

WEL/SEC/2020

June 09, 2020

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
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Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 – Newspaper Advertisement

Further to our letter dated June 08, 2020, kindly find attached the copies of the advertisements published today in the English Daily - 'Financial Express' and Gujarati translation thereof in 'Kutch Mitra' with respect to the notice of the 26th Annual General Meeting scheduled to be held on Tuesday, June 30, 2020 at 11.00 a.m. IST through Video Conferencing/ Other Audio Visual Means, including remote e-voting details.

This is for your information and record.

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 28 3666 2222 F : +91 28 3627 9010

Corporate Identity Number: L45201GJ1994PLC023920

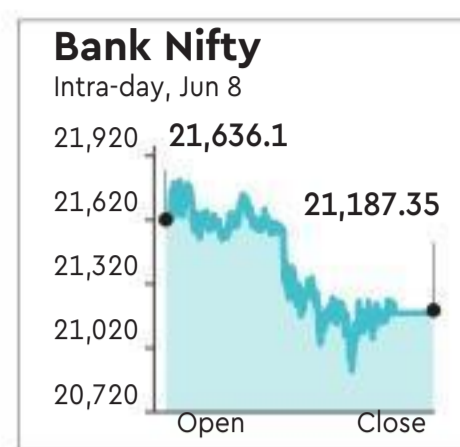
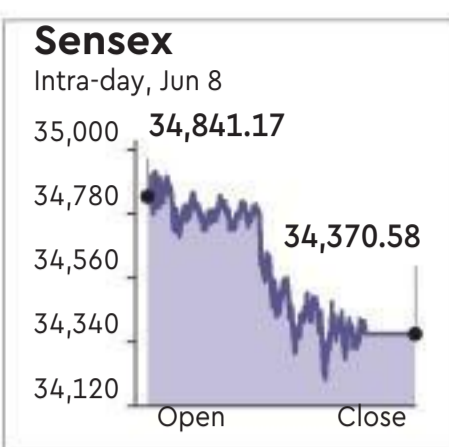
Sensex ends 83 points higher, Nifty at 10,167

FE BUREAU
Mumbai, June 8

THE INDIAN EQUITY markets ended the day flat on Monday after two straight weeks of gains on account of positive global cues. The 30-share index Sensex was up 83.34 points or 0.24% to close at 34,370.58. The broader Nifty 50 was up 0.25% or 25.3 points to close at 10,167.45. The overall market sentiment remained positive with the country exiting the lockdown and restrictions being eased, but the indices gave up most of their early gains on account of profit taking.

The market, which started the day higher by more than 1%, began losing gains after the European markets opened in the red. European markets, which had started their day lower, had recovered at the time of press with stock markets in the United Kingdom, France and Germany higher by 0.1% to 0.3%. The Asian markets, too, traded flat during Monday's session, with bourses in Hong Kong, South Korea and China rising between 0.02% and 0.24%. So, the performance of Indian markets on Monday was largely in line with its global peers. Asian shares were up owing to a catch-up rally after the US markets surged on Friday, following the release of US jobs data, which showed a surprising recovery, raising hopes that there could be a quicker global economic revival from the novel coronavirus pandemic.

FPIs remained buyers on Monday. According to the provisional data on the exchanges, they bought equities worth \$107.7 million whereas domestic institutional investors sold equities worth \$163.9 million. Till June 5, FPIs have bought Indian equities worth \$2.59 billion. Experts suggest that a 'buy on decline' strategy will be better over the next few weeks. Sid-



dharta Khemka, head, retail research, Motilal Oswal Financial Services, said, "Given the sharp rally witnessed over the last few days, we may see the Indian markets consolidating or taking a breather, before starting the next leg of rally. Even valuations have turned expensive at 21x FY21 estimated earnings and any negative development on the global front might derail the momentum. Hence, 'Buying on Decline' would be a better strategy over the next few weeks."

The markets witnessed volumes worth ₹67,992.6 crore against the six-month average of ₹43,047.1 crore in the cash market, NSE data showed. On the other hand, the F&O segment witnessed volumes worth ₹11.42 lakh crore against the six-month average of ₹13.9 lakh crore, according to data on the NSE. The biggest gainers on Nifty were GAIL, IndusInd Bank, BPCL, Axis Bank, and ONGC, which were up by 7.51%, 7.26%, 7.03%, 6.51%, and 4.89%, respectively. The biggest losers were Zee Entertainment, Shree Cement, Eicher Motors, Mahindra and Mahindra as well as Bharti Infratel down by 4.46%, 3.9%, 3.4%, 2.67% and 2.43%, respectively. Among the broader indices, Nifty Midcap and Nifty Smallcap were up by 0.46% and 1.23%, respectively. Sectorally, the biggest gainers were Nifty IT, Nifty Private Bank, Nifty Bank, Nifty Realty and Nifty Financial Services. The biggest losers were Nifty Media, Nifty Pharma, Nifty PSU Bank, Nifty Auto, and Nifty Metal.

