

WEL/SEC/2019

August 1, 2019

To,

BSE Limited 1 st Floor, Rotunda Bldg, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 532553	National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. NSE Symbol: WELENT
--	---

Dear Sir/Madam,

Sub.: Business update and Investor Presentation pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Business Update with respect to Un-audited Financial Results for the quarter ended June 30, 2019 and Investor Presentation which is being released to the media and also being uploaded on the website of the Company.

Kindly take note of the above.

Thanking you.

For Welspun Enterprises Limited

Priya Pakhare
Company Secretary
FCS - 7805

**Welspun Enterprises Limited**

Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

E-mail : companysecretary_wel@welspun.com Website : www.welspunenterprises.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 2836 662222 F : +91 2836 279010

Corporate Identity Number: L45201GJ1994PLC023920

Operational excellence continues

- Revenue up 49% YoY; Operating EBITDA up 68% YoY
- Five HAM projects currently under construction
- Current EPC Order Book at Rs. 47,210 million with HAM portfolio of 7 projects

Mumbai, August 1, 2019: Welspun Enterprises Ltd. (“WEL” or “Company”), part of the US\$ 2.7 billion Welspun Group, today announced its Q1FY20 results.

Standalone Financials

Income Statement Snapshot (Rs. Million)					
Particulars	Q1 FY20	Q1 FY19	YoY Growth	Q4 FY19	QoQ Growth
Revenue from Operations	5,159	3,470	49%	7,107	-27%
Other Income	116	178	-35%	39	201%
Total Income	5,275	3,648	45%	7,146	-26%
Operating EBITDA**	631	376	68%	898	-30%
<i>Operating EBITDA margin</i>	12.2%	10.8%	+ 141 bps	12.6%	- 39 bps
EBITDA	721	463	56%	910	-21%
<i>EBITDA margin</i>	13.7%	12.7%	+ 96 bps	12.7%	+ 93 bps
PBT	590	407	45%	847	-30%
Exceptional gain	-	2	-	1	-
Reported PBT	590	409	44%	847	-30%
PAT	376	270	39%	463	-19%
<i>PAT margin</i>	7.1%	7.4%	- 26 bps	6.5%	+ 65 bps
Cash PAT	465	331	41%	590	-21%

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

** Refer table below

Operating EBITDA Calculation (Rs. Million)			
Particulars	Q1 FY20	Q1 FY19	Q4 FY19
Operating EBITDA (as per reported financials)	604	327	871
<i>Operating EBITDA Margin (as per reported financials)</i>	11.7%	9.4%	12.3%
Add: Cost corresponding to IndAS notional interest	-	42	-
Add: ESOP non-cash expense	27	48	27
Operating EBITDA	631	376	898
<i>Operating EBITDA margin</i>	12.2%	10.8%	12.6%

BUSINESS UPDATE

Balance Sheet Snapshot (Rs. Million)	30 th June 2019	31 st Mar 2019
Net worth	16,395	15,993
Gross Debt	2,807	1,709
- Long Term Debt (incl. current maturities) – Against equipment financing	562	130
- Short Term Debt (incl. CP of Rs. 1,239 million in Q1FY20) – Against current assets	2,244	1,579
Cash & Cash Equivalents	3,192	4,737
Net Debt /(Cash)	(385)	(3,028)
Other Long Term Liabilities	319	315
Total Net Fixed Assets (incl. CWIP)	743	645
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.)	3,031	1,328
Other Long Term Investments and assets (adj.)	12,555	11,306

Financial Highlights

- Revenue in Q1 FY20 stands at Rs. 5,159 million, up 49% YoY. Revenue during the quarter was contributed by five HAM projects as against three project in the same quarter last year
- EBITDA in Q1 FY20 was up 54% YoY to Rs. 714 million on account of the EPC margins from the higher execution
- As on 30th June, Cash balance was Rs. 3,192 million which is adequate to fund the future equity requirements of the current project portfolio
- Additional equity requirement within the next 2-3 years for the existing portfolio:
 - HAM Projects: Rs. 1,860 million
 - Oil & Gas: Around Rs. 1,220 million
- Short-term loans of Rs. 2,244 million are adequately supported by net current assets and long-term loans of Rs. 562 mn are adequately supported by net fixed assets

Project Status

HAM Road Projects: All projects are with full financial tie-ups and are in the advanced stage of implementation as detailed below:

Delhi-Meerut Expressway (Delhi-section)

- **Project Description:** 14 Lane expressway: Six-laning of Delhi – Meerut Expressway & four-laning either side from 0th km to existing km 8.4 of NH-24 in Delhi
- **Completion cost:** Rs. 8.87 billion
- **Status:** Received second annuity in July 2019 within the stipulated time.

Gagalheri-Saharanpur-Yamunanagar (GSY)

- **Project Description:** 4-Laning of Gagalheri-Saharanpur-Yamunanagar section of NH-73 in UP / Haryana
- **Bid Project Cost:** Rs. 11.84 billion
- **Status:** Physical progress of about 73% has been completed by Q1FY20

BUSINESS UPDATE

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

- **Project Description:** 4-Laning of Chutmalpur-Ganeshpur section of NH-72A & Roorkee-Chutmalpur-Gagalheri section of NH-73 in UP & Uttarakhand
- **Bid Project Cost:** Rs. 9.42 billion
- **Status:** Physical progress of about 70% has been completed by Q1FY20

Aunta-Simaria (Ganga Bridge with Approach Roads)

- **Project Description:** Six- Laning from Aunta-Simaria (Ganga Bridge with Approach Roads) Section from km 197.9 to km 206.1 of NH-31 in Bihar. Includes widest extradosed bridge on Ganga river
- **Bid Project Cost:** Rs. 11.61 billion
- **Status:** Physical progress of about 12.5% has been completed by Q1FY20

Chikhali-Tarsod

- **Project Description:** 4-laning of Chikhali – Tarsod (Package-IIA) section of NH-6 from km. 360.0 to km.422.7 in Maharashtra
- **Bid Project Cost:** Rs. 10.48 billion
- **Status:** Physical progress of about 27% has been completed by Q1FY20

Package No. AM2 (Maharashtra Amravati)

