



Dare to Commit

WIL/ SEC/ 2011

February 14, 2011

To

Bombay Stock Exchange Limited Department of Corporate Services, SP. J. Towers, Dalal Street, Mumbai - 01 (Scrip Code-514162)	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 (Symbol: WELSPUNIND)
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Re: Clause 41 of the Listing Agreement

Dear Sir / Madam,

1. **Limited Review Report**
2. **Un-audited financial results on standalone basis for the quarter ended December 31, 2010**

Pursuant to the provisions of Clause 41 of the Listing Agreement, please find enclosed herewith:

1. the unaudited financial results on standalone basis for the quarter ended December 31, 2010 of Welspun India Limited approved by the Board of Directors on February 14, 2011, and
2. the Limited Review Report of the auditors on the un-audited financial results for the quarter ended December 31, 2010 of Welspun India Limited.

Please take the same on your record.

Thanking you,

Yours faithfully,
For Welspun India Limited

Shashikant Thorat
Asst. Company Secretary

Encl: As Above

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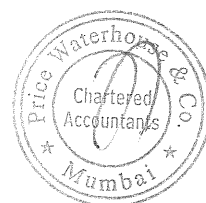
Corporate Office:

Welspun House, 6th Floor
Kamala City
Senapati Bapat Marg, Lower Parel
Mumbai - 400 013, INDIA.

Tel: +91-22-66136000 / 24908000
Fax: +91-22-24908020
E-mail: wtvapi@welspun.com
URL: www.welspun.com

The Board of Directors
Welspun India Limited
Welspun House, 7th 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 31st December, 2010' in which are included the results for the quarter ended December 31, 2010 of Welspun India Limited, except for the disclosures regarding 'Public Shareholding' and 'Promoter 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) 2400, "Engagements to Review Financial Statements" 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 provides 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 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. *We draw your attention to the Company's investments as at December 31, 2010, aggregating Rs. 7,391.15 lacs, in Welspun AG ("WAG"), a wholly owned subsidiary of the Company, and unsecured loans to WAG as at December 31, 2010, aggregating Rs. 8,443.97 lacs (including loan of Rs. 7,885.15 lacs subordinated to all third party liabilities of WAG) for which no provision has been made in spite of (a) WAG's significant losses, aggregating Rs. 2,896.82 lacs, for the nine-months ended December 31, 2010 and significant accumulated losses, aggregating Rs. 11,963.44 lacs, as at December 31, 2010; basis its unaudited financial statements as of and for the nine months ended December 31, 2010 and (b) the sustained inability of WAG to achieve its projected financial results. The other-than-temporary diminution in the value of investments in WAG, and provision that should be made against the loan balance due from WAG, have not been determined by the Management.*
6. Without qualifying our conclusion, we draw your attention to the following matters:
 - (a) The Company has receivables of Rs. 7,514.42 lacs as at December 31, 2010 due from Welspun Retail Limited ('WRL'), a related company which has incurred significant losses upto December 31, 2010, for which no provisions have been made. As per explanations received from the Management, in order to turnaround its operations, WRL has made a robust plan for widening its reach in the market by opening new stores, using new marketing strategies with aggressive cost reduction programs. Accordingly, in the opinion of the Management, the aforesaid receivable from the said related Company as at December 31, 2010 is considered good and recoverable. However, WRL's performance is susceptible to inherent uncertainties in the environment in which it operates. If WRL does not achieve its projected financial results, the receivable from WRL as at December 31, 2010 could be significantly impacted.
 - (b) The Company has investments of Rs. 1,161.28 lacs in Welspun Holdings Private Limited ('WHPL'), an associate company, whose net worth, based on its unaudited consolidated financial statements as at December 31, 2010 has been substantially eroded, for which no provisions have been made. WHPL has invested in two operating group of companies, viz. Christy Group and Sorema Group. As per explanation received from the Management, it considers the Company's



investments in Christy and Sorema Groups strategic and long term, and based upon its understanding of the financial support extended to these groups by their ultimate parent and the future growth plans for widening the reach in the market by using new marketing strategies with aggressive cost reduction programs, Christy and Sorema Groups are expected to yield positive results in the coming years. However, performance of the aforementioned operating subsidiaries of WHPL, are susceptible to inherent uncertainties in the environment in which they operate. If these subsidiaries of WHPL do not achieve their projected financial results, the carrying value of investments in WHPL at the period end could be significantly impacted.