In its report, the brokerage stated that it also saw the risk-reward ratio of the broad Indian market middling. "We find the

reward-risk balance for the broad Indian market middling post the sharp rally over the past 2.5 months. We now project net profits of the Nifty-50 Index to decline 2.2% in FY2021 and grow 3.3% in FY2022. However, our FY2022E EPS for the Nifty-50 Index is 21% below our pre-Covid-19 estimate, which makes us quite comfortable with our earnings estimates," said the brokerage in its report.

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Bond veteran's bet: India yields will decline

BLOOMBERG
Mumbai, June 8

INVESTORS PREDICTING INDIA'S bond yield curve to steepen further are probably reading it wrong.

That's the view of Jayesh Mehta, a veteran trader at Bank of America. He thinks the record \$88.5 billion of bond purchases by the central bank this fiscal year and a further cut in interest rates will tamp down the curve's steepness from near a decade high, pushing down yields on the most-traded 2029 notes to 5.50%, the lowest since 2009.

"We are of the view that there will be softening of yields," Mehta, India Treasurer at the bank, said in an interview. "In the next six months, we see the overall yield curve

being lower."

The gap between the 2029 notes and two-year debt was at 137 basis points on Monday after widening by the most since 2010 in May. IDFC Asset and FirstRand Bank are among investors who expect the curve to steepen further amid a record ₹12 lakh crore (\$159 billion) of debt sales by the government this year.

"Yields can be much lower than what we have right now," Mehta said, adding that he's bullish on the 12-15 year segment of the curve "because we see interest rates going down further by 25 to 50 basis points".

For Mehta, the 30-year bond veteran, going against the crowd and winning isn't new. In October, he correctly predicted 10-year yields will fall below 6%, compared with a consensus



JAYESH MEHTA, India treasurer, Bank of America

forecast of 6.45%, by the end of the fiscal year this March. In early 2019, he forecasted the RBI would ease before the central bank slashed rates by 135 basis points; he got the call right in 2017, too.

Bank of America Securities expects the RBI to purchase \$88.5 billion of bonds in the fiscal year that began April 1. It

Investors rush to safest India debt funds on Franklin freeze

RAHUL SATIJA
& NUPUR ACHARYA
Mumbai, June 8

INDIAN FUNDS THAT invest largely in state-backed debt received the highest inflow in 14 months as investors remained wary of riskier fixed-income plans after Franklin Templeton abruptly shut such funds in April.

The Banking and PSU Funds took in a net ₹88.7 billion (\$1.2 billion) in May, according to data released by the Association of Mutual Funds in India. That's the highest inflow for the category since April 2019. These funds invest at least 80% of their assets in debt sold by banks and the state-owned firms.

Investors remain concerned about riskier debt after Franklin Templeton, a big buyer of high-yield Indian notes, shut six debt funds and may take more than five years to return the entire amount invested to unitholders.

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risk plans in May totaled ₹51.7 billion, AMFI data show.

"The flight to safety has seen money shuffling into categories perceived as being credit worthy," said Vidya Bala, head of research and co-founder at Chennai-based Primeinvestor.in. "The overall increase in flows to debt shows that the search for better returns in a low-return scenario has begun."

Total inflow into debt-oriented funds, including liquid and money-market plans, rose

by almost 50% to 637 billion rupees in May from April, helped by steps taken by policy makers to boost investor confidence in such products.

The Reserve Bank of India late April offered banks as much as ₹500 billion to lend to mutual funds to contain the fallout from the Franklin's freeze. The biggest-ever forced closure of funds in India triggered redemptions at other fund houses managing similar plans.

"Credit-risk concerns have ebbed following regulatory support, and redemptions have come down," AMFI's chief Executive Officer NS Venkatesh said.

Stock funds got ₹53 billion, the smallest inflow in 2020, as the sharp rebound in share values from their lows in March gave investors pause. Still, contributions from regular savers into equity funds stayed above the 80-billion rupee mark for the 18th straight month, according to AMFI. —BLOOMBERG

MP tops wheat procurement with 1.27-crore tonne purchase

MADHYA PRADESH HAS emerged the top state in the country in wheat procurement on support price by purchasing over 1.27 crore tonne from farmers, which accounts for 33% of all wheat procured in the country, an official said on Monday. He said wheat procurement in MP had increased by 74% over the previous year, when 73.69 lakh MT wheat was purchased on support price.

