



WELSPUN
GUJARAT STAHL ROHREN LIMITED

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8TH
ANNUAL REPORT
2002-2003



WELSPUN GUJARAT STAHL ROHREN LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

G. R. Goenka	Chairman
B.K. Goenka	Vice-Chairman & Managing Director
Naresh Saluja	Nominee Director of IFCI Ltd.
Chaman Kumar	Nominee Director of GIIC Ltd.
A. B. Shah	Nominee Director of GIIC Ltd.
J. Schuett	Nominee Director of INTERTEC, GmbH
K.H. Viswanathan	Alternate to J.Schuett
R.K. Jain	Director
R. R. Mandawewala	Director
M. L. Mittal	Director (Finance)

AUDITORS

M/s. MGB & Co.
Chartered Accountants

COMPANY SECRETARY

R. Ganesh

BANKERS

Bank of Baroda
Punjab National Bank
Canara Bank
Oriental Bank of Commerce
Bank of India
Development Credit Bank Limited
Syndicate Bank

REGISTERED OFFICE & FACTORY

Village Jolva & Vadadla,
Near Dahej, Taluka-Vagra,
District-Bharuch
Gujarat - 392 130

CORPORATE OFFICE

Trade World, 'B' Wing, 9th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013
Tel. : 91-022-2490 8000 - 4
Fax : 91-022-2490 8020 - 21
Email: wgsrl@bom5.vsnl.net.in
Website: <http://www.welspunpipes.com>

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DIRECTORS' REPORT

To,
The Members,
Welspun Gujarat Stahl Rohren Limited.

Your Directors have pleasure in presenting the Eighth Annual Report on the business, operations and financial performance of the Company during the financial year ended 31st March, 2003.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	For the year ended	
	31 st March, 2003	31 st March, 2002
Income from operations	39710.08	28494.47
Profit before interest, depreciation & tax	5455.21	5872.50
Less : Interest / Finance costs	3651.51	4048.74
Gross Profit / (Loss)	1803.70	1823.76
Less: Depreciation	1700.17	1515.21
Profit for the year	103.53	308.55
Less : Provisions for current taxation	8.00	25.00
Provision for deferred taxation	(59.18)	210.60
Add : Balance brought forward from previous year	9.52	46.12
Deferred Tax liability (Net)	-	(109.55)
Balance carried forward to next year	164.22	9.52

In view of inadequate profits for the year, your directors do not recommend any dividend.

PERFORMANCE

The year 2002-03 started on a confident note with good order book position particularly for the Iraq and Iran market and anticipated orders from other local and foreign markets. But the deterioration of the Iraq situation and delay in financial arrangement from the other customer resulted poor capacity utilization in the first half of the year. The major orders expected from the local market were also delayed. Your management could salvage the situation by swift efforts and managed to bag some good orders from safer markets like USA and the local market leading to a substantial improvement in the performance of the Company in the Second half of the year.

Despite these adverse factors your Company has achieved a turnover of Rs. 39710.08 Lacs as compared to Rs.28494.47 Lacs in the previous year. Production for the year was higher at 1,37,756 MT reflecting an increase of nearly 50% over the previous year's level of 92,126 MT. Export Turnover including deemed exports accounted for 73% of the turnover at Rs. 29565 Lacs. However, the profitability was adversely affected due to increase in steel prices in the international market as for most of the orders the Company was

dependent on imports. The profitability was also adversely affected due to the fact that, the Company looking at the not so bright domestic market has targeted the export market. Looking at the entry barrier in these markets, and bright future potential some of the orders had to be booked at not so fat bottomline. These efforts, of course, are already expected to reflect in the next year's prospects. Your management has taken effective steps to avoid recurrence of such events.

PROSPECTS

The Company is currently executing two major orders received from Gail (India) Ltd. and a gas major from Iran. Both these orders cater to the needs of high grade larger dia pipes of much larger volume. The execution of these orders would put your Company in the elite group of World Steel Pipe manufacturers.

With the successful execution of trial orders for the pipe required in sour gas application, your Company is now poised for major foray into the specialized requirements for the said market.

Your Company has bagged another major export order for US \$52.13 million for sour gas application backed by a letter of credit from a first class European Bank, against stiff competition from Japanese and European suppliers. This order shall be executed in the 3rd quarter of the current year.

