Textile Supplier
to USA 5 Times in Last 6 Years



Global Leader in Large Diameter Pipes

Manufacturing facilities in India,
Saudi Arabia & USA



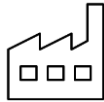
Specialised HAM Infra player

Completed India's first 14 lane
Expressway in record time of 19
months vs scheduled 30 months

GROUP'S RICH EXPERIENCE OF PROJECT EXECUTION



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



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



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



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

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

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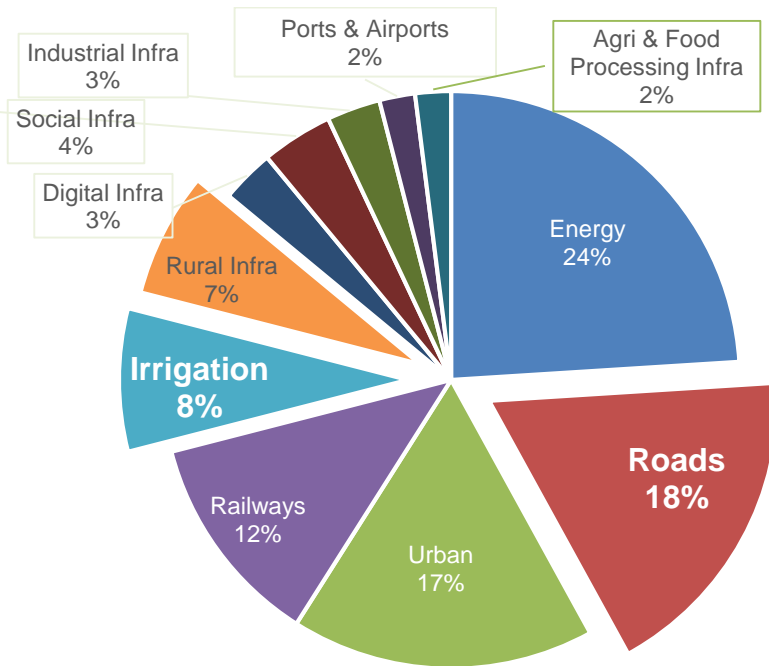
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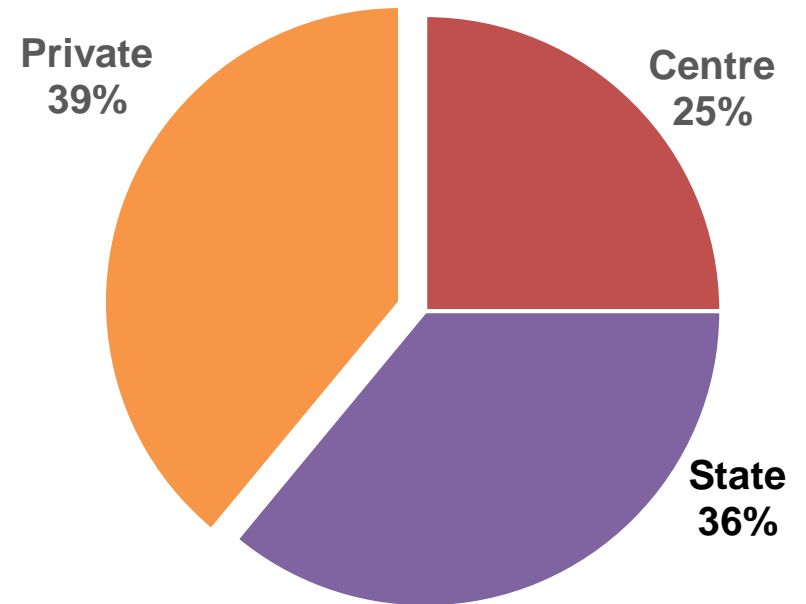
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ROAD SECTOR TO GET STRONG THRUST FROM GOVERNMENT

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’

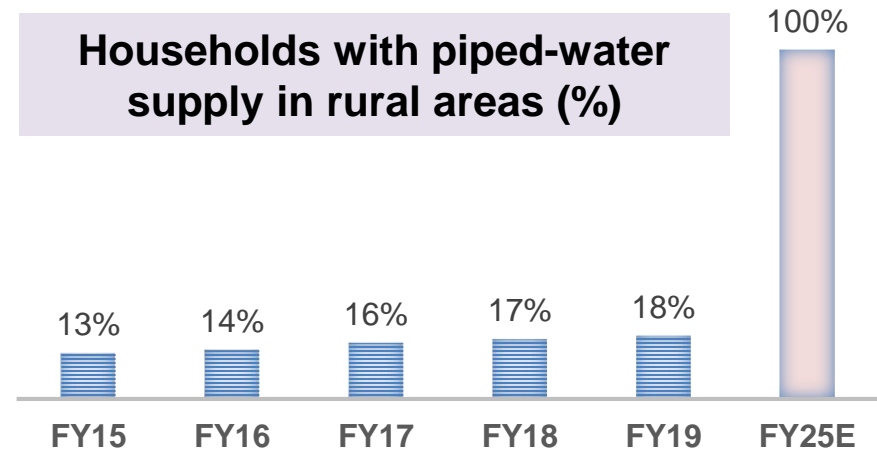
With India’s water crisis nearing a tipping point, the government announced the Jal Jeevan Mission to provide potable water to every rural household by 2024.

