

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

		Rs. in lacs						
Sr. No.	Particulars	Standalone					Consolidated	
		Nine Months Ended	Quarter Ended		Year Ended		Year Ended	
			31.12.2010 (Unaudited)	31.03.2011 (Unaudited)	31.03.2010 (Unaudited)	31.03.2011 (Audited)	31.03.2010 (Audited)	31.03.2011 (Audited)
1	a. Net Sales/ Income from Operations	152,346.26	46,729.90	45,786.61	199,076.16	182,354.18	205,481.12	193,716.19
	b. Other Operating Income	4,748.57	1,129.13	1,092.92	5,877.70	4,337.45	5,877.70	4,337.40
	Total	157,094.83	47,859.03	46,879.53	204,953.86	186,691.63	211,358.82	198,053.59
2	Total Expenditure							
	a. (Increase)/ Decrease in stock in trade and work in progress	(8,482.32)	(35.38)	(954.43)	(8,517.70)	(2,658.90)	-	-
	b. Consumption of Raw Materials	86,521.14	23,031.16	24,186.40	109,552.30	87,342.39	106,032.57	94,813.32
	c. Purchase of Traded Goods	269.48	(9.38)	26.40	260.10	692.43	-	-
	d. Power and Fuel	14,502.54	4,111.66	4,128.34	18,614.20	16,580.48	18,763.15	16,731.81
	e. Employees Cost	10,973.81	3,812.13	2,888.08	14,785.94	11,636.24	16,706.37	13,165.00
	f. Depreciation	8,424.96	2,926.34	2,850.53	11,351.30	10,632.49	12,033.41	11,262.61
	g. Other Expenditure	32,623.90	10,137.79	10,002.56	42,761.69	38,156.12	46,169.61	40,568.61
	Total	144,833.51	43,974.32	43,127.88	188,807.83	162,381.25	199,705.11	176,541.35
3	Profit from Operations Before Unrealised Exchange (Gain)/ Loss, Other Income, Interest and Exceptional Items (1-2)	12,261.32	3,884.71	3,751.65	16,146.03	24,310.38	11,653.71	21,512.24
4	Unrealised Exchange (Gain)/ Loss - Net	(564.08)	(48.12)	(512.58)	(612.20)	(850.75)	781.26	(1,259.39)
5	Profit from Operations Before Other Income, Interest and Exceptional Items (3-4)	12,825.40	3,932.83	4,264.23	16,758.23	25,161.13	10,872.45	22,771.63
6	Other Income	1,009.74	374.56	324.58	1,384.30	584.94	1,489.05	8,347.86
7	Profit before Interest and Exceptional Items (5+6)	13,835.14	4,307.39	4,588.81	18,142.53	25,746.07	12,361.50	31,119.49
8	Interest (Net)	5,651.57	2,204.43	2,043.54	7,856.00	8,700.54	8,008.92	9,257.32
9	Profit after Interest but before Exceptional Items (7-8)	8,183.57	2,102.96	2,545.27	10,286.53	17,045.53	4,352.58	21,862.17
10	Exceptional Items (Gain)/Loss	-	-	-	-	-	-	-
11	Profit from Ordinary Activities before Tax (9+10)	8,183.57	2,102.96	2,545.27	10,286.53	17,045.53	4,352.58	21,862.17
12	Tax Expense							
	Provision for Taxation - Current Tax (Net)	1,609.77	410.41	424.93	2,020.18	2,889.29	2,190.26	3,042.00
	Less : Minimum Alternative Tax Credit Availed	(1,609.77)	(402.34)	(424.93)	(2,012.11)	(2,889.29)	(2,012.11)	(2,889.29)
	Short Provision for Tax in Earlier Years	40.28	5.73	(167.66)	46.01	(167.66)	56.64	(167.66)
	Reversal of Minimum Alternative Tax Credit Availed in Earlier Year	-	273.96	490.00	273.96	490.00	273.96	490.00
	Provision for Taxation - Deferred Tax	2,487.71	678.96	290.65	3,166.67	5,222.64	3,521.73	5,238.63
	Provision for Fringe Benefit Tax	-	-	-	-	-	-	-
	Total	2,527.99	966.72	612.99	3,494.71	5,544.98	4,030.48	5,713.68
13	Net Profit from Ordinary Activities after Tax (11-12)	5,655.58	1,136.24	1,932.28	6,791.82	11,500.55	322.10	16,148.49
14	Extraordinary Items (net of tax expense)	-	16,770.24	-	16,770.24	-	-	-
15	Net Profit for the Period (13-14)	5,655.58	(15,634.00)	1,932.28	(9,978.42)	11,500.55	322.10	16,148.49
16	Share of Associate's Net loss	-	-	-	-	-	(181.85)	(65.65)
17	Net Profit/ (Loss) for the period before share of profit/ (loss) of minority interest (15-16)	5,655.58	(15,634.00)	1,932.28	(9,978.42)	11,500.55	140.25	16,082.84
18	Minority's Share of Profit/ (Loss) in Certain Subsidiary Companies	-	-	-	-	-	-	-
19	Net Profit/ (Loss) (17-18)	5,655.58	(15,634.00)	1,932.28	(9,978.42)	11,500.55	140.25	16,082.84
20	Paid-up Equity Share Capital (Shares of Rs. 10 each)	8,897.63	8,897.63	7,308.95	8,897.63	7,308.95	8,897.63	7,308.95
21	Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	-	-	48,213.75	53,979.62	48,213.75	44,331.64	36,593.47
22	Earnings Per Share (EPS) in Rs.							
	a) Basic EPS/(Loss) before Extraordinary Items	6.42	1.29	2.64	7.71	15.73	0.16	22.00
	b) Diluted EPS/(Loss) before Extraordinary Items	6.37	1.29	2.39	7.66	15.48	0.16	21.64
	c) Basic and Diluted EPS/(Loss) after Extraordinary Items	6.37	(17.70)	2.39	(11.33)	15.48	0.16	21.64
23	Public Shareholding							
	a) Number of Shares	51,916,880	51,916,880	37,985,762	51,916,880	37,985,762	51,916,880	37,985,762
	b) Percentage of Shareholding	58%	58%	52%	58%	52%	58%	52%
	Promoters and Promoter Group Shareholding							
	a. Pledged/Encumbered							
	- Number of Shares	NIL	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	NIL
	- Percentage of Shares (as a % of the total Share capital of the Company)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	b. Non-Encumbered							
	- Number of Shares	37,059,389	37,059,389	35,103,757	37,059,389	35,103,757	37,059,389	35,103,757
	- Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group)	100%	100%	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total Share capital of the Company)	42%	42%	48%	42%	48%	42%	48%