Your Company has also made significant progress in the area of vendor registration with global Oil Majors and EPC Consultants / Contractors. This coupled with the steps taken to have dedicated marketing set up close to the international market areas in the middle east to be followed up in other areas in the current year should yield the desired results in the coming years.

Your management expects to achieve a growth rate of over 100% in turnover with significant improvement in profitability during the current year 2003-04.

KEY ACHIEVEMENTS

- Your Company has the pride of being the first Indian saw pipe manufacturer to execute a single large size order of over 100 Kms to an Oil and Gas Major in USA.
- Eupec Welspun PipeCoatings India Ltd. (EWPCIL), the joint venture company has received the Anti Corrosion Coating Qualification Certificate from Shell Global Solutions International B.V. Amsterdam, which opens up a major opportunity for the Company and the joint venture to work for their projects world over.
- Successful execution of trial order for supply of pipes meant for sour gas application is another major achievement during the year.

WELSPUN GUJARAT STAHL ROHREN LIMITED

- Pipeline orders to cater to the earthquake affected Kutch region of Gujarat under Asian Development Bank.

MANUFACTURING FACILITIES

Installation of additional welding lines to support anticipated higher capacity utilization has been completed and become operational. Adequate investments in tooling and internal roads and other utilities have been made to ensure uninterrupted production necessary to support timely execution of large orders. The implementation of the Integrated SAP / R3 Financial and Business Management System under progress would enhance the operational performance of the Company in the coming years.

Additional investments are envisaged in the areas of testing and quality control, material handling and other areas of cost saving measures to ensure the high quality standards at competitive cost.

JOINT VENTURE

Eupec Welspun PipeCoatings India Ltd. (EWPCIL), the joint venture company has posted an improved performance for the year 2002-03 with Profit Before Tax of Rs. 359.85 lacs as compared to Rs. 28.38 lacs in the previous year. The profits have been ploughed back for establishment of other pipe coating facilities like Coal Tar Enamel (CTE) coating, Internal lining and Coating, Concrete Weight Coating to meet under one roof the diverse pipe coating requirements of the customers. The Company has just received its first major order for CTE coating from IOCL for its pipeline project vindicating the managements foresight in establishment of the facilities. The joint venture company has also bagged a major order from Gail (India) Ltd. for its HBJ Pipeline up-gradation project. The turnover for the year 2003-04 is expected to cross the Rs.100 Crore mark with further improvement in profitability.

TERM LOANS AND DEBENTURES

Your Company has been granted approval for reduction of interest on its Rupee Term Loans and Debentures from 16% p.a. to 12.50% p.a. with effect from 1st April, 2003. The said loans shall be prepaid fully in the current financial year that would ensure substantial reduction in the interest costs.

The balance loans being in foreign currency shall be paid as per the original schedule. The appreciation of Rupee against the dollar should ensure additional savings in finance costs.

DIRECTORS

During the period under report the changes in the Board of Directors were as under:

- Shri Raj Kumar Jain, a practicing Chartered Accountant was inducted on the Board as an independent director w.e.f. 30th July, 2002.
- Gujarat Industrial Investment Corporation Ltd. (Associate Sector Partner) nominated Shri C. L. Meena

vice Shri Hasmukh Adhia as its nominee on the Board w.e.f. 28th October, 2002.

Gujarat Industrial Investment Corporation Ltd. (Associate Sector Partner) nominated Shri A. B. Shah vice Shri Atanu Chakraborty as its nominee on the Board w.e.f. 28th October, 2002.

Your directors welcome them on the Board.

Your directors place on record their appreciation for the services rendered and contributions made by Shri Hasmukh Adhia and Shri Atanu Chakraborty during their tenure.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri G.R.Goenka and Shri R.R.Mandawewala retire by rotation at the forthcoming Annual General Meeting. They are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed :

- That in the preparation of the accounts for the financial year ended 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the accounts for the financial year ended 31st March, 2003 on a going concern basis.

AUDITORS

Your Company's Auditors M/s. MGB & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, have given their consent to act as Auditors of the Company. Members are requested to consider their re-appointment as the Auditors of the Company and to fix their remuneration by passing a Special Resolution under Section 224-A of the Companies Act, 1956.

AUDITORS' REPORT

The Auditors' Report read with notes to the accounts is self explanatory and therefore, does not call for any comments.



THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD DIRECTORS) RULES, 1988

In terms of the above Rules, your Directors are pleased to give the particulars as prescribed therein in the Annexures, which forms part of the Directors' Report.