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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Sunrise Infra Sector

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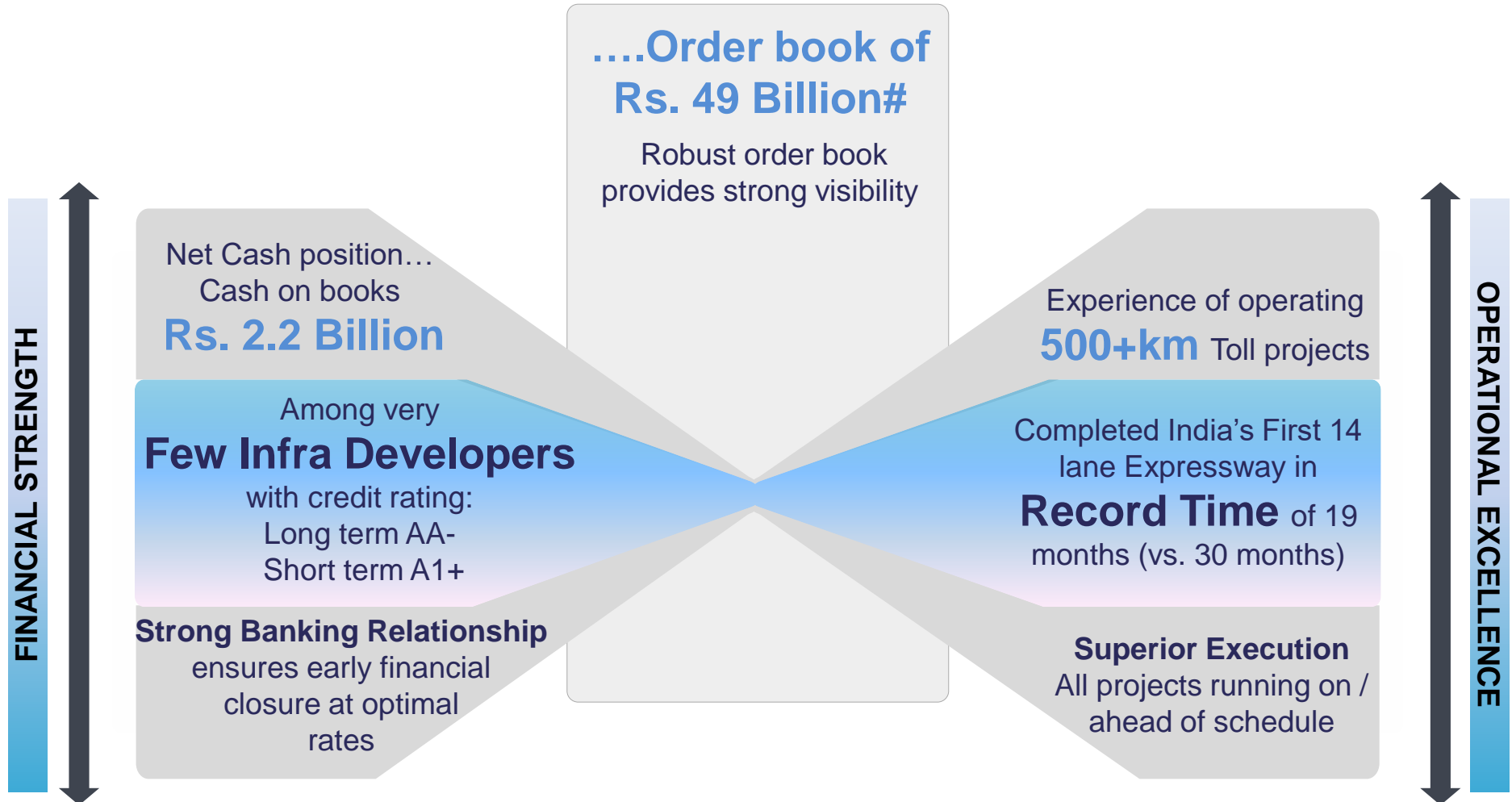
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ROBUST ROAD PORTFOLIO: Rs. 106+ BILLION, 660+ KM WITH....