"Madhya Pradesh has reached first position in the country in procurement of wheat on support price. So far, 1,27,67,628 metric tonnes of wheat has been procured. This accounts for 33% of wheat procured by all states. Punjab is second to MP," a public relations department official said.

He said the total amount of wheat procured in the country stood at 3,86,54,000 metric tonne. "Chief Minister Shivraj Singh Chouhan gave top priority to management of wheat procurement. In 75 consecutive meetings chaired by him on the issue from March 23, wheat procurement was reviewed daily," he said.

"The MP government formulated an effective strategy for wheat procurement. Arrangements were made for gunny bags and storage while setting a target of 100 lakh MT more than the procurement made last year.

"The biggest challenge was to ensure more procurement in short time from more farmers, for which the number of procurement centres was increased from 3,545 last year to 4,529 centres," said the official. He said social distancing norms were adhered to in view of the coronavirus outbreak, and SMSes were sent to manage the number of farmers at procurement centres.

"Money was transferred into farmer bank accounts in seven days on an average. So far, an amount of Rs 20,253 crore has been deposited in the accounts of 14,19,000 farmers," he said.

Out of the total wheat procured, 118 lakh metric tonnes has been safely stored, which is almost 95 per cent of the quantity purchased, he said. —PTI

Equity MF inflows drop to 5-month low in May

INFLOWS INTO EQUITY mutual funds dropped to a five-month low of ₹5,256 crore in May amid uncertain economic environment due to coronavirus pandemic.

Overall, the mutual fund industry witnessed a net inflow of ₹70,813 crore across all segments, last month data by Amfi showed on Friday. In comparison, an inflow of ₹45,999 crore was seen in April. As per the data, inflows into equity and equity linked open ended schemes was at ₹5,256 crore, while an outflow of ₹211 crore was seen from close ended funds.

In April, such schemes attracted a net infusion of ₹6,213 crore. Prior to this, equity schemes saw an investment of ₹11,723 crore in March, ₹10,796 crore in February, ₹7,877 crore in January and ₹4,499 crore in December.

"Inflows into equity funds, while lower than previous months continue to remain positive largely driven by SIP inflows. Investors continue to prefer large and multi cap funds given the market volatility and uncertain economic environment due to the Covid-19 pandemic," said Kaustubh Belapurkar, director at Manager Research, Morningstar India.

Almost all the equity-oriented mutual fund categories registered net inflows last month. Large-cap, multi-cap, ELSS (equity linked saving schemes), and large cap & mid-cap saw inflows of ₹1,556 crore, ₹758 crore and ₹737 crore and ₹712 crore, respectively, during the month under review.

The positive inflow in equity schemes could be attributed to steady flow of ₹8,123 crore through the systematic investment plan (SIP) route.

"Despite economic uncertainty and market volatility, investors showing matured investment behaviour continue to repose confidence in equity mutual funds, reflected by robust monthly SIP contribution," Amfi CEO NS Venkatesh said. Echoing similar views, Harsh Jain, co-founder of Groww, said Indian SIP investors are showing immense resilience to market ups and downs. —PTI

'Economy showing resilience under current scenario'

WHEN LOCKDOWN ARISING from the need of social distancing became an essential component of our fight against Covid-19 pandemic, we were seized with the uncertainty of commencement of some economic activities that would at least fulfil the gap between what the user segments desire and what support can be provided to enhance the supply. We no longer talked of GDP growth like RBI has done in its last MPC. Thus, the latest notification on GDP growth in FY20 (4.2% against 6.1% in FY19) issued by CSO did generate a pleasant surprise as the economy showed resilience in achieving this level of growth under the current scenario. It is, however, admitted that the estimates may be revised when the full data is made available later. Further, it is believed that full impact of the pandemic in the form of prolonged lockdown and consequent closure of economic activities hampering both industrial and service sectors would be captured in the National Accounts Data for Q1 and Q2 in FY21.

We have earlier seen that around 15-20 days' closure of economic activities has robbed the manufacturing sector, forcing to drop in March by around 21% and taking IP to a new low of (-) 16.7%. The fall in manufacturing in March was accentuated by corresponding drop in output of capital goods segment (35.6% de-growth), Infrastructure and construction segment (23.8% de-growth) and consumer durable segment (33.1% negative growth). The second advance estimates of CSO has put GDP (at constant prices) growth in Q4 of FY20 falling to 3.1% compared to Q4 of last year.