PARTICULARS OF EMPLOYEES

There are no employees of the Company who have drawn remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

PUBLIC DEPOSITS

The Company does not accept any deposit from public within the meaning of Section 58-A of the Companies Act, 1956 read with The Companies (Acceptance of Deposit) Rules, 1975.

LISTING WITH STOCK EXCHANGES

The Company's equity shares are listed on the Stock Exchange at Ahmedabad (Regional) and Mumbai. The Company has paid Annual Listing fees to the said Stock Exchanges. The Company has applied for de-listing of its shares from The Stock Exchange at Kolkata.

CORPORATE GOVERNANCE

Your Company has initiated various actions to comply with the requirement of Corporate Governance during the year. The composition of the Board of Directors and the Audit Committee has been in line with the conditions of Listing Agreement and provisions of the Companies Act, 1956. Further, a duly constituted Remuneration Committee is in place to decide and fix remuneration of its executive directors. A separate report on Corporate Governance is annexed hereto as a part of this Report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as prescribed under Clause 49 of the Listing Agreement is attached to this report.

ACKNOWLEDGEMENT

The Board wishes to express and place on records its gratitude for the faith reposed in and co-operation extended to the Company by the IFCI Limited, Banks, Government Authorities, Customers, Suppliers and Shareholders of the Company. Your Directors wish to place on record their deep sense of appreciation for the devoted and sincere services of the Executives, Staff and Workers of the Company for its success.

For and on behalf of the Board

B.K. Goenka
Vice-Chairman &
Managing Director

R.R. Mandawewala
Director

Place: Mumbai
Date: 30th June, 2003.

WELSPUN GUJARAT STAHL ROHREN LIMITED

FORM A

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Period 2002-2003	Previous Period 2001-2002
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A. Power And Fuel Consumption

1. Electricity

A Purchased

Unit (In '000s)	140.05	238.44
Total Amount (Rs In Lacs)	14.01	18.39
Rate/Unit (Rs)	10.00	7.71

Note : Average rate is high due to payment of minimum demand charges

B Own Generation

(I) Through D.G Set

Generator Unit (In '000s)	12189.79	9856.92
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Units Generated Per Units Of Fuel The DG set is dual fuel operated and Diesel is used as pilot and Gas as main fuel. Consumption ratio varies according to load. Therefore individual output fuel wise cannot be worked out.

Cost/Unit (Rs)	1.81	1.94
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(II) Through Steam Turbine / Generator

Nil	Nil
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2. Coal (Specify Quality and where Used)

Nil	Nil
-----	-----

3. Furnace Oil

Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs In Lacs)	Nil	Nil
Average Rate Cost/Unit (Rs)	Nil	Nil

4. Others/Internal Generation

Nil	Nil
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B. Consumption Per Unit of Production

Products	Standard	Current Year	Previous Year
Name of Product : Welded Pipes			
Electricity		89.90	109.58
Furnace Oil		-	Nil
Coal (Specify Quality)	-	-	-
Others (Specify)	-	-	-

FORM B

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION.

Research and Development (R&D)

- Specific areas in which R&D is carried out by the Company : None
- Benefits derived as a result of the above R&D. : Not Applicable
- Future plan of action : The Company will review the scope for setting up of R&D activities in due course.
- Expenditure on R&D
 - Capital : Nil
 - Recurring : Nil
 - Total : Nil
 - Total R&D expenditure as a percentage of total turnover. : N.A.

Technology absorption, adaptation and innovation.

- Efforts, in brief, made towards technology absorption, adaptation and innovation:
 - Up-gradation and Capacity Enhancement of Hydro tester Machine.
 - Expander Tooling and innovative modification of the Equipment.
 - Installation of Heavy duty devices at different workstations.
 - Modification of transfer trolleys, installation of dehumidification system, heavy duty blower etc.
- Benefits derived as a result of the above efforts, etc. Product improvement, cost reduction, product development, import substitution, etc. :
 - Capacity enhancement & time cycle reduction.
 - Reduction in break-downs/ down time.
 - Improvement in weld quality and life of weld consumables.
 - Improvement in atmosphere cleanliness.
 - Productivity improvement.
 - Cost reduction & import substitution.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :
 - Technology imported : Basic engineering consultancy. Process engineering and technical know-how from INTERTEC GmbH, Germany.
 - Year of import : Commenced in 1996-97.
 - Has technology been fully absorbed ? : Technology for both Spiral and Longitudinal pipe mill has been fully absorbed
 - If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action : Not applicable.