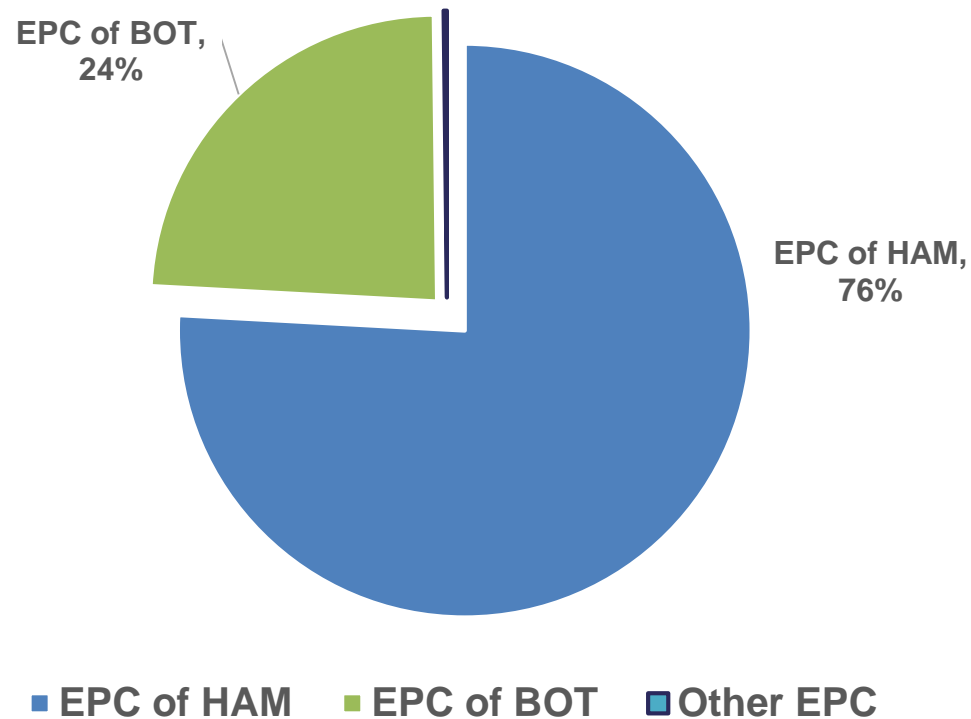
High value creation with special focus on HAM Projects

excluding GST

STRONG PLATFORM SET FOR FUTURE GROWTH

Continuously building Road portfolio through bid / buy strategy for profitable growth
Current order book at ~Rs 49 billion (excluding GST)

