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WELSPUN

GUJARAT STAHL ROHREN LIMITED

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9TH ANNUAL REPORT 2003 - 2004

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WELSPUN GUJARAT STAHL ROHREN LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	G. R. Goenka	Chairman
	B. K. Goenka	Vice - Chairman & Managing Director
	Sanjoy Chowdhury	Nominee Director of IFCI Ltd.
	P. D. Vaghela	Nominee Director of GIIC Ltd.
	A. B. Shah	Nominee Director of GIIC Ltd.
	K. H. Viswanathan	Director
	Rajkumar Jain	Director
	R. R. Mandawewala	Director
	M. L. Mittal	Director (Finance)
	Braja K. Mishra	Chief Executive Officer
AUDITORS	M/s. MGB & Co. Chartered Accountants	
COMPANY SECRETARY	R. Ganesh	
BANKERS	Bank of Baroda Punjab National Bank State Bank of India Canara Bank Oriental Bank of Commerce Andhra Bank Syndicate Bank Development Credit Bank Limited Bank of India State Bank of Bikaner & Jaipur	
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. : 022-2490 8000 - 4 Fax : 022- 2490 8020 / 2490 8021 E-mail : wgsrl@bom5.vsnl.net.in Website : http://www.welspunpipes.com	

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	INDEX	
1.	Directors' Report	1
2.	Auditors' Report	10
3.	Balance Sheet	12
4.	Profit & Loss Account	13
5.	Schedules	14
6.	Cash Flow	27
7.	Balance Sheet Abstract	28

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DIRECTORS' REPORT

To,
The Members,
Welspun Gujarat Stahl Rohren Limited.

Your Directors have pleasure in presenting the **NINETH ANNUAL REPORT** on the business, operations and financial performance of the Company during the financial year ended 31st March, 2004.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	For the year ended 31st March, 2004	31st March, 2003
Income from operations	**88964.75**	39417.15
Profit before interest, depreciation & tax	**15705.90**	5455.21
Less : Interest / Finance costs	**2300.33**	3651.51
Gross Profit / (Loss)	**13405.57**	1803.70
Less: Depreciation	**1831.73**	1700.17
Profit for the year	**11573.84**	103.53
Extra-ordinary items	**358.46**	—
Less : Provisions for current taxation	**515.00**	8.00
Previous Years	**(0.14)**	—
Provision for deferred taxation	**3502.85**	(59.18)
Add : balance brought forward from previous year	**164.22**	9.52
Balance carried forward to next year	**7361.89**	164.22

PERFORMANCE

The year 2003-04 has turned out to be an eventful year for your Company, when the performance could bloom to the potential. Successful execution of the 210 Kms 42" dia pipe order from Gail (India) Ltd. followed by the 100 Kms 56" dia pipe for NIGC, Iran were the hallmark of achievements of your Company for the year under review.

The Company also entered into the premium segment of Sour Service Pipes by commencing execution of a large 247 Km order from PEDCO, Iran.

Your Company achieved 115 % growth in turnover over the previous year. Production for the year was higher at 261817 MT as compared to 137756 MT in the previous year. Exports grew by 78 % from Rs.19992 lacs to Rs.35673 lacs. Profit after tax at 7197.67 lacs as compared to Rs.154.70 lacs is higher by 46 times. Apart from substantial growth in turnover, significant 37 % reduction in finance costs from Rs.3651 lacs to Rs. 2300 lacs has been another major factor contributing to the improved performance of the Company.

DIVIDEND

Despite a good performance for the year, your directors are unable to recommend any dividend as substantial portion of the accruals have been utilized for prepayment of high cost term loans and debentures.

PROSPECTS

Apart from the current order from PEDCO, Iran for supply of linepipes for sour gas application under execution, your Company has bagged two major orders, one from Agip Oil Company Ltd., Libya