Foreign exchange earnings and outgo :

- Activities relating to exports : The Company has further consolidated its position in the export market both in terms of orders executed and future orders.
- Initiatives taken to increase exports : Increased participation in international bids and tenders and appointment of local liaison agents.
- Development of new export markets for products and services and export plans : Participation in international exhibition and registration and approval as vendors with more customers in different countries are some of the steps taken in this direction.
- Total foreign exchange used and earned. : Used : Rs. 10946.18 lacs
Earned : Rs. 19991.52 lacs

CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CORPORATE GOVERNANCE

Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the shareholders and other stakeholders of the Company. The Board supports the broad principles of Corporate Governance. In order to attain the highest level good Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS

Composition and category of directors; attendance of each director at the board meetings and the last AGM; number of other public companies on the Board or Committees of which, a director is a Director, Member or Chairperson; and number of board meetings, dates on which held, are as under:

Name of the Director	Category	Board Meeting Attended during the Year 2002-03	Attendance at the last AGM	No. of other Directorship	Member / Chairperson in No. of Board Committees (including other Companies) as at the date of Report
Shri G.R. Goenka-Chairman	P, NE, S	Nil	No	2	Nil
Shri B.K. Goenka-Vice Chairman & Managing Director	P, E*, S	3	No	11	1C, 7M
Shri R.R. Mandawewala	P, NE	3	No	9	1C, 7M
Shri M.L. Mittal	NE, I	5	No	4	1C, 4M
Shri Naresh Saluja (Nominee)	NE, I, L	5	No	4	5M
Shri J.S. Pal (Nominee)@	NE, I, L	1	No	5	1M
Shri K.H. Viswanathan (Alt. to Shri J. Scheutt)	NE	5	No	Nil	2C, 1M
Shri J. Scheutt	P, NE, S	Nil	No	Nil	Nil
Shri Atanu Chakraborty (Nominee)#	NE, I, S	Nil	No	5	Nil
Shri Hasnukh Adhia (Nominee)*	NE, I, S	1	No	13	Nil
Shri B.S. Jhuj*	E, I, S	Nil	No	Nil	Nil
Shri C.L. Meena	NE, I, S	1	No	12	Nil
Shri A.B. Shah	NE, I, S	2	No	5	Nil
Shri R.K. Jain \$	NE, I, S	2	Yes	1	1C, 2M

Finance / Demerger Committee memberships not included as the same are not considered with reference to the limit of the Committees on which a Director can serve.

Abbreviations:

P = Promoter, I = Independent, E = Executive Director, NE = Non-Executive Director, L = Lenders, S = Shareholders, C=Chairperson, M=Member.

* Appointed as Managing Director w.e.f. 01.07.2002

@ Resigned from Directorship w.e.f. 30.07.2002

Resigned from the Directorship w.e.f. 28.10.2002

% Resigned from Directorship w.e.f. 28.10.2002

& Resigned from Directorship w.e.f. 15.04.2002

\$ Appointed w.e.f. 30.07.2002

5 (Five) meetings of the Board of Directors were held during the financial year 2002-03 on the following dates :

14th May 2002, 28th June 2002, 30th July 2002, 28th October 2002 and 15th February 2003.

III. AUDIT COMMITTEE

a. Terms of reference

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement.

b. Composition

The Audit Committee was constituted by the Board of Directors at its meeting held on 23rd August, 1997 and comprises 3 non-executive directors majority of whom are independent Directors. The Chairman of the Committee is an independent director. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/Chairman	Number of Meetings Attended
Shri J.S. Pal@	Chairman	1
Shri R.K. Jain \$	Chairman	2
Shri K.H. Viswanathan	Member	3
Shri Naresh Saluja	Member	4

@ Resigned w.e.f. 28.10.2002.

\$ Appointed w.e.f. 30.07.2002

Shri R. Ganesh, Company Secretary of the Company is the Secretary of the Committee. 4 (Four) meetings of the Audit Committee of the Board of Directors were held during the financial year 2002-03 on following dates: 27th June 2002, 30th July 2002, 28th October 2002 and 15th February, 2003. Internal Auditors and Statutory Auditors and Director in charge of finance attended each of the meetings as per the provisions of section 292A of the Companies Act, 1956.