As on March 2020

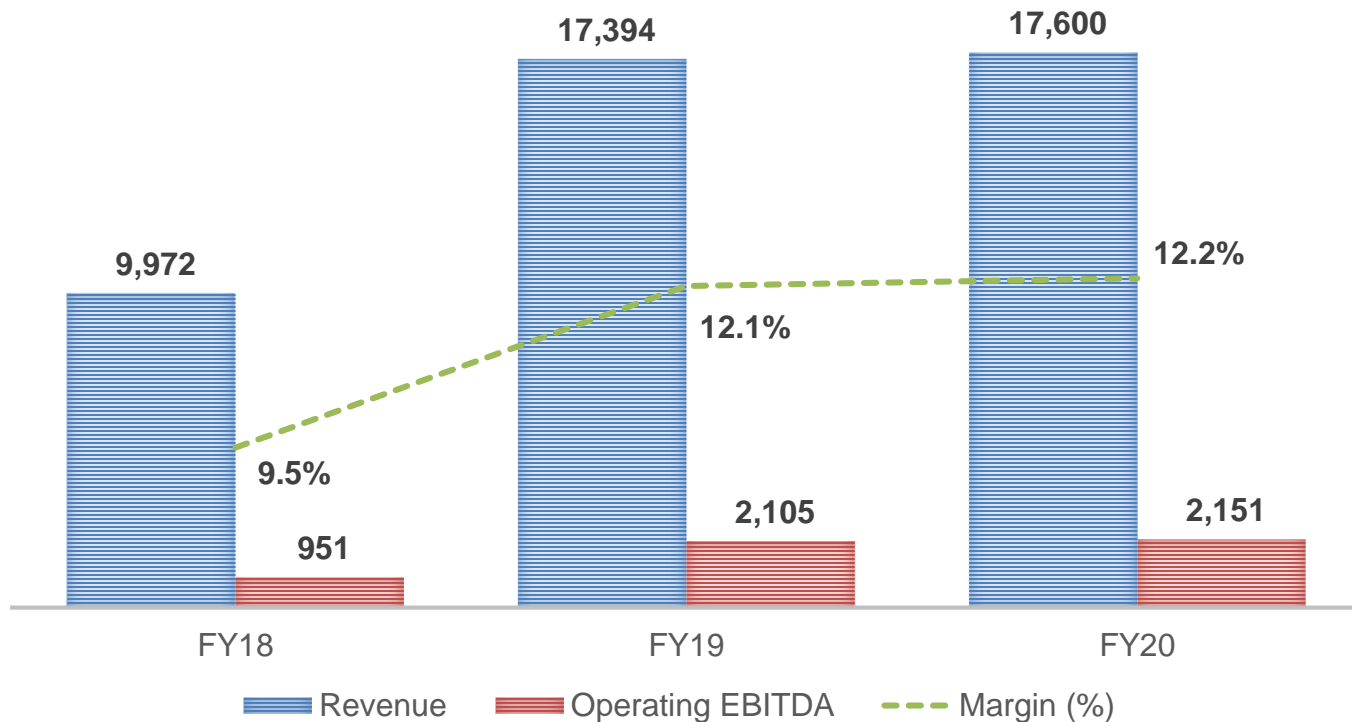


OPERATING LEVERAGE TO IMPROVE MARGINS

FY20 revenue contributed by 5 HAM projects

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

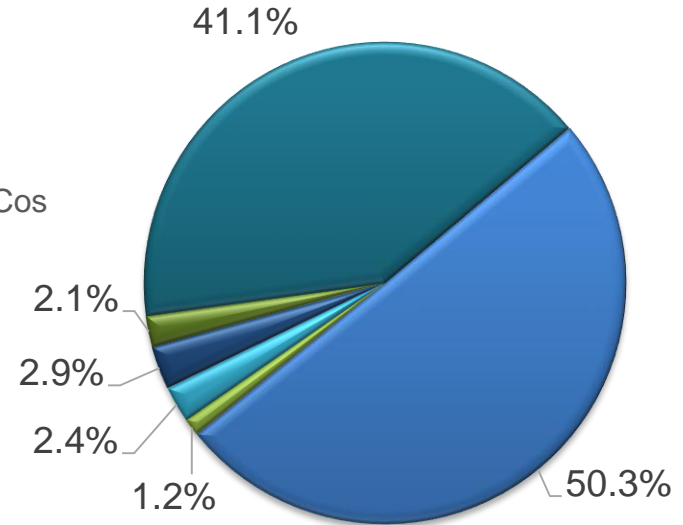
Revenues and Operating EBITDA (Rs. Mn)



WITH UNDIVIDED FOCUS ON SHAREHOLDER VALUE CREATION

Shareholding Pattern (as on 31st March 2020)

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



Market Statistics

As on May 29, 2020	INR	USD
Price per share (Face value Rs. 10 per share)	56.25	0.74
No of Shares outstanding (Mn)	148.5	
Market Capitalization (Mn)	8,351	110
Daily Average Trading Volumes (Q4FY20) No of shares in Mn	0.60	
Daily Average Trading Value (Q4FY20) (Mn)	44.7	0.60

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 : 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

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

Ved Mani Tiwari, Deputy CEO

- 30+ years of experience across transportation, urban infrastructure, renewable energy
- Prior experience with Delhi Metro, Indian Railways. Last stint was with Sterlite Power as CEO – Global Infrastructure

Sridhar Narasimhan, Chief Financial Officer

- Chartered Accountant & Cost Accountant with 23+ years of experience in financing, strategic divestments, treasury and other key areas
- Prior experience with Reliance Infrastructure and Vedanta Group

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

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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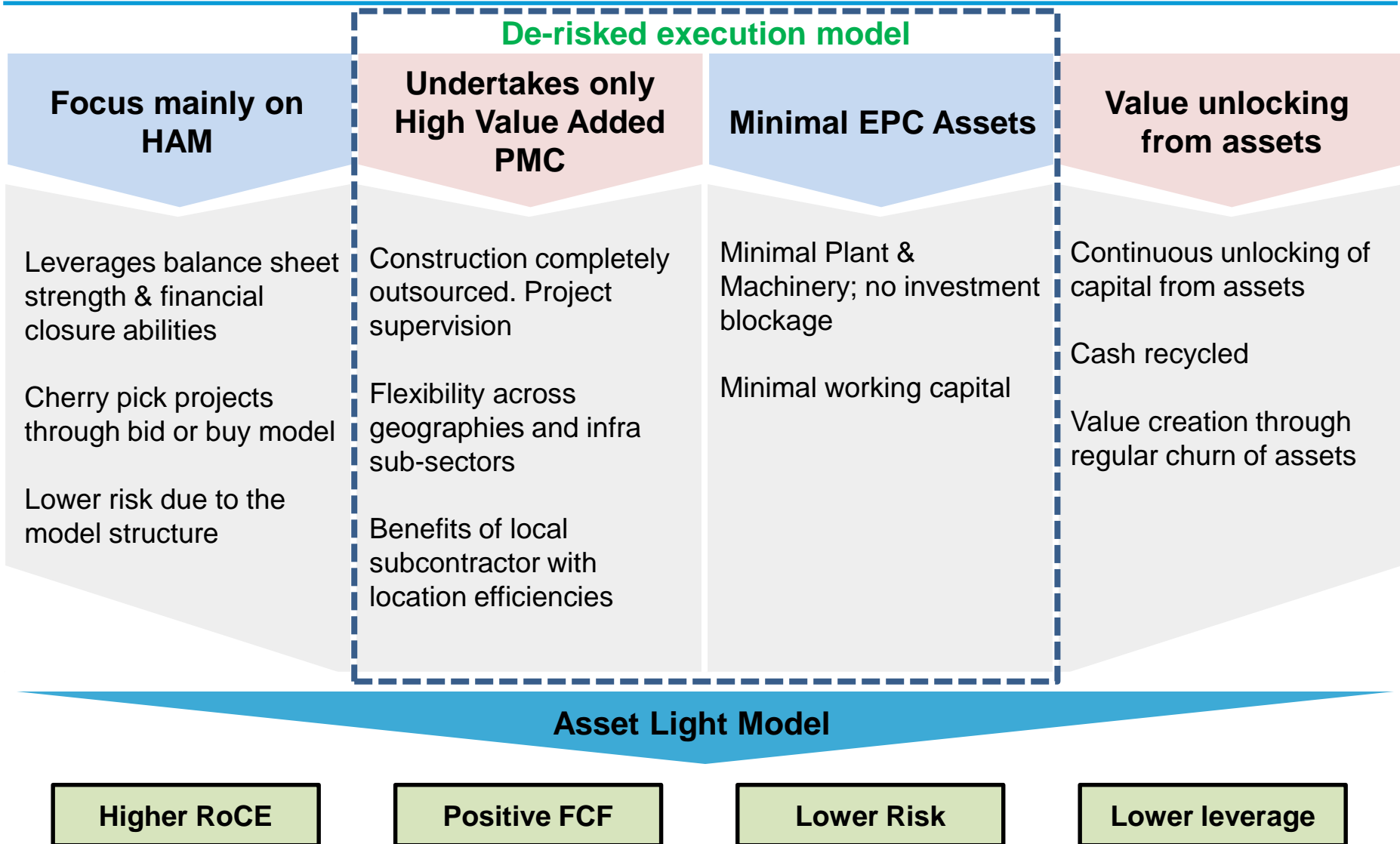
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ONE OF ITS KIND ASSET LIGHT MODEL



