



UNLOCKING THE VALUE



WELSPUN ENTERPRISES
INFRASTRUCTURE AND ENERGY

Annual Report
2016 - 17

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Corporate Information

WELSPUN ENTERPRISES LIMITED (Formerly known as Welspun Projects Limited)

CIN: L45201GJ1994PLC023920

website: www.welspunenterprises.com; email id: companysecretary_wel@welspun.com

BOARD OF DIRECTORS:

Mr. Balkrishan Goenka - Chairman
 Mr. Sandeep Garg - Managing Director
 Mr. Rajesh R. Mandawewala - Director
 Mr. Ram Gopal Sharma - Director
 Mr. Mohan Tandon - Director
 Mr. Yogesh Agarwal - Director
 Mr. Mintoo Bhandari - Nominee Director
 Mr. Utsav Baijal - Alternate Director to Mr. Mintoo Bhandari
 Mr. Dhruv Kaji (Appointed w.e.f. 30/05/2017)

AUDIT COMMITTEE:

Mr. Ram Gopal Sharma
 Mr. Mohan Tandon
 Mr. Mintoo Bhandari
 Mr. Utsav Baijal (Alternate Director to Mintoo Bhandari)
 Ms. Mala Tadarwal

NOMINATION AND REMUNERATION COMMITTEE:

Mr. Mohan Tandon
 Mr. Ram Gopal Sharma
 Mr. Balkrishan Goenka
 Mr. Mintoo Bhandari
 Mr. Utsav Baijal (Alternate Director to Mintoo Bhandari)
 Ms. Mala Tadarwal

KEY MANAGEMENT TEAM:

Mr. Balkrishan Goenka - Chairman (Executive)
 Mr. Sandeep Garg - Managing Director & CEO
 Mr. Akhil Jindal - Director, Group Finance & Strategy
 Mr. Deepak Chauhan - Director, Legal, Welspun Group
 Mr. Asim Chakraborty - Director-COO- Highways
 Mr. Banwari Lal Biyani - Director, Operation Head-BOT & EPC
 Mr. Shriniwas Kargutkar - Chief Financial Officer

SHARE TRANSFER AND INVESTOR GRIEVANCE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

Mr. Mohan Tandon
 Mr. Sandeep Garg
 Mr. Mintoo Bhandari
 Mr. Utsav Baijal (Alternate Director to Mintoo Bhandari)

COMPANY SECRETARY:

Ms. Indu Daryani

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Mr. Ram Gopal Sharma
 Mr. Rajesh R. Mandawewala
 Mr. Sandeep Garg

AUDITORS:

MGB & Co., LLP, Chartered Accountants

CORPORATE OFFICE:

Welspun House, Kamala Mills Compound,
 Senapati Bapat Marg, Lower Parel,
 Mumbai - 400013
 Tel: +91-22-6613 6000
 Fax: +91-22-2490-8020

REGISTERED OFFICE:

"Welspun City", Village Versamedi,
 Taluka Anjar, District Kutch,
 Gujarat-370110
 Tel: +91-2836 662222
 Fax: +91-2836 279010

STOCK EXCHANGES WHERE THE COMPANY'S SECURITIES ARE LISTED:

BSE Limited
 Phiroze Jeejeebhoy Towers
 Dalal Street,
 Mumbai- 400001

National Stock Exchange of India Ltd.,
 Exchange Plaza, C-1, Block G,
 Bandra Kurla Complex, Bandra (E)
 Mumbai - 400 051

SECURITIES REGISTRAR AND TRANSFER AGENT:

Link Intime India Private Ltd.
 C- 101,247 Park,L.B.S. Marg,
 Vikhroli (West), Mumbai - 400083.

BANKERS:

Corporation Bank
 IDBI Bank Ltd
 Indian Bank
 IDFC Bank Ltd



Balkrishnan Goenka
- Chairman

CHAIRMAN'S MESSAGE

My dear fellow stakeholders,

It is with great satisfaction that I look back at the year gone by. It was a year in which we continued our focus on consolidation, thereby strengthening the foundation for future growth.

During the year, we continued with our re-organisation efforts with the sale of the stake in the energy business and the buyback of shares. We are now, one of the very few companies in the infra sector sitting on a net cash position.

Our efforts, of the last three years, have started yielding results as can be seen in our financial performance. We have recorded a 43% growth in revenues on a consolidated basis and 33% on a standalone basis. Before exceptionals, our PBT almost doubled on a consolidated basis. As a result of the Company's consolidation efforts, the credit ratings of the Company have also been upgraded to "A+" from "A" in respect of long-term facilities and to "A1+" (highest possible rating) from "A1" for short-term facilities.