- **Project Description:** Upgradation of Roads in Maharashtra State or Two Laning Road/ Two Laning Road with paved shoulder under MRIP Package on Hybrid Annuity Mode (HAM) Package No. AM 2.
- **Key Features:** Concessionaire to receive 60% of the Bid Project Cost (BPC) during the construction period (vs. 40% in NHAI projects); balance 40% of BPC and O&M payments is paid back in semi-annual instalments in a period of 10 years (vs. 15 years in NHAI projects)
- **Bid Project Cost:** Rs. 14.6 billion
- **Status:** Appointed date was declared during the quarter (28th May 2019); Physical progress of about 10% has been completed by Q1FY20

Sattanathapuram-Nagapattinam (SN)

- **Project Description:** 4 laning of Sattanathapuram to Nagapattinam (Design Ch Km 123.8 to Km 179.6) section of NH-45A (New NH -332) in Tamil Nadu
- **Bid Project Cost:** Rs. 20.04 billion
- **Status:** Received Letter of Award (LoA) in July 2018; signed concession agreement on 3rd Dec 2018. Company has submitted financial closure documents to NHAI and is awaiting appointed date.

Water Project:

Dewas Water

- **Project Description:** Modified project involves the supply of treated water of up to 23 MLD to industrial customers in Dewas
- **Project Cost:** Rs. 1.46 billion
- **Status:** Provisional COD obtained on 30th April 2019; commercial operation has commenced.

BUSINESS UPDATE

Management Comments

Commenting on the developments, Mr. B. K. Goenka, Chairman, Welspun Group said, “With the new government clearly signalling that infrastructure, especially roads and water, will be a priority, we expect sustained order inflows over the next few years. We continue focussing on our asset-light model, with operational excellence and prudent capital allocation as the key tenets. We are ahead of schedule on all our projects and are confident that we will be able to create long-term sustainable value through our differentiated model.”

Outlook

- Currently, there are close to 30 HAM projects of NHAI, with a total project cost of ~Rs. 300 bn, which are expected to be awarded in the near term, starting from September 2019. The Company is selectively targeting to bid, while preserving its threshold return expectations.
- The Company is also exploring opportunities in state and municipal HAM projects in roads.
- On the water segment, the Jal Shakti Ministry’s ‘Jal se Nal’ scheme to provide drinking water access to all by 2024, is expected to result in a huge potential opportunity. Apart from this, many states are also opting for the HAM model for water projects. WEL’s focus will be mainly on sewage treatment, desalination and bulk water transmission projects.
- WEL is well-positioned for early financial closure given its healthy cash balance and strong credit rating.
- The Company will continue to pursue an asset-light model, while focussing on operational excellence and prudent risk management.

About Welspun Enterprises Ltd.

Welspun Enterprises Ltd. (WEL), part of the Welspun Group, is an operating Company in the infrastructure business. The Company also has investments in Oil & Gas Exploration. The company, in its current form was created through the merger of Welspun Enterprises Ltd., Welspun Infratech Ltd., Welspun Plastics Private Ltd. and Welspun Infra Projects Private Ltd. with Welspun Projects Ltd through the Scheme of Amalgamation and Arrangement made effective from May 11, 2015.

About Welspun Group

A US\$ 2.7 billion enterprise, Welspun Group is one of India’s fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group’s manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.

For further information please visit www.welspunenterprises.com

DISCLAIMER:

The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun Enterprises Ltd or any of its affiliates. Neither Welspun Enterprises Ltd, nor their affiliates’ officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.

WELSPUN ENTERPRISES LTD

An Infra Player with a Difference

August 2019



SAFE HARBOR

The information contained in this presentation is provided by Welspun Enterprises Limited (the "Company"). Although care has been taken to ensure that the information in this presentation is accurate, and that the opinions expressed are fair and reasonable, the information is subject to change without notice, its accuracy, fairness or completeness is not guaranteed and has not been independently verified and no express or implied warranty is made thereto. You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as you may consider necessary or appropriate for such purpose. Neither the Company nor any of its directors assume any responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information or opinions contained herein. Neither the Company nor any of its directors, officers, employees or affiliates nor any other person accepts any liability (in negligence, or otherwise) whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

The statements contained in this document speak only as at the date as of which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of the Company, its management, and their respective advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent. This document is for informational purposes and does not constitute or form part of a prospectus, a statement in lieu of a prospectus, an offering circular, offering memorandum, an advertisement, and should not be construed as an offer to sell or issue or the solicitation of an offer or an offer document to buy or acquire or sell securities of the Company or any of its subsidiaries or affiliates under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, both as amended, or any applicable law in India or as an inducement to enter into investment activity. No part of this document should be considered as a recommendation that any investor should subscribe to or purchase securities of the Company or any of its subsidiaries or affiliates and should not form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This document is not financial, legal, tax, investment or other product advice.

This presentation contains statements of future expectations and other forward-looking statements which involve risks and uncertainties. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition, and future events and plans of the Company. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," or words of similar meaning. Such forward-looking statements are not guarantees of future performance and actual results, performances or events may differ from those in the forward-looking statements as a result of various factors and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of the Company on future events. No assurance can be given that future events will occur, or that assumptions are correct. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

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

KEY INVESTMENT HIGHLIGHTS

Welspun Group

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

Sunrise Road Sector

- ~ Rs. 5.35 Trillion of road projects to be awarded in next 5 years

Hybrid Annuity Model (HAM) Opportunity

- Win-win model for government & developer
- Around half of road awards happening through HAM

Welspun Enterprises

- Focussed purely on HAM
- Robust order book provides strong visibility
- Demonstrated operational excellence
 - Financial strength

Asset Light Model

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

KEY INVESTMENT HIGHLIGHTS

Welspun Group

comes with vast experience of

- Nurturing businesses
- Executing marquee projects
- Investing & timely value unlocking

Sunrise Road Sector

~ Rs. 5.35 Trillion of road projects to be awarded in next 5 years

Hybrid Annuity Model (HAM) Opportunity

- Win-win model for government & developer
- Around half of road awards happening through HAM

Welspun Enterprises

- Focussed purely on HAM
- Robust order book provides strong visibility
- Demonstrated operational excellence
 - Financial strength

Asset Light Model

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

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 HAM players in the country

KEY INVESTMENT HIGHLIGHTS

Welspun Group

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

Sunrise Road Sector

~ Rs. 5.35 Trillion of road projects to be awarded in next 5 years

Hybrid Annuity Model (HAM) Opportunity

- Win-win model for government & developer
- Around half of road awards happening through HAM