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)



सत्यमेव जयते

प्रधान मंत्री

Prime Minister

APPRECIATION BY SHRI NITIN GADKARI, UNION MINISTER



सड़क परिवहन एवं राजमार्ग मंत्रालय
(भारत सरकार)
Ministry of Road Transport & Highways
(Govt. of India)



Certificate of Appreciation

AWARDED TO

SHRI SANDEEP GARG

Managing Director, M/s Welspun DME Pvt Ltd.

In recognition of your valuable contribution towards the successful completion of Delhi-Meerut Expressway Project (Pkg. -I) well before the scheduled time and that too with great efficacy. I really appreciate your efforts and professionalism by which you have been associated in completion of the project well before time.

Nitin Gadkari

Union Minister of Road Transport & Highways Shipping
and Water Resources, River Development & Ganga Rejuvenation
Government of India

May 31, 2018

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 Q4 & FY20 - STANDALONE

Income Statement Snapshot (Rs Million)								
Particulars	Q4FY20	Q4FY19	YoY Growth	Q3 FY20	QoQ Growth	FY20	FY19	YoY Growth
Revenue from Operations	4,504	7,107	-36.6%	4,899	-8.1%	17,600	17,394	1.2%
Other Income	151	39	290.8%	112	34.5%	526	546	-3.7%
Total Income	4,655	7,146	-34.9%	5,011	-7.1%	18,126	17,940	1.0%
Operating EBITDA**	609	898	-32.2%	548	11.1%	2,151	2,105	2.2%
Operating EBITDA margin	13.5%	12.6%	88 bps	11.2%	233 bps	12.2%	12.1%	12 bps
EBITDA	743	910	-18.3%	642	15.7%	2,589	2,369	9.3%
EBITDA margin	16.0%	12.7%	323 bps	12.8%	314 bps	14.3%	13.2%	108 bps
PBT (before exceptional)	630	847	-25.6%	549	14.8%	2,141	2,122	0.9%
Reported PBT	630	847	-25.7%	549	14.8%	2,141	2,320	-7.7%
PAT (before exceptional)	488	463	5.5%	406	20.2%	1,593	1,338	19.1%
PAT margin	10.5%	6.5%	401 bps	8.1%	238 bps	8.8%	7.5%	133 bps
Reported PAT	488	463	5.3%	406	20.2%	1,593	1,537	3.7%
Reported PAT margin	10.5%	6.5%	400 bps	8.1%	238 bps	8.8%	8.6%	22 bps
Cash PAT	486	590	-17.6%	468	3.9%	1,851	1,610	14.9%

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

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

INCOME STATEMENT TREND - STANDALONE

Income Statement Snapshot (Rs Million)			
Particulars	FY18	FY19	FY20
Revenue from Operations	9,972	17,394	17,600
Other Income	956	546	526
Total Income	10,928	17,940	18,126
Operating EBITDA**	951	2,106	2,151
<i>Operating EBITDA margin</i>	<i>9.5%</i>	<i>12.1%</i>	<i>12.2%</i>
EBITDA	1,660	2,369	2,589
<i>EBITDA margin</i>	<i>15.2%</i>	<i>13.2%</i>	<i>14.3%</i>
<i>PBT (before exceptional)</i>	<i>1,385</i>	<i>2,122</i>	<i>2,141</i>
PAT (before exceptional)	956	1,338	1,593
<i>PAT margin</i>	<i>8.7%</i>	<i>7.5%</i>	<i>8.8%</i>
Reported PAT	1,097	1,537	1,593
<i>Reported PAT margin</i>	<i>10.0%</i>	<i>8.6%</i>	<i>8.8%</i>
Cash PAT	1,014	1,610	1,851