IV. REMUNERATION COMMITTEE

During the year under report, the Company has constituted the Remuneration Committee. A meeting of the Committee was held on 30th July, 2002. Terms of reference, composition, remuneration paid are as under:

a. Terms of reference

To recommend appointment of and remuneration to, Managerial Personnel and review thereof from time to time.

b. Composition of the committee

The Committee is comprising of 3 non-executive directors viz. Shri Naresh Saluja, Shri R. K. Jain and Shri K.H. Viswanathan.

c. Remuneration to Executive Directors

The details of remuneration to all the directors is as under:

During the year under report, Shri B.S. Jhuj- Director (Operations) who retired w.e.f. 15th April, 02 had drawn the following remuneration :

Salary	: Rs. 4.56 lacs
Incentive	: NIL
Stock option	: NIL
Notice period	: 1 month
Severance fee	: Nil

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During the year under review **Shri B.K.Goenka**, Vice-Chairman and Managing Director who has been appointed as Managing Director of the Company w.e.f. 01.07.2002 was paid following remuneration:

Salary	: Rs. 7.11 lacs
Incentive	: NIL
Stock option	: NIL
Notice period	: 1 month
Severance fee	: Nil

No remuneration was paid to non-executive directors.

V. SHARE TRANSFER AND INVESTOR'S GRIEVANCE COMMITTEE

a. Composition

The Share Transfer Committee was constituted by the Board of Directors at its meeting held on 30th December, 1996 and was later on renamed and re-constituted as Share Transfer and Investor's Grievance Committee. The Chairman of the Committee is a non-executive director. The composition of the Committee is given hereunder:

Name of the Member	Member/ Chairman
Shri K.H.Viswanathan	Chairman
Shri R.R.Mandawewala	Member
Shri M.L.Mittal	Member
Shri B.K.Goenka	Member

Compliance Officer: Shri R.Ganesh-Asst. Vice-President & Company Secretary

b. Number of Shareholders complaints / requests received during the year.

During the Year under review total 44 Investor's complaints / requests were received. Break-up and number of complaints / requests received under different category is given hereunder:

1. Non-Transfer/delay in transfer/split etc. of Shares	: 17
2. Stop Transfer	: 06
3. Miscellaneous	: 05
4. Delay in De / Re-materialisation of Shares	: 08
5. Payment of Allotment Money	: 07
6. Name Correction	: 01

All the complaints / requests received during the year under review were solved within the time to the satisfaction of the investors/shareholders and no complaint is pending as on 31.03.2003. All the shares received for transfer / transmission have been transferred / transmitted and no transfer is pending as at 31st March, 2003.

VI. GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are given hereunder:

Meeting	Day & Date of Meeting	Time	Place
5 th Annual General Meeting	Wednesday, 30 th August, 2000	12.30 p.m.	Registered Office : Village Jolva and Vadadla, Near Dahej, Taluka Vagra, Dist. Bharuch, Gujarat - 392 130.
6 th Annual General Meeting	Friday, 7 th September, 2001	12.00 p.m.	Registered Office: Village Jolva and Vadadla, Near Dahej, Taluka Vagra, Dist. Bharuch, Gujarat - 392 130
7 th Annual General Meeting	Thursday, 26 th September, 2002	12.30 pm	Registered Office: Village Jolva and Vadadla, Near Dahej, Taluka Vagra, Dist. Bharuch, Gujarat - 392 130.

During the year under review no resolution was passed through Postal Ballot.

VII. DISCLOSURE

- Related Party Transactions : Refer Note No. 13 of Schedule 19 to the Audited Financial Statement.
- There were no non compliance by the Company during the year under review and hence no penalties, and stricture was imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital market during last 3 years except the trading in Equity shares of the Company was suspended for few days by The Stock Exchange, Mumbai for non-payment of Listing Fees for the year 2001-2002 by oversight.

VIII. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent out to the Stock Exchanges immediately after they are approved / noted by the Board. Company published its un-audited / audited financial results in Western Times (English and Gujarathi editions).

These results are simultaneously posted on the website of the Company at www.welspunpipes.com. The Official press release is also available on the website.

Management Discussion and Analysis annexed to the Report.

IX. GENERAL SHAREHOLDER INFORMATION

AGM : Date, Time & Venue

Annual General Meeting shall be held on Saturday, 27th September, 2003 at 1.00 p.m. at the Registered Office of the company at Village Jolva & Vadadla, Tal: Vagra, Dist. Bharuch, GUJARAT - 392 130.

