

**WELSPUN GLOBAL BRANDS LIMITED**  
REGD.OFFICE : WELSPUN CITY, VILLAGE VERSAMEDI, TALUKA ANJAR, DIST KUTCH, GUJARAT -370110  
CORP OFFICE : WELSPUN HOUSE, 6th FLOOR, KAMALA MILLS COMPOUND, SENAPATI SAPAT MARG,  
LOWER PAREL, MUMBAI-400013

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2011**

| Sr. No. | Particulars                                                                               | Quarter ended             |                           |                           | Nine Months ended         |                           | Rs. In Lacs                           |
|---------|-------------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------------|
|         |                                                                                           | 31.12.2011<br>(Unaudited) | 30.09.2011<br>(Unaudited) | 31.12.2010<br>(Unaudited) | 31.12.2011<br>(Unaudited) | 31.12.2010<br>(Unaudited) | Year ended<br>31.03.2011<br>(Audited) |
| 1       | a. Net Sales/ Income from Operations                                                      | 61,257.51                 | 63,484.66                 | 46,428.20                 | 174,453.51                | 141,950.30                | 186,403.68                            |
|         | b. Other Operating Income                                                                 | -                         | -                         | -                         | -                         | -                         | -                                     |
|         | Total                                                                                     | 61,257.51                 | 63,484.66                 | 46,428.20                 | 174,453.51                | 141,950.30                | 186,403.68                            |
| 2       | Total Expenditure                                                                         |                           |                           |                           |                           |                           |                                       |
|         | a. (Increase)/ Decrease in stock in trade and work in progress                            | (1,232.78)                | (594.99)                  | (1,239.66)                | (2,950.43)                | (3,269.46)                | (1,421.01)                            |
|         | b. Purchase of Traded Goods                                                               | 57,477.26                 | 58,824.79                 | 42,915.53                 | 162,880.81                | 130,886.43                | 171,684.54                            |
|         | c. Employees Cost                                                                         | 331.56                    | 352.27                    | 399.81                    | 1,098.16                  | 1,147.41                  | 1,523.10                              |
|         | d. Depreciation                                                                           | 7.06                      | 6.70                      | 4.37                      | 20.19                     | 8.87                      | 17.30                                 |
|         | e. Other Expenditure                                                                      | 5,661.26                  | 2,507.05                  | 3,136.94                  | 10,090.10                 | 8,658.38                  | 12,179.74                             |
|         | Total                                                                                     | 62,244.36                 | 61,095.82                 | 45,216.99                 | 171,138.83                | 137,431.63                | 183,983.67                            |
| 3       | Profit / (Loss) from Operations Before Other Income, Interest and Exceptional Items (1-2) | (986.85)                  | 2,388.84                  | 1,211.21                  | 3,314.68                  | 4,518.67                  | 4,420.01                              |
| 4       | Other Income                                                                              | 2.71                      | 42.12                     | 0.09                      | 44.83                     | 41.97                     | 258.32                                |
| 5       | Profit / (Loss) before Interest and Exceptional Items (3+4)                               | (984.14)                  | 2,430.96                  | 1,211.30                  | 3,359.51                  | 4,560.64                  | 4,678.33                              |
| 6       | Interest (Net)                                                                            | 923.27                    | 1,023.07                  | 622.15                    | 2,689.03                  | 1,638.15                  | 2,258.18                              |
| 7       | Profit / (Loss) after Interest but before Exceptional Items (5-6)                         | (1,907.41)                | 1,407.89                  | 589.15                    | 670.48                    | 2,922.49                  | 2,420.15                              |
| 8       | Exceptional Items                                                                         | -                         | -                         | -                         | -                         | -                         | -                                     |
| 9       | Profit / (Loss) from Ordinary Activities before Tax (7+8)                                 | (1,907.41)                | 1,407.89                  | 589.15                    | 670.48                    | 2,922.49                  | 2,420.15                              |
| 10      | Tax Expense                                                                               |                           |                           |                           |                           |                           |                                       |
|         | Provision for Taxation - Current Tax                                                      | (532.91)                  | 479.12                    | 203.76                    | 306.39                    | 986.88                    | 933.07                                |
|         | Short Provision for Tax in Earlier Years                                                  | -                         | -                         | 9.66                      | -                         | 9.66                      | 9.66                                  |
|         | Provision for Taxation - Deferred Tax                                                     | (86.80)                   | (18.18)                   | (18.37)                   | (82.05)                   | (35.96)                   | (49.77)                               |
|         | Total                                                                                     | (619.71)                  | 460.94                    | 195.05                    | 224.34                    | 960.58                    | 792.96                                |
| 11      | Net Profit / (Loss) from Ordinary Activities after Tax (9-10)                             | (1,287.70)                | 946.95                    | 394.10                    | 446.14                    | 1,961.91                  | 1,627.19                              |
| 12      | Extraordinary Items (net of tax expense)                                                  | -                         | -                         | -                         | -                         | -                         | -                                     |
| 13      | Net Profit / (Loss) for the Period (11-12)                                                | (1,287.70)                | 946.95                    | 394.10                    | 446.14                    | 1,961.91                  | 1,627.19                              |
| 14      | Paid-up Equity Share Capital (Shares of Rs. 10 each)                                      | 1,047.55                  | 1,047.55                  | 1,047.55                  | 1,047.55                  | 1,047.55                  | 1,047.55                              |
| 15      | Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year  | -                         | -                         | -                         | -                         | -                         | 14,265.30                             |
| 16      | Earnings / (Loss) Per Share in Rs.                                                        |                           |                           |                           |                           |                           |                                       |
|         | a) Basic EPS before Extraordinary Items                                                   | (12.29)*                  | 9.04*                     | 3.76*                     | 4.26*                     | 18.73*                    | 15.53                                 |
|         | b) Diluted EPS before Extraordinary Items                                                 | (12.29)*                  | 9.04*                     | 3.76*                     | 4.26*                     | 18.73*                    | 15.53                                 |
|         | c) Basic EPS after Extraordinary Items                                                    | (12.29)*                  | 9.04*                     | 3.76*                     | 4.26*                     | 18.73*                    | 15.53                                 |
|         | d) Diluted EPS after Extraordinary Items                                                  | (12.29)*                  | 9.04*                     | 3.76*                     | 4.26*                     | 18.73*                    | 15.53                                 |
| 17      | Public Shareholding                                                                       |                           |                           |                           |                           |                           |                                       |
|         | a) Number of Shares                                                                       | 4,073,797                 | 4,073,797                 | 4,073,797                 | 4,073,797                 | 4,073,797                 | 4,073,797                             |
|         | b) Percentage of Shareholding                                                             | 39%                       | 39%                       | 39%                       | 39%                       | 39%                       | 39%                                   |
|         | Promoters and Promoter Group Shareholding                                                 |                           |                           |                           |                           |                           |                                       |
|         | a. Pledged/Encumbered                                                                     |                           |                           |                           |                           |                           |                                       |
|         | - Number of Shares                                                                        | NIL                       | NIL                       | NIL                       | NIL                       | NIL                       | NIL                                   |
|         | - Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group) | NIL                       | NIL                       | NIL                       | NIL                       | NIL                       | NIL                                   |
|         | - Percentage of Shares (as a % of the total Share capital of the Company)                 | NIL                       | NIL                       | NIL                       | NIL                       | NIL                       | NIL                                   |
|         | b. Non-Encumbered                                                                         |                           |                           |                           |                           |                           |                                       |
|         | - Number of Shares                                                                        | 6,401,699                 | 6,401,699                 | 6,401,699                 | 6,401,699                 | 6,401,699                 | 6,401,699                             |
|         | - Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group) | 100%                      | 100%                      | 100%                      | 100%                      | 100%                      | 100%                                  |
|         | - Percentage of Shares (as a % of the total Share capital of the Company)                 | 61%                       | 61%                       | 61%                       | 61%                       | 61%                       | 61%                                   |