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 st Mar 2020	31 st Dec 2019	31 st Mar 2019
Net worth	17,355	16,849	15,993
Gross Debt	3,100	2,381	1,709
- Long Term Debt	334	423	130
- Short Term Debt	2,766	1,958	1,579
Cash & Cash Equivalents*	5,293	3,078	4,736
Net Debt /(Cash)	(2,193)	(697)	(3,027)
Other Long Term Liabilities	306	327	315
Total Net Fixed Assets (incl. CWIP)	565	684	645
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.) [@]	1,784	3,127	1,328
Other Long Term Investments and assets (adj.) [@]	13,119	12,667	11,341

@ Temporary funding of Rs. 1,200 million has been made in lieu of drawing debt at the subsidiary/JV level in order to minimise the interest cost. This temporary funding has not been included in the cash balance of Rs. 5,293 million. The same is reflected in Other Long Term Investments and assets

Note:

Cash & Cash Equivalents includes liquid Investments

** Net Cash includes Rs. 522 mn advance towards purchase of mutual fund, which was completed in first week of April
 Short-term loans of Rs. 2,766 million are adequately supported by net current assets and long-term loans of Rs. 334 mn are adequately supported by net fixed assets*

KEY HIGHLIGHTS

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

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

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

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

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

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

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

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

- ✓ **Management with Proven Track Record**

WAY FORWARD



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



Targeting projects where differentiation is possible



Tapping opportunities in State road HAM projects on a selective basis



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



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



Explore and develop existing oil & gas blocks

THANK YOU

For further details, please contact:

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AVP - Group Finance and Strategy

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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

	BOT Toll	HAM
Traffic Risk	Risk borne by concessionaire	No risk on the concessionaire
Toll Tariff Rates	Risk with concessionaire as tariffs decided as per National Tariff Policy	No risk on the concessionaire
Equity Requirement	Higher (25-30% of project cost)	Lower (12-15% of project cost)
Project Credit Rating	Lower rating based on the higher risk	Better rating during construction Once constructed, AAA (SO) credit rating
Mobilization Advances	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
O&M Payments	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; Three Annuities Received

1

Gagalheri-Saharanpur-Yamunanagar (GSY)

Authority: NHAI
 Status: Under Construction

2

Chutmalpur-Ganeshpur (CGRG)

Authority: NHAI
 Status: Under Construction

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: CA signed / Debt tied up

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: Operational

3

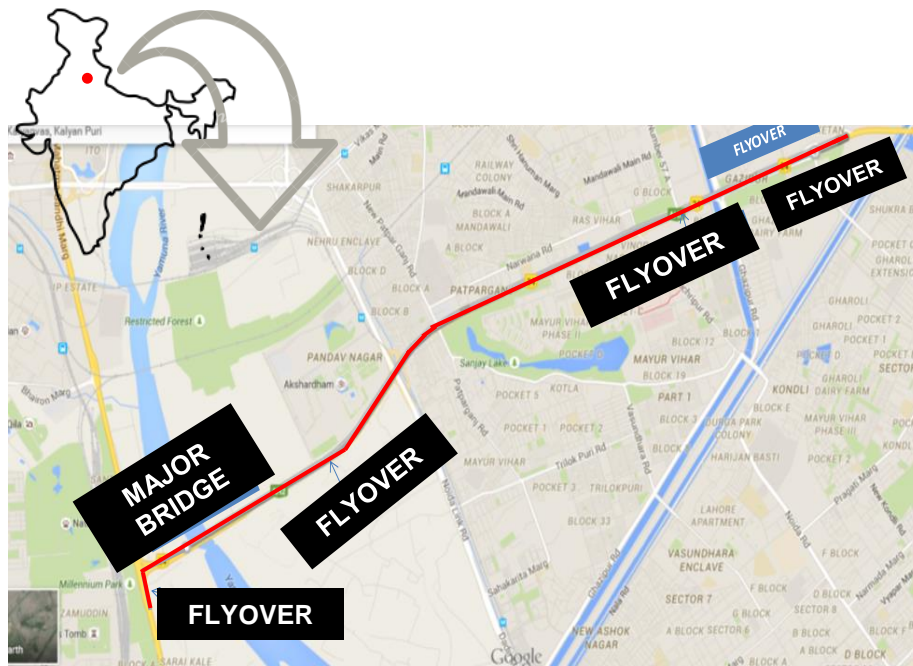
1 HAM: DELHI-MEERUT EXPRESSWAY PACKAGE 1

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

Status: Record completion within 19 months. Received three 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 th Nov 2016
Scheduled Construction Period	30 months
COD Date	28 th June 2018
Concession Period after COD	15 Years