Financial Year of the Company : is 1st April to 31st March.

Date of Book Closure: Friday, 19th September, 2003 to Saturday, 27th September, 2003 (both days inclusive).

Dividend payment date: Not applicable.

Listing on Stock Exchanges: Ahmedabad (Regional), Mumbai and Calcutta.

The Company has applied for de-listing of its shares from The Stock Exchange, Calcutta pursuant to SEBI guideline for voluntary de-listing. All formalities have



been completed and the de-listing permission is awaited from The Stock Exchange, Calcutta.

Stock Code: The Stock Exchange, Mumbai : 532144
The Stock Exchange, Ahmedabad : 67276
ISIN No. (For dematerialized shares) : 191B01017

Stock Market price data : High & Low price of equity shares on The Stock Exchange, Mumbai is as under.

Month-Year	High (Rs.)	Low (Rs.)
April - 2002	9.05	7.40
May - 2002	8.95	6.25
June - 2002	11.20	7.10
July - 2002	12.80	8.50
August - 2002	9.25	7.15
September-2002	8.65	7.00
October-2002	8.00	7.10
November-2002	10.75	7.15
December-2002	10.40	8.80
January-2003	9.90	8.15
February-2003	9.90	7.30
March-2003	7.75	6.75

Performance in comparison to broad-based indices i.e. BSE Sensex is as under:

Month-Year	BSE Index	Closing price of Shares (Rs.)
April - 2002	3338.16	8.35
May - 2002	3125.73	7.15
June - 2002	3244.70	10.30
July - 2002	2987.65	8.60
August - 2002	3181.23	8.05
September-2002	2991.36	7.50
October-2002	2949.32	7.10
November-2002	3228.82	8.85
December-2002	3377.28	9.15
January-2003	3250.38	8.25
February-2003	3283.66	7.40
March-2003	3048.72	7.10

Registrar and Transfer Agent: The Company has appointed Registrar and Transfer Agent to handle the share transfer work and to solve the complaints of shareholders. Name, Address and telephone number of Registrar and Transfer Agent is given hereunder:

M/s. MCS Ltd.,

Sri Venkatesh Bhawan,
Plot No. 27, Road No. 11,
MIDC, Andheri (East)

Mumbai - 400 093

Tele. No.: +91 - 22 - 28215235 Fax No. : +91 - 22 - 28350456

Contact person: Mr. N. Surreash

Share Transfer System : Shares sent for transfer in physical form are registered by our Registrar and Share Transfer Agent within 30 days from the receipt of the documents, if the same are found in order. Shares under objection are returned within two weeks.

Distribution of Shareholding:

Shareholding Pattern as on 31st March, 2003

No. of Equity Shares held	No. of shareholders	Percentage of Shareholders	Total No. of shares held	Percentage of Shares held
Upto - 500	10450	72.91%	2980431	2.11%
501-1000	2231	15.57%	2110599	1.49%
1001-2000	737	5.14%	1298227	0.92%
2001-3000	279	1.95%	753823	0.53%
3001-4000	131	0.91%	495977	0.35%
4001-5000	140	0.98%	683701	0.48%
5001-10000	190	1.33%	1547383	1.09%
10001 and above	174	1.21%	131485619	93.02%
Total	14332	100.00%	141355760	100.00%

Shareholding of the Directors of the Company as on 31st March, 2003

Name of the Director	No of shares	%
Shri B.K.Goenka	200	0.00
Shri R.R.Mandawewala	200	0.00

De-materialization of shares and liquidity: As on 31st March, 2003, 81.91% shares have been dematerialized and has reasonable liquidity on The Stock Exchange, Mumbai.

Plant locations: Village Jolva and Vadadla, Near Dahej, Tal: Vagra, Dist: Bharuch, Gujarat (INDIA) - 392 130.

Address for correspondence: The Company Secretary, Welspun Gujarat Stahl Rohren Ltd., B-9, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-13.

Tel: 022-2490 8000-4, Fax: 022-2490 8020-21

Email : wgsrl@bom5.vsnl.net.in

Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To the members of
Welspun Gujarat Stahl Rohren Limited

We have examined the compliance of conditions of Corporate Governance by Welspun Gujarat Stahl Rohren Ltd., for the year ended on 31st March, 2003, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.