\* Not Annualised

**Notes:**

- The above financial results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at its meeting held on February 3, 2012.
- The limited review report of the auditors includes a qualification regarding non-determination of other-than-temporary diminution in the value of investments aggregating Rs.6,342.80 lacs in the Company's subsidiary, Welspun Retail Limited (WRL) and provision that should be made against the advances aggregating 7,054.63 lacs due from WRL, whose accumulated losses, based on its unaudited financial statements as at December 31, 2011 aggregated Rs. 13,493.56 lacs. The management considers WRL a strategic long term investment. The management is of the view that, in order to turnaround WRL's operations, WRL has made a robust plan for widening its reach in the market by using new marketing strategies with aggressive cost reduction programs. Accordingly, in the opinion of the management, the aforesaid investments and the advances amounts outstanding as at December 31, 2011 are considered good and recoverable.
- The Company operates in only primary business segment. Hence, information relating to primary segments has not been furnished.
- The Company is exclusively engaged in sales to customers located outside India. Consequently, the Company does not have separate reportable geographical segments.
- Information on investors complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended December 31, 2011.

|                      | Opening | Additions | Disposals | Closing |
|----------------------|---------|-----------|-----------|---------|
| Number of Complaints | -       | 9         | 9         | -       |

FOR AND ON BEHALF OF BOARD

Mumbai.