Welspun Enterprises

- Focussed purely on HAM
- Robust order book provides strong visibility
- Demonstrated operational excellence
- Financial strength

Asset Light Model

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

ROAD SECTOR WITH STRONG THRUST FROM GOVERNMENT

Road Infrastructure a vital ingredient for country's GDP growth



Only ~5%

of Indian Roads are national / state highways

8.1% of GDP

As per IMF, required spend on Infra in India

8x Multiplier effect

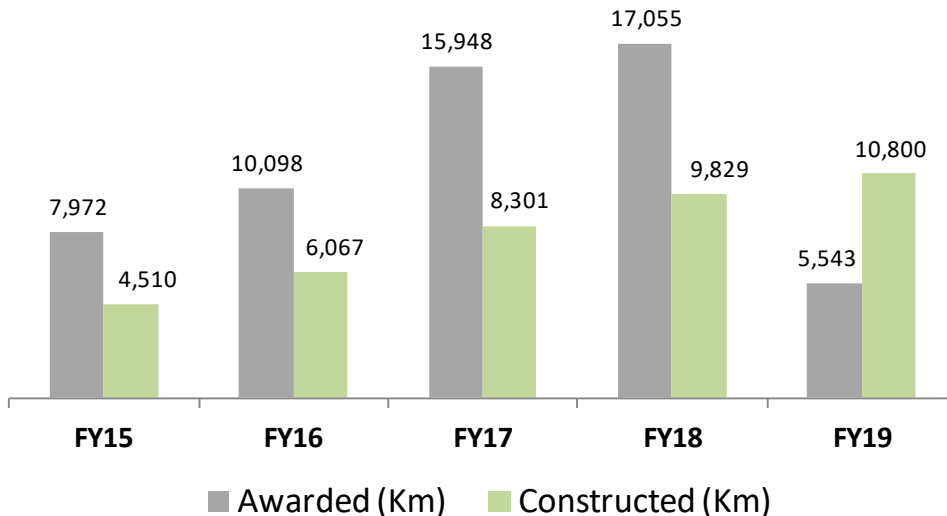


Investment in roads has multiplier impact on GDP growth

Employment

Local employment generation

MoRTH Projects in Kms



Increasing Road Projects Awarding & Spending
Budget 2018 earmarked Rs. 1.2 Trillion for Road Infrastructure

FUTURE POTENTIAL PROVIDES HUGE BIDDING OPPORTUNITY

~Rs. 5.35 Trillion

Road projects expected to be awarded in next 5 years

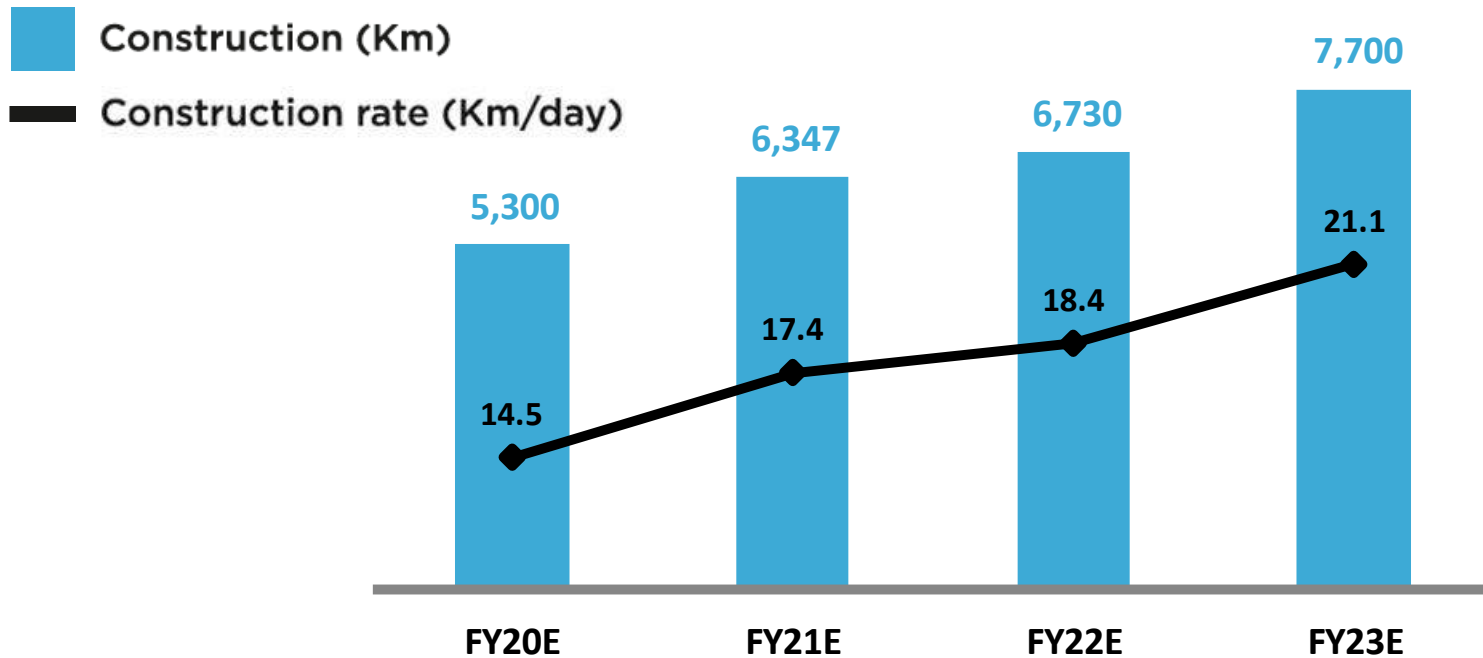
India Ranks 66 / 137

India's infrastructure rank, while improved from Rank#87 in 2015, still has a long way to go

34,800 kms

Bharatmala project total construction target by 2022

NHAI: Planned construction of the Bharatmala programme



~1.5x growth expected in annual road construction in next 4 years

POTENTIAL UNDER BUY & TURNAROUND STRATEGY

Several HAM projects awarded to various infra players with weaker balance sheet are not financially closed...