PROJECT COST & FINANCING (Rs. Mn)

Bid Project Cost	8,415
<i>Means of Finance</i>	
- NHAI	3,366
- Debt	4,000
- Equity	1,049
O&M Cost (First Year)	39.5

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 26th January 2018; execution in full swing



PROJECT DETAILS

Project Length (Kms)	51.5 Km
Acquisition Date	Jan 2018
Financial Closure	Achieved
Appointed Date	26 th Jan 2018
Scheduled Construction Period	24 months
Concession Period after COD	15 Years

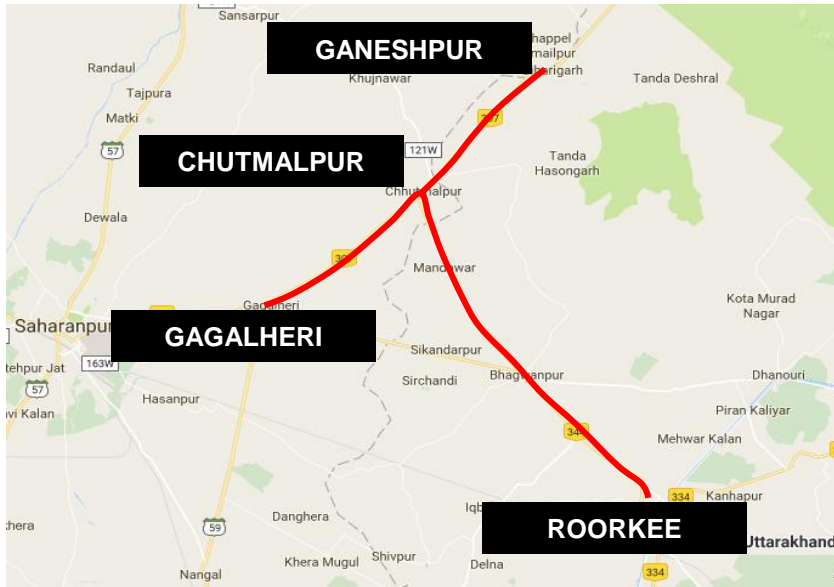
PROJECT COST & FINANCING (Rs. Mn)

Bid Project Cost	11,840
<i>Means of Finance</i>	
- NHAI	4,736
- Debt	5,683
- Sponsor's Commitment	1,421
O&M Cost (First Year)	100

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: NHA1 declared the Appointed Date as 28th February 2018; execution in full swing



PROJECT DETAILS

Project Length (Kms)	53.3 Km
Acquisition Date	Jan 2018
Financial Closure	Achieved
Appointed Date	28 th Feb 2018
Scheduled Construction Period	24 months
Concession Period after COD	15 Years

PROJECT COST & FINANCING (Rs. Mn)

Bid Project Cost	9,420
<i>Means of Finance</i>	
- NHA1	3,768
- Debt	4,522
- Sponsor's Commitment	1,130
O&M Cost (First Year)	100

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 th Aug 2018
Scheduled Construction Period	42 months
Concession Period after COD	15 Years

PROJECT COST & FINANCING (Rs. Mn)

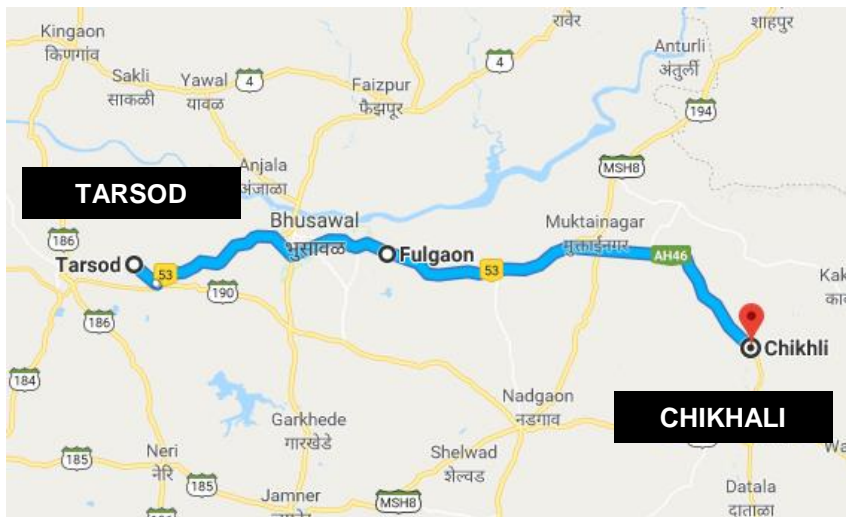
Bid Project Cost	11,610
<i>Means of Finance</i>	
- NHA	4,644
- Debt	5,573
- Equity	1,393
O&M Cost (First Year)	99

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 th Jan 2019
Scheduled Construction Period	30 months
Concession Period after COD	15 Years

PROJECT COST & FINANCING (Rs. Mn)