- (c) As at December 31, 2010, the Company has recognised deferred tax assets aggregating Rs. 2,211.9 lacs, on the incremental unabsorbed Income-tax depreciation arising out of its treatment of certain excise and Value Added Tax incentives as 'capital receipts' for income tax purposes based on the judgement in re Commissioner of Income Tax, Mumbai v/s. Reliance Industries Limited of the Honourable High Court of Judicature at Bombay. However, this case has not attained finality as the judgement could be challenged by the tax authorities in the apex court. If the final decision in the matter is eventually decided against the Company, then the carrying value of the deferred tax assets at the period end could be significantly impacted.
 - (d) Consequent to the demerger of the marketing arm of the Company effective April 1, 2009, the Company is dependent on Welspun Global Brands Limited ('WGBL') and WRL for selling its products. The Company does not have any long term definitive agreements with either WGBL or WRL for marketing the Company's products. In the event that WGBL or WRL cease to purchase or market the Company's products, the business of the Company could be adversely impacted.
 - (e) Consequent to the demerger of the marketing arm as stated in paragraph 6(d) above, the Company issued corporate guarantees, aggregating Rs. 46,470 lacs as at December 31, 2010, to the bankers of WGBL in relation to the debt facilities provided by them to WGBL, and other corporate guarantees aggregating Rs. 21,834.56 lacs as at December 31, 2010 on behalf of WGBL, Welspun USA Inc. ('WUSA') and Welspun Home Textiles UK limited ('WHTL'). If WGBL, WUSA and WHTL are unable to meet their obligation as they fall due, the Company would be required to pay the guaranteed amounts and the financial condition and cash flows of the Company could be adversely impacted.
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 g in the Statement), profit (lines 3, 5, 7, 9, 11, 13 and 15 in the Statement) and 'Earnings Per Share' (lines 18 a and b in the Statement) for the quarter and nine months ended December 31, 2010*, 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 & Co.**
Firm Registration Number: 007567S
Chartered Accountants



Neeraj Gupta
Partner
Membership Number F055158

Place: Mumbai
Date: February 14, 2011

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2010

Sr. No.	Particulars	Rs. in lacs				
		Quarter ended		Nine Months ended		Year ended
		31.12.2010 (Unaudited)	31.12.2009 (Unaudited)	31.12.2010 (Unaudited)	31.12.2009 (Unaudited)	31.03.2010 (Audited)
1	i. Net Sales/ Income from Operations	50,022.91	49,482.97	152,346.26	136,567.57	182,354.18
	ii. Other Operating Income	1,079.49	1,081.36	3,667.68	3,244.53	4,337.45
	Total	51,102.40	50,564.33	156,013.94	139,812.10	186,691.63
2	Total Expenditure					
	i. (Increase)/ Decrease in stock in trade and work in progress	(5,872.76)	(65.92)	(8,482.32)	(1,704.47)	(2,658.90)
	ii. Consumption of Raw Materials	31,767.32	24,292.08	86,521.14	63,155.99	87,342.39
	iii. Purchase of Traded Goods	9.98	34.38	269.48	666.03	692.43
	iv. Power and Fuel	4,628.88	4,324.28	14,502.54	12,452.14	16,580.48
	v. Employees Cost	3,846.72	3,156.48	10,973.81	8,748.16	11,636.24
	vi. Depreciation	2,858.91	2,646.04	8,424.96	7,781.96	10,632.49
	vii. Other Expenditure	11,626.57	11,380.81	32,623.90	28,153.56	38,156.12
	Total	48,865.62	45,768.15	144,833.51	119,253.37	162,381.25
3	Profit from Operations Before Unrealised Exchange (Gain)/ Loss, Other Income, Interest and Exceptional Items (1-2)	2,236.78	4,796.18	11,180.43	20,558.73	24,310.38
4	Unrealised Exchange (Gain)/ Loss - Net	(68.66)	(295.44)	(564.08)	(338.17)	(850.75)
5	Profit from Operations Before Other Income, Interest and Exceptional Items (3-4)	2,305.44	5,091.62	11,744.51	20,896.90	25,161.13
6	Other Income	516.60	63.45	1,009.74	260.36	584.94
7	Profit before Interest and Exceptional Items (5+6)	2,822.04	5,155.07	12,754.25	21,157.26	25,746.07
8	Interest (Net)	1,978.85	2,002.04	5,651.57	6,657.00	8,700.54
9	Profit after Interest but before Exceptional Items (7-8)	843.19	3,153.03	7,102.68	14,500.26	17,045.53
10	Exceptional Items	-	-	1,080.89	-	-
11	Profit from Ordinary Activities before Tax (9+10)	843.19	3,153.03	8,183.57	14,500.26	17,045.53
12	Tax Expense					
	Provision for Taxation - Current Tax (Net)	158.53	557.12	1,609.77	2,464.36	2,889.29
	Less : Minimum Alternative Tax Credit Availed	(158.53)	(557.12)	(1,609.77)	(2,464.36)	(2,889.29)
	Short Provision for Tax in Earlier Years	40.28	-	40.28	-	(167.66)
	Reversal of Minimum Alternative Tax Credit Availed in Earlier Year	-	-	-	-	490.00
	Provision for Taxation - Deferred Tax	334.36	1,086.46	2,487.71	4,931.99	5,222.64
	Total	374.64	1,086.46	2,527.99	4,931.99	5,544.98
13	Net Profit from Ordinary Activities after Tax (11-12)	468.55	2,066.57	5,655.58	9,568.27	11,500.55
14	Extraordinary Items (net of tax expense)	-	-	-	-	-
15	Net Profit for the Period (13-14)	468.55	2,066.57	5,655.58	9,568.27	11,500.55
16	Paid-up Equity Share Capital (Shares of Rs. 10 each)	8,897.63	7,308.95	8,897.63	7,308.95	7,308.95
17	Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year					53,979.55
18	Earnings Per Share (EPS) in Rs.					
	a) Basic EPS before and after Extraordinary Items	0.53*	2.86*	6.42*	13.09*	15.73
	b) Diluted EPS before and after Extraordinary Items	0.53*	2.86*	6.37*	13.09*	15.73
19	Public Shareholding					
	a) Number of Shares	51,916,880	40,856,436	51,916,880	40,856,436	37,985,762
	b) Percentage of Shareholding	58%	56%	58%	56%	52%
	Promoters and Promoter Group Shareholding					
	a. Pledged/Encumbered					
	- Number of Shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group)	NIL	NIL	NIL	NIL	NIL
	- Percentage of Shares (as a % of the total Share capital of the Company)	NIL	NIL	NIL	NIL	NIL
	b. Non-Encumbered					
	- Number of Shares	37,059,389	32,233,083	37,059,389	32,233,083	35,103,757
	- Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group)	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total Share capital of the Company)	42%	44%	42%	44%	48%