...Welspun Enterprises with its strong banking relationship backed with strong balance sheet sees this as an opportunity to be a Turnaround Specialist

Welspun Enterprises' Turnaround Record – 3 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**

KEY INVESTMENT HIGHLIGHTS

Welspun Group

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

Sunrise Road Sector

- ~ Rs. 5.35 Trillion of road projects to be awarded in next 5 years

Hybrid Annuity Model (HAM) Opportunity

- Win-win model for government & developer
- Around half of road awards happening through HAM

Welspun Enterprises

- Focussed purely on HAM
- Robust order book provides strong visibility
- Demonstrated operational excellence
 - Financial strength

Asset Light Model

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

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 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 Developer

For Authority

KEY INVESTMENT HIGHLIGHTS

Welspun Group

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

Sunrise Road Sector

- ~ Rs. 5.35 Trillion of road projects to be awarded in next 5 years

Hybrid Annuity Model (HAM) Opportunity

- Win-win model for government & developer
- Around half of road awards happening through HAM

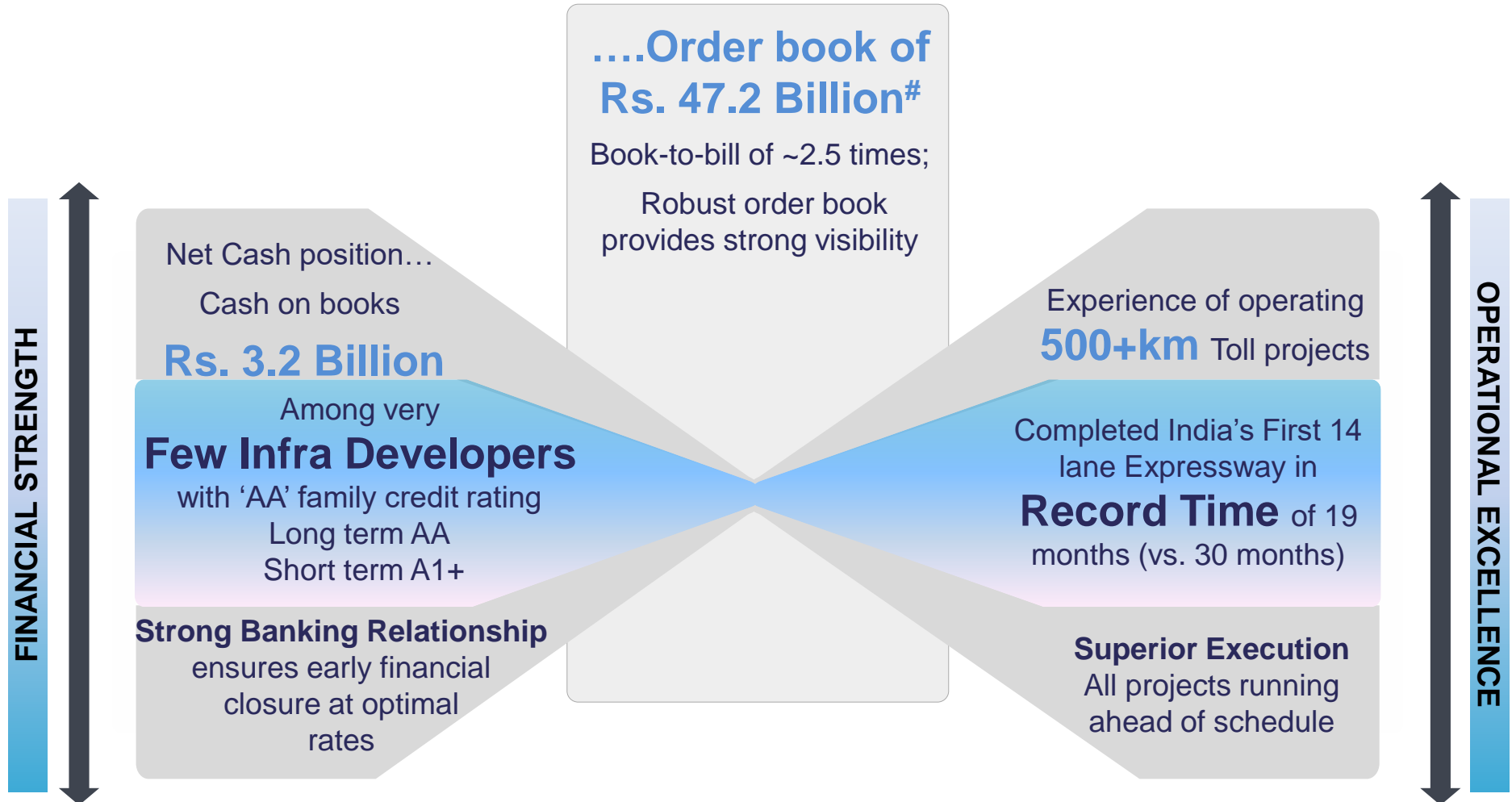
Welspun Enterprises

- Focussed purely on HAM
- Robust order book provides strong visibility
- Demonstrated operational excellence
 - Financial strength

Asset Light Model

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

ROBUST HAM PORTFOLIO: Rs. 85+ BILLION, 590+ KM WITH....



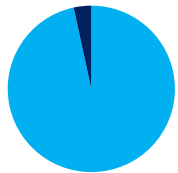
High value creation with focus on HAM Projects

excluding GST

STRONG PLATFORM SET FOR FUTURE GROWTH

Continuously building HAM portfolio through bid / buy strategy for profitable growth
Current order book at ~Rs 47.2 Billion (excluding GST)