Bid Project Cost	10,480
<i>Means of Finance</i>	
- NHA	4,192
- Debt	5,030
- Sponsor's Commitment	1,258
O&M Cost (First Year)	40.1

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 th May 2019
Scheduled Construction Period	24 months
Concession Period after COD	10 Years

PROJECT COST & FINANCING

(Rs. Mn)

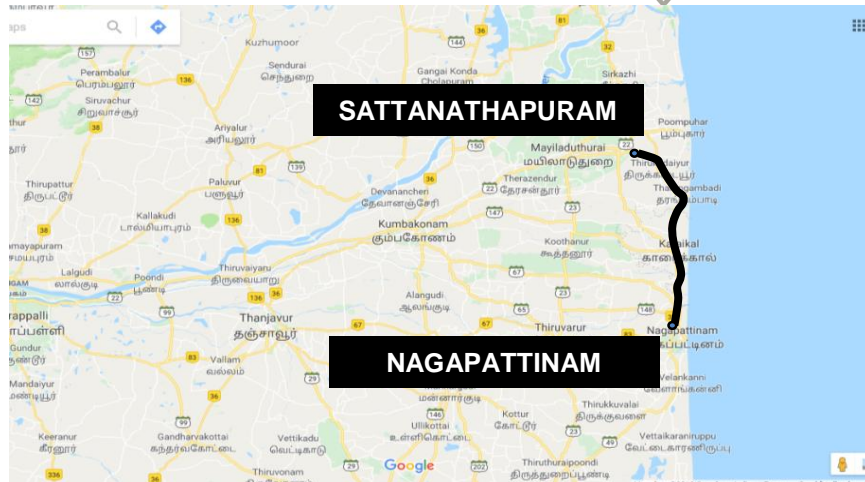
Bid Project Cost	14,600
Means of Finance (Expected)	
- Maharashtra PWD	8,760
- Debt	4,088
- Equity	1,752
O&M Cost (First Year)	315

* 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 Letter of Award (LoA) in July 2018; signed concession agreement on 3rd Dec 2018. Company has submitted financial closure documents to NHAI and is awaiting appointed date.



PROJECT DETAILS

Project Length (Kms)	55.755 Km
Award Date	July 2018
Financial Closure	FC documents submitted to NHAI
Appointed Date	Post Financial Closure
Scheduled Construction Period	24 months
Concession Period after COD	15 Years

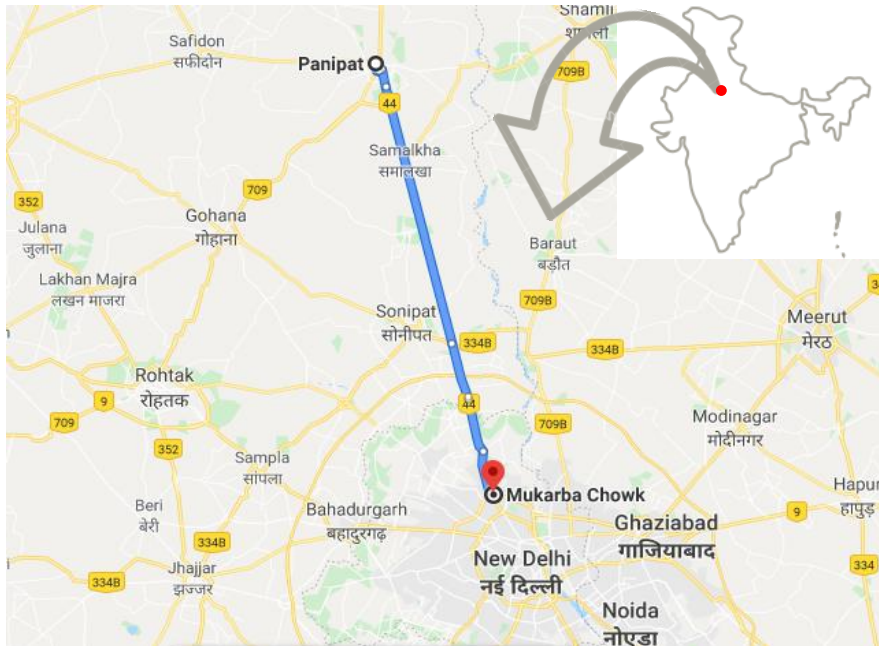
PROJECT COST & FINANCING (Rs. Mn)

Bid Project Cost	20,045
<i>Means of Finance</i>	
- NHAI	8,018
- Debt	9,622
- Equity	2,405
O&M Cost (First Year)	50

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: Project is ~31% completed at the time of takeover. Financial tie up in place. Expect to complete the construction by H1 FY22.



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)

Bid Project Cost	21,220
Means of Finance	
- 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	Jun-20
Water Supply	Dewas Water*	MP	1,242	481	Sep-08	Jun-37
Total			1,253	494		

*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 30th 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; drilling to start in H2FY21
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 in H2FY21

Value accretion expected on the invested amount of Rs. 5 Bn

Revenue from first block expected in FY21-22