* Not Annualised



For Identification
Price Waterhouse & Co.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2010

Notes :

- 1 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 14, 2011.
- 2 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. 7,391.15 lacs in the Company's wholly owned subsidiary in Switzerland, Welspun AG (WAG) and provision that should be made against the loan balance aggregating Rs. 8,443.97 lacs (including subordinated loan of Rs. 7,885.15 lacs at zero rate of interest) due from WAG, whose accumulated losses, based on its unaudited financial statements as at December 31, 2010 aggregated Rs. 11,963.44 lacs. The management considers WAG a strategic long term investment. In order to improve WAG's performance: 1) the Company has decided to extend the financial support to enable WAG undertake growth plans and ii) WAG has undertaken extensive cost reduction programs. Accordingly, in the opinion of the management, the aforesaid investments and the loan amounts outstanding as at December 31, 2010 are considered good and recoverable.
- 3 The Company operates in only primary business segment. Hence, information relating to primary segments has not been furnished.
- 4 Information relating to Secondary Geographical Segments is as under :

Rs. in lacs

	Quarter ended		Nine Months ended		Year ended
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
India					
External Revenue	50,004.72	46,686.07	152,325.20	126,640.89	169,633.02
Carrying Amount of Segment Assets	286,100.91	249,672.15	286,100.91	249,672.15	247,012.76
Capital Expenditure	4,962.45	2,484.80	16,975.25	4,673.14	7,259.66
Outside India					
External Revenue	18.19	2,796.90	21.06	9,926.68	12,721.16
Carrying Amount of Segment Assets	18,503.06	15,005.47	18,503.06	15,005.47	16,794.77
Capital Expenditure					
Total					
External Revenue	50,022.91	49,482.97	152,346.26	136,567.57	182,354.18
Carrying Amount of Segment Assets	304,603.97	264,677.62	304,603.97	264,677.62	263,807.53
Capital Expenditure	4,962.45	2,484.80	16,975.25	4,673.14	7,259.66

- 5 Information on investors complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended December 31, 2010.

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	-	22	22	-

Mumbai
Date : February 14, 2011

For Identification
Price Waterhouse & Co.



FOR AND ON BEHALF OF BOARD

M. L. Mittal

M. L. MITTAL
Executive Director (Finance)