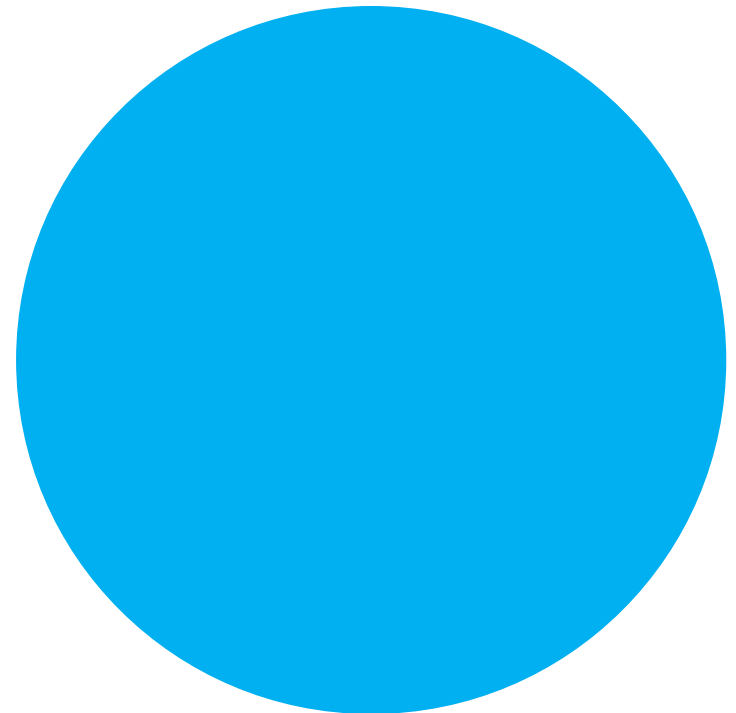
As on Mar-17



EPC of HAM: 5.2 bn
Other EPC: 0.2 bn



As on June-19



EPC of HAM: 47.2 bn

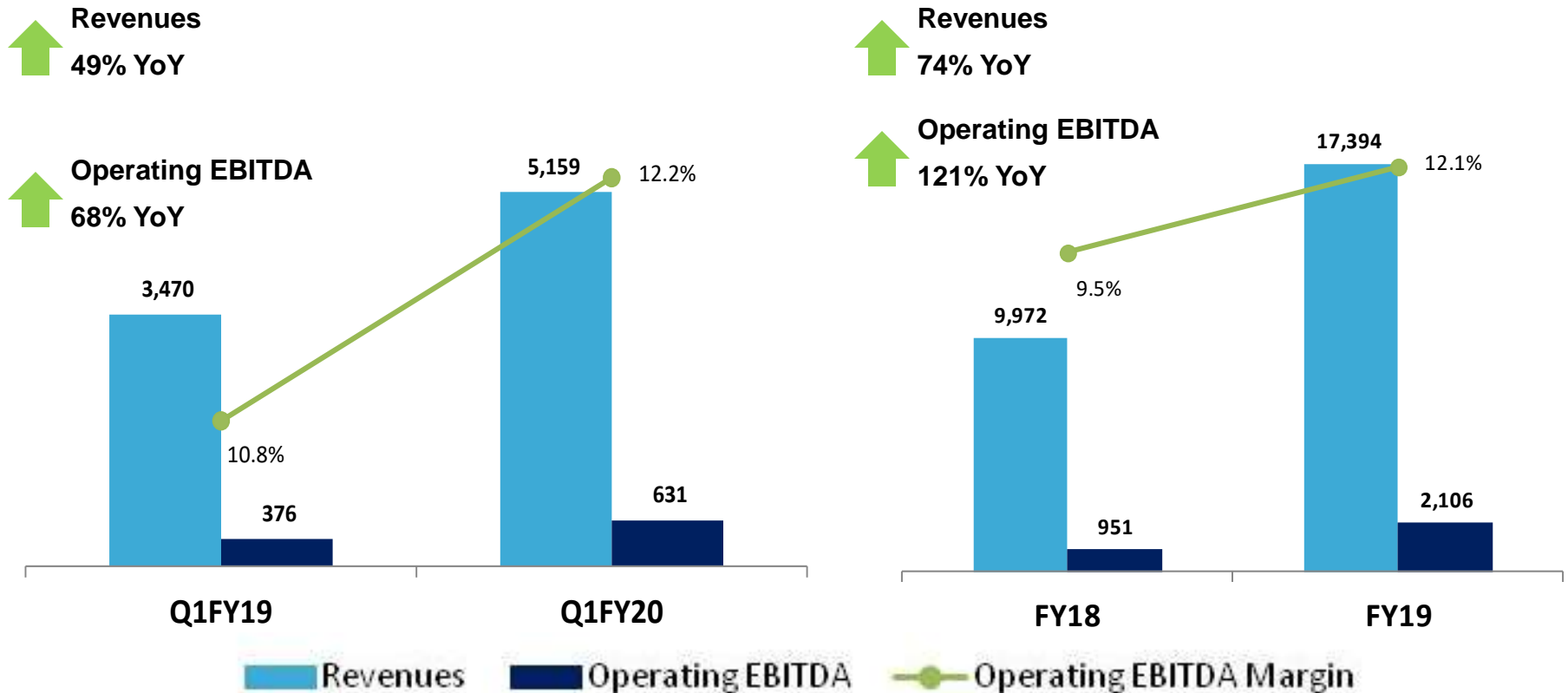
- EPC of HAM Projects
- Other EPC

OPERATING LEVERAGE TO IMPROVE MARGINS

Q1FY20 revenue contributed by 5 HAM projects as against 3 in last year

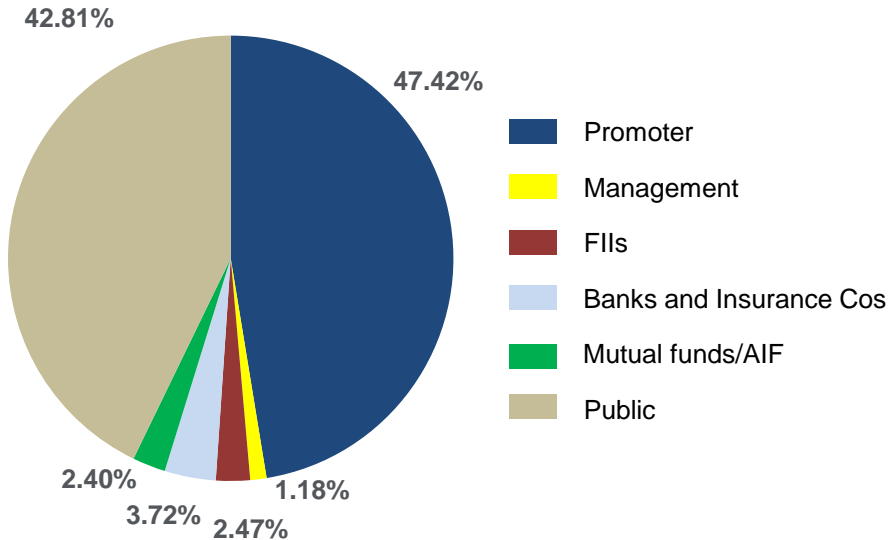
Margin improvement as fixed cost absorption increased with higher execution on multiple projects