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 May 30, 2011.

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

- 2 The statutory audit report of the auditors includes a qualification regarding accounts receivables balance of Rs. 6,960.23 lacs receivable from Welspun Retail Limited (WRL), a group company. As at March 31, 2011, the Company has trade receivables aggregating Rs. 6,960.23 lacs including Rs. 1,083.30 lacs outstanding for more than one year due from WRL, in relation to which no valuation allowance has been estimated and adjusted in the financial statements for the year ended March 31, 2011 which in their view, 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 and has also been unable to achieve its projected financial results in the previous and current financial reporting periods. 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 accounts receivable as at March 31, 2011 is considered good and recoverable.
- 3 In the meeting of the Board of Directors of the Company held on May 11, 2011, it was resolved that the business of Welspun Mexico S.A. de C.V. (a wholly-owned downstream subsidiary of Welspun AG which, in turn, is a wholly owned subsidiary of the Company), involved in manufacturing decorative bedding products for Welspun AG, shall be re-organised in view of the adverse law and order conditions in the region in which the manufacturing premises of Welspun Mexico S.A. de C.V. is situated, which has severely impacted its business prospects and its ability to contain the sustained losses and reverse the accumulated losses. Further there has been a breach of the lease agreement by the landlord necessitating the vacating of the premises. The aforesaid business reorganization involves exiting the current manufacturing premises of Welspun Mexico S.A. de C.V. and setting up trading activities only in new premises, disposing of the assets and discontinuing the employment of the majority of its employees. The Board of Directors further resolved in the aforesaid meeting that the consequential impairment in the value of the Company's investments in Welspun AG, and loans given to Welspun AG, shall be determined and recognized. Other than the business of Welspun Mexico S.A. de C.V., Welspun AG does not have any substantial business activities. As at March 31, 2011, the Company had investments, aggregating Rs. 7,391.15 lacs, in Welspun AG, and outstanding loans at zero rate of interest, aggregating Rs. 9,362.30 lacs, and other advances, aggregating Rs. 16.75 lacs, due from Welspun AG. Accordingly, a provision of Rs. 7,391.15 lacs towards diminution in the value of investments in Welspun AG, and a provision of Rs. 9,379.10 lacs towards the aforesaid loans and advances to Welspun AG, have been recognized and disclosed as extraordinary items in the Profit and Loss Account for the year.
- 4 The Company has allotted 15,603,000 equity shares of Rs. 10 each at Rs. 100 per share on April 19, 2010 to Qualified Institutional Buyers (QIBs) in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The equity share issue expenses related to Qualified Institutional Placement (QIP) aggregating Rs. 876.39 lacs has been adjusted against Securities Premium Account as per Section 78 of the Companies Act, 1956.
- 5 The Company operates in only primary business segment. Hence, information relating to primary segments has not been furnished.
- 6 Information relating to Secondary Geographical Segments is as under :

	Nine Months Ended	Quarter ended		Year Ended		Year ended	
	31.12.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
India							
External Revenue	152,246.93	46,721.05	42,992.13	198,967.98	169,633.02	198,901.00	171,128.20
Carrying Amount of Segment Assets	286,100.91	278,107.94	247,012.76	278,107.94	247,012.76	278,475.69	235,201.48
Capital Expenditure	16,975.25	4,027.05	2,586.52	21,002.30	7,259.66	20,766.47	24,993.58
Outside India							
External Revenue	99.34	8.84	2,794.48	108.18	12,721.16	6,580.10	22,588.10
Carrying Amount of Segment Assets	18,503.06	4,508.30	16,794.77	4,508.30	16,794.77	9,634.59	21,710.04
Capital Expenditure	-	-	-	-	-	89.54	386.75
Total							
External Revenue	152,346.27	46,729.88	45,786.61	199,076.16	182,354.18	205,481.10	193,716.30
Carrying Amount of Segment Assets	304,603.97	282,616.24	263,807.53	282,616.24	263,807.53	288,110.29	256,911.52
Capital Expenditure	16,975.25	4,027.05	2,586.52	21,002.30	7,259.66	20,856.01	25,380.33

- 7 Information on investors complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended March 31, 2011

	Opening Balance	Additions	Disposals	Closing Balance		
Number of Complaints	-	109	109	-		

- 8 Previous year figures have been regrouped/recast wherever necessary.

FOR AND ON BEHALF OF THE BOARD



Mumbai
Date : May 30, 2011

M. L. MITTAL
Executive Director (Finance)