Looking forward to the future

While I am happy with our efforts in the last three years, I am more excited about the future of Welspun Enterprises. I believe that we are at a very important stage in our growth path.

Infrastructure sector will continue to be one of our core focus areas. There is considerable thrust from the government on the sector. The government realizes that India needs robust infrastructure to achieve its growth goals. Hence there are several measures being taken to accelerate construction of rail, roads, etc. This provides us with an amazing opportunity to grow our business.

Our current Hybrid annuity model (HAM) Project, Delhi Meerut Expressway Package – I, is progressing well. More than 20% of the work has been completed by March 31, 2017, which is well ahead of the schedule and has been appreciated by NHAI as well. I am confident that we will be able to complete the entire construction well ahead of schedule, probably by the end of this financial year. We are also continuously, albeit cautiously, bidding for more HAM projects and we hope to build an order book of close to Rs. 3,000 crore by the end of the financial year. This should drive revenue growth in the infra business in the coming year.

We will also continue to have interests in the O&G business. Our JV Company (Adani Welspun Exploration Ltd.) in which Welspun Enterprises Ltd. (WEL) holds 35% stake, has won a block in the Discovered Small Field Bids Round (DSF 2016). It has been awarded the contract area B-9 Cluster by the Government of India, which is in close proximity to AWEL's prospective exploratory block in offshore Mumbai and ONGC's B-12 area, which is under advanced stage of development. We expect to start development of this oilfield in this financial year and it is expected to start generating revenues in two years.

With all these developments, I am confident that our operational performance will continue to improve over the next few years and create value. Apart from these two areas, we are also exploring other opportunities where we can deploy part of our cash reserve and generate long-term sustainable value for all stakeholders. I strongly believe that our healthy cash balance coupled with a strong net worth and a robust credit rating, will enable the Company to take growth initiatives which will create substantial shareholder value.

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BUILDING A RESPONSIBLE BUSINESS



The Group's corporate social responsibility approach transcends the core pillars of sustainable development and is rooted in strengthening educational foundation, improving access to healthcare services, empowering people and conserving the environment. We are committed to a wider, all-round social progress, as well as to sustainable development that balances the needs of the present with those of the future.

Some of our major CSR initiatives include:

SUSTAINABILITY

Our environment is one thing which we all share in common. It offers us abundance of resources and it is our responsibility to make judicious use and contribute towards a healthy lifestyle for all. As part of our sustainability initiatives, we at the group level started a Sewage Treatment Plant (STP) at Anjar with a capacity of 30 million litres of water per day. We have entered into an agreement with Anjar, Gandhidham - Adipur Nagar Palika to collect their sewage water, treat it and use it for internal requirements. This would make fresh water available for use by nearby villages and for irrigation in surrounding areas, thus reducing load on the Narmada River water.

INCLUSIVE GROWTH

As a responsible organization, we believe in working with our communities through our diverse range of social interventions that are aimed at securing stable and sustainable futures. Under this, the group has taken several initiatives around the Delhi-Meerut Project. Some of these are:

- Free medical camp to educate and provide healthcare checkup
- Providing potable water supply to nearby villages through tankers
- Started Education Enhancement Program to provide basic education and promote cleanliness of the surroundings

The Group has trained over 10,000 youth in FY17 under the Welspun skill development program and have empowered over 1200 women through beneficiary schemes like vocational center, health programs, school renovation, smart classes, clean and green energies etc.

Overall, this year has been a very encouraging year for our growth plans. This would not have been possible without the support of our key stakeholders. I take this opportunity to express my sincere gratitude to our Board of Directors, our Management, our dedicated employees and our esteemed customers and vendors, bankers and investors, for their unrelenting dedication, support and commitment to Welspun.

Sincerely,
Best Regards,



Balkrishan Goenka

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun Enterprises Ltd (“Welspun” or “WEL” or the “Company”), and the notes thereto for the year ended March 31, 2017. This MD&A covers Welspun’s financial position and operations for the year ended March 31, 2017. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers for the year ending March 31, 2017 as well as for the previous year are on a consolidated basis and regrouped and reclassified wherever necessary.

FORWARD-LOOKING STATEMENTS

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



Sandeep Garg

- Managing Director

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During the year, we have further strengthened our balance sheet by divesting our stake in the energy business. We have also completed a share buyback to create value for our shareholders. We are well-poised to take advantage of the potential in the infrastructure as well as oil & gas space, with a strong balance sheet and a sizable cash reserve.

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