Revenues and Operating EBITDA (Rs. Million)



WITH UNDIVIDED FOCUS ON SHAREHOLDER VALUE CREATION

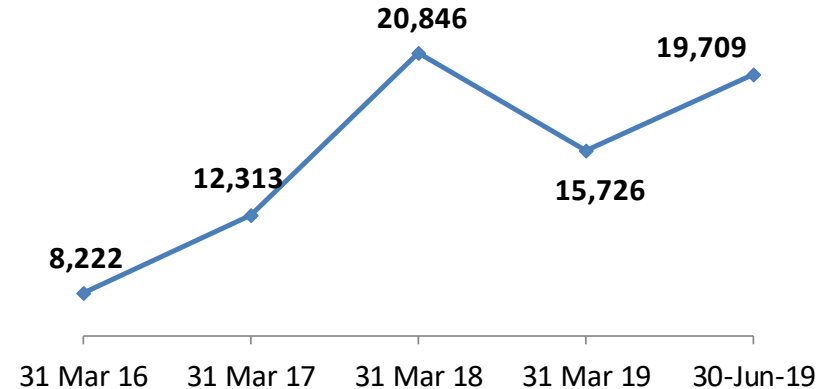
Shareholding Pattern (as on 30th June 2019)



Market Statistics

As on June 30, 2019	INR	USD
Price per share (Face value Rs. 10 per share)	133.1	1.93
No of Shares outstanding (Mn)	148	148
Market Capitalization (Mn)	19,710	286
Daily Average Trading Volumes (Q1FY20) No of shares in Mn	0.31	0.31
Daily Average Trading Value (Q1FY20) (Mn)	37.8	.55

Market Cap (Rs. Million) CAGR (FY16-19) : 26%



Creating Shareholder value

Share Buyback

- Bought back ~27 mn shares at Rs. 62 per share
- Total cash outflow of Rs. 1.67 bn
- Completed in March 2017

Stated Dividend Distribution Policy

- Endeavor to achieve distribution of an amount of profit subject to maximum of 25% of Profit After Tax
- Applicable FY18 onwards
- FY19 proposed 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
- Ranked amongst India's Most Powerful CEOs by Economic Times

Rajesh Mandawewala, Group MD

- Associated with Welspun Group since 1985 as promoter
- Chartered Accountant with experience across industries

Dhruv Subodh Kaji, Independent Director

- Chartered Accountant with 35+ years experience across industries

Dr. Aruna Sharma, Independent Director

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

Mala Todarwal, Independent Director

- Qualified CA with experience in Audit Assurance, Due Diligence, Corporate Restructuring and Transaction Advisory

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 with more than 3 decades of experience
- Expert in Infrastructure Development & Public Private Partnership

Management Team

Sandeep Garg, Managing Director & CEO, Member of Board

- Harvard Graduate with 30+ years 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

Jitendra Jain, President, Finance

- 23+ years experience in capital raising, debt financing, structured finance, investments, cash management, forex and investor relations

Shriniwas Kargutkar, Chief Financial Officer (CFO)

- Qualified CA with 34+ years experience in Finance and Accounts

Yogen Lal, Head- Water Business

- Civil engineer with 26+ years experience in water segment

Management Team : Group Support

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

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

KEY INVESTMENT HIGHLIGHTS

Welspun Group

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

Sunrise Road Sector

- ~ Rs. 5.35 Trillion of road projects to be awarded in next 5 years

Hybrid Annuity Model (HAM) Opportunity

- Win-win model for government & developer
- Around half of road awards happening through HAM