Date : February 3, 2012



Dipali Goenka  
Managing Director

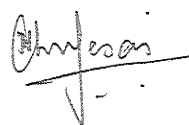
The Board of Directors  
Welspun Global Brands Limited  
Welspun House, 7<sup>th</sup> Floor  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel  
Mumbai 400 013

1. We have reviewed the accompanying 'Unaudited financial results for the quarter and nine months ended 31<sup>st</sup> December, 2011' in which are included the results for the quarter ended December 31, 2011 (the "Statement") of Welspun Global Brands Limited, except for the disclosures regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. As on December 31, 2011 the Company has (a) investments in a subsidiary, Welspun Retail Limited ("WRL"), aggregating Rs. 6,342.80 lacs, in relation to which diminution in the value of investments, which in our view is other than temporary, has not been estimated and adjusted against the aforesaid reported investments balance; resulting in non-compliance with Accounting Standard 13 – Accounting for Investments; and (b) advances to WRL, aggregating Rs. 7,064.63 lacs in relation to which valuation allowance has not been estimated and adjusted against the aforesaid advances; which does not meet the requirement to consider prudence in selection of accounting policies, as set out in Accounting Standard 1- Disclosure of Accounting Policies; as WRL has been incurring significant losses (Rs. 1,433.95 lacs for the period ended December 31, 2011 and Rs. 13,493.56 lacs as at December 31, 2011 basis its unaudited financial statements as of and for the period ended December 31, 2011) and has also been consistently unable to achieve its projected financial results.
6. Without qualifying our conclusion, we draw your attention to the following matters:
  - (a) The Company is dependent on Welspun India Limited ("WIL") for procurement of its products and WIL is the Company's principal supplier. The Company does not have any long term definitive agreements with WIL for supply of the WIL's products to the Company. In the event that WIL ceases to supply products to the Company, the business of the Company could be adversely impacted.



- (b) Consequent to the demerger of the marketing division of WIL into the Company, the Company issued corporate guarantees, aggregating Rs. 58,874 lacs as at December 31, 2011 on behalf of WIL, in favor of consortium of bankers in relation to debt facilities provided by them to WIL, and other corporate guarantees aggregating Rs. 18,450 lacs as at December 31, 2011 on behalf of, Welspun India Limited (WIL), Welspun Holdings Private Limited ('WHPL') and Welspun Retail Limited ('WRL'). If WIL, WHPL and WRL are unable to meet their obligations as they fall due, the financial condition and cash flows of the Company could be adversely impacted.
- (c) As on December 31, 2011, the Company has investments aggregating Rs. 10,362.70 lacs in a subsidiary, Welspun Holdings Private Limited ('WHPL') which, in turn, has investments aggregating Rs. 3,990 lacs (equivalent of GBP 5.56 million) in one of its operating subsidiaries, SOREMA- Tapetes E Cortinas DE Banho, S.V., Portugal ('Sorema'). Further, the Company has an accounts receivable balance from Sorema, aggregating Rs. 1,406.22 lacs which includes Rs. 947.98 lacs outstanding for more than a year. Sorema has been consistently unable to meet its budgets and has incurred losses during the period commencing from April 1, 2011. The Management considers the Company's investments in Sorema to be strategic and long term; and based upon its aggressive cost reduction programs, expects Sorema to yield positive results in the coming years. The carrying value of the Company's investments in WHPL, to the extent of its investment in Sorema aggregating Rs. 3,990 lacs and receivables due to the Company from Sorema aggregating Rs. 1,406.22 lacs may need adjustment if the outcome of the Management's estimates of the profits of Sorema in future periods, which are subject to inherent uncertainties, is substantially different.
7. Based on our review conducted as above, *except for the indeterminate effects of the matters referred to in paragraph 5 above on 'Other Expenditure' (line 2 e in the Statement), profit (lines 3, 5, 7, 9, 11 and 13 in the Statement) and 'Earnings Per Share' (lines 16 a to d in the Statement) for the quarter ended December 31, 2011*, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse  
Firm Registration Number: 012754N  
Chartered Accountants



**Mehul Desai**  
Partner  
Membership Number: 103211

Place: Mumbai  
Date: February 3, 2012