However, GDP growth in FY20 plummeted each quarter from 5.2% in Q1, 4.4% in Q2 and 4.1% in Q3. Despite this declining trend, a few positives are worth mentioning.

Agriculture, forestry and fishing sector in GVA is up 5.9% in Q4 as compared to 3.0% in Q1. As a result, this sector has clocked a growth rate of 4.0% in FY20 as opposed to only 2.6% in FY19. As WPI for



SUSHIM BANERJEE
DG, Institute for Steel Development & Growth

food has also shown 8.4% growth in FY20, it should imply that at least a part of it has contributed to growth in rural income (considering the asymmetrical relationship between rise in WPI in food with growth in rural income). Secondly, the mining and quarrying sector GVA has grown by 5.2% in Q4, the highest in all quarters. The yearly growth of 3.1% in FY20 is way above the negative growth clocked by this sector in last year.

The mining output in FY20 rose by 1.7%. The recent policy guidelines have opened coal mining for commercial pur-

poses, done away with captive mining process, introduced lease transferability, incentivised exploration of mines, encouraged coal gasification programmes to reduce dependence on fossil fuel.

Electricity, water supply and other utility services sector GVA grew by a healthy rate of 4.5% in Q4 and 4.1% in FY20. The GVA in public administration, defence and other services sector achieved a high growth of 10.1% in Q4 and correspondingly 10.0% for the full year. For defence procurement, the government has enhanced the FDI limit through the automatic route from 49% to 74% to help global players to set up manufacturing facilities within the country and thereby supplement the domestic manufacturing capabilities.

Indian economy is consumption-led as 68.5% of GDP is composed by private consumption (57.2% of GDP, growing at 5.3% in FY20) and government consumption (11.3% of GDP, growing at 11.8% compared to 10.1% last year).

As government consump-

tion includes net purchase of commodities and services and consumption of fixed capital, it also contributes to demand for steel, cement and all other commodities. Nearly 30% of GDP is contributed by GFCF, which is a proxy for investment.

More than the public investment, it is investment by the corporate sector and household investments that have been declining in the past years. It is seen that per capita income at current prices has grown by 6.1% in FY20 against 9.7% growth in the last year. The income generation has been affected adversely by lower growth in manufacturing sector, which is labour intensive.

The shifting pattern of economic growth in India with a near stagnant growth in industry is not conducive to the growth of the commodity sector. India's rich mineral resources can be most effectively utilised by the higher growth in steel sector.

(Views expressed are personal)

Pink bollworm: Farmers should opt out of early sowing of cotton, says CICR

NANDA KASABE
Pune, June 8

With farmers showing a bit of nervousness over sowing cotton, the Central Institute for Cotton Research (CICR), Nagpur has issued advisories to farmers to wait for monsoon to set in before going in for cotton sowing to prevent the infestation of Pink Bollworm (PBW). Sowing should preferably be conducted between mid-June to mid-July, top CICR officials added.

According to CICR director VN Waghmare, farmers should opt for cotton sowing only after 100 mm rains since as some moisture is required for the cotton to germinate. The rains that occurred last week were pre-seasonal showers and therefore farmers should wait for the actual monsoon to set in before going in sowing opera-



tions, he said.

The government permitted sale of BT Cotton seeds only after June 1 to prevent pre-seasonal sowing which usually leads to Pink Bollworm infestation, he said. Waghmare pointed out that Pink Bollworm infestation was

noticed by the authorities from mid-November onwards last season. In the cotton season of 2019-20, due to intermittent rains, Pink Bollworm larvae found conducive conditions for growth and the extent of infestation increased from mid-November to December in certain pockets. Farmers usually complete two pickings by November and, therefore, there was not much damage to the farmers in terms of crop loss which was to the tune of 10%, he said.

Uncertainty prevails over the

extent of cotton sowing in Maharashtra this season as farmers have not been able to sell their cotton from the last season, Waghmare said. As per market reports, around 12 lakh quintals of cotton still remain unsold in the state. Cotton Corporation of India (CCI) has also not been able to complete procurement operations, he added.

Labour issues have come up which could affect sowing operations and there was a possibility of farmers shifting to alternate crops like soybean, he said. But one has to see the availability of soybean seeds as the crop was affected due to intermittent rains and damaged around 5-7% of the crop, Waghmare said. He estimates cotton sowing to touch 41-42 lakh hectares in the state lesser than the previous year's sowing of around 44 lakh hectares.