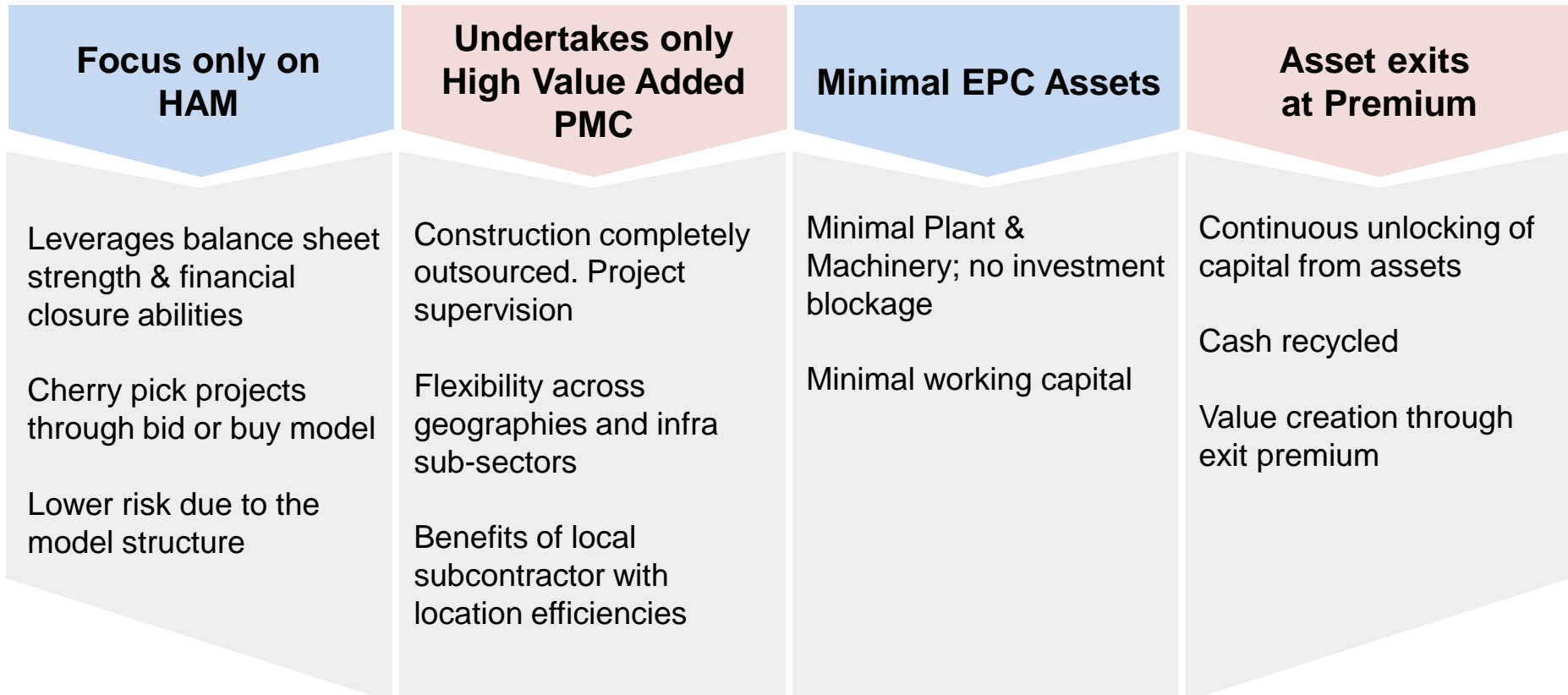
Welspun Enterprises

- Focussed purely on HAM
- Robust order book provides strong visibility
- Demonstrated operational excellence
- Financial strength

Asset Light Model

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

ONE OF ITS KIND ASSET LIGHT MODEL



Asset Light Model

Higher RoCE

Positive FCF

Lower Risk

Lower leverage

CREATING VALUE THROUGH A PROFOUND STRATEGY

1

**Bid for differentiated HAM projects/
Buy distressed HAM 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 revision
- 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 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 HAM project to achieve financial closure
- ★ India's FIRST COMPLETED HAM project
- ★ India's ONLY HAM project to be awarded AAA (SO) credit rating
- ★ India's ONLY HAM project to receive first annuity



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

Working with communities through diverse social interventions to secure stable & sustainable futures



Community Healthcare

Initiatives

- Weekly health check-up camps being organised
- Regular fogging

Impact

- Cases of illness have reduced 90% over a span of 6 months
- Malaria/Dengue/Chikungunya cases completely eliminated



Potable Water Supply

Initiatives

- Distribution of Potable Water every alternate day at slums
- Provided clean & hygienic water bottles for storage

Impact

- Condition have changed from unavailability of water to doorstep water distribution.
- 250+ beneficiaries



Promoting Education

Initiatives

- Providing basic education at a young age
- Distribution of school kits and books for children

Impact

- Programme started with 20 children, now increased to 60
- 15 students admitted in govt. school post preliminary education at classes

FINANCIALS

INCOME STATEMENT SNAPSHOT - STANDALONE

Income Statement Snapshot (Rs. Million)					
Particulars	Q1 FY20	Q1 FY19	YoY Growth	Q4 FY19	QoQ Growth
Revenue from Operations	5,159	3,470	49%	7,107	-27%
Other Income	116	178	-35%	39	201%
Total Income	5,275	3,648	45%	7,146	-26%
Operating EBITDA**	631	376	68%	898	-30%
<i>Operating EBITDA margin</i>	12.2%	10.8%	+ 141 bps	12.6%	- 39 bps
EBITDA	721	463	56%	910	-21%
<i>EBITDA margin</i>	13.7%	12.7%	+ 96 bps	12.7%	+ 93 bps
PBT	590	407	45%	847	-30%
Exceptional gain	-	2	-	1	-
Reported PBT	590	409	44%	847	-30%
PAT	376	270	39%	463	-19%
<i>PAT margin</i>	7.1%	7.4%	- 26 bps	6.5%	+ 65 bps
Cash PAT	465	331	41%	590	-21%

Note: Cash PAT = Reported PBDT – 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)	30 th June 2019	31 st Mar 2019
Net worth	16,395	15,993
Gross Debt	2,807	1,709
- Long Term Debt (incl. current maturities)	562	130
- Short Term Debt (incl. CP of Rs. 1,239 million in Q1FY20)	2,244	1,579
Cash & Cash Equivalents	3,192	4,737
Net Debt /(Cash)	(385)	(3,028)
Other Long Term Liabilities	319	315
Total Net Fixed Assets (incl. CWIP)	743	645
Net Current Assets (Excl. Cash & Cash Equivalents) (adj.)	3,031	1,328
Other Long Term Investments and assets (adj.)	12,555	11,306

Note: Cash & Cash Equivalents includes liquid Investments & ICDs

Short-term loans of Rs. 2,244 million are adequately supported by net current assets and long-term loans of Rs. 562 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 and Robust Credit Rating to tap Infra Opportunities**

- ✓ **Strong Order book with visibility of significant revenue growth**

- ✓ **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 Majority 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 HAM 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 Infra; targeting water segment



Explore and develop existing oil & gas blocks

THANK YOU

For further details, please contact:

Harish Venkateswaran

AVP - Group Finance and Strategy

Email: harish_venkateswaran@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 BETTER THAN 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

HAM PROJECTS

Delhi-Meerut Expressway (Pkg 1)

Authority: NHAI
 Status: Completed
 First Annuity 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

Dewas Water

Authority: MPSIDC
 Status: Operational
 (Modified Project PCOD received)

Himmatnagar Bypass

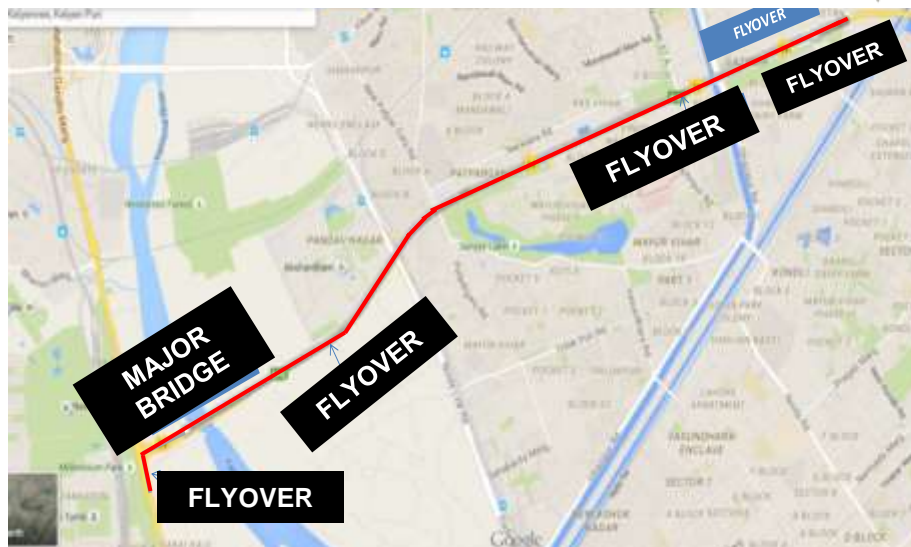
Authority: GSRDC
 Status: Operational

Robust portfolio of 9 infrastructure projects in roads and water supply

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 the first two annuities in Jan 2019 and July 2019 respectively, within the stipulated time.
 Received early completion bonus of Rs. 271 mn from NHAI.



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

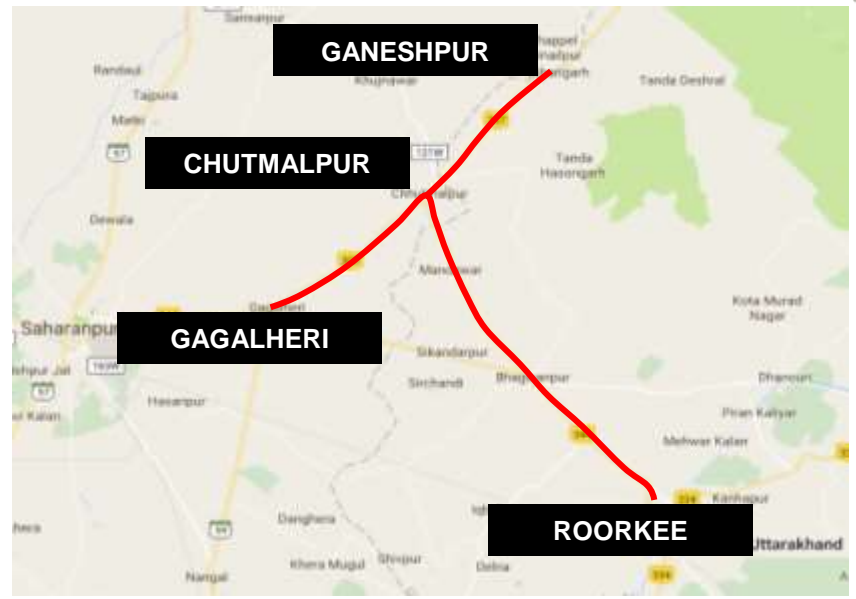
PROJECT COST & FINANCING (Rs. Mn)

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)

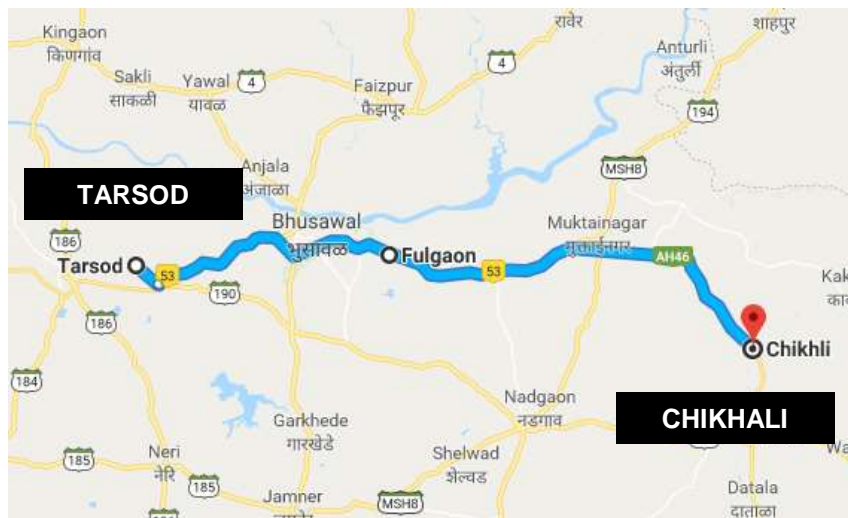
Bid Project Cost	11,610
<i>Means of Finance</i>	
- NHA	4,644
- Debt	5,573
- Equity	1,393
O&M Cost (First Year)	99

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)

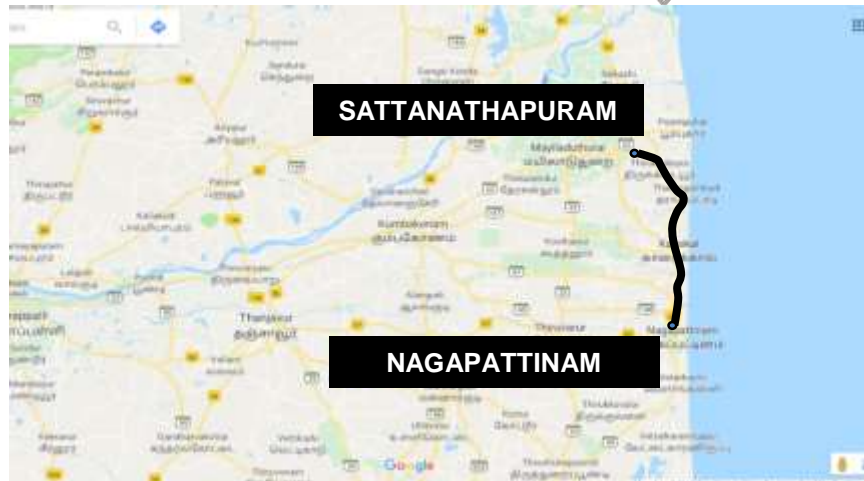
Bid Project Cost	14,600
<i>Means of Finance (Expected)</i>	
- Maharashtra PWD	8,760
- Debt	4,088
- Equity	1,752
O&M Cost (First Year)	315

* 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

EXISTING 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-19)	External Debt on books (March-19)	COD	Concession End
Highways	Himmatnagar Bypass	Gujarat	7	-	Apr-06	Jun-20
Water Supply	Dewas Water*	MP	1,246	494	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
- Estimated cost of the modified project is Rs. 1,463 mn including subsumed debt of the existing project

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; Anticipated capital cost for full field development is USD 110 mn (at AWEL level)

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

Revenue from first block expected in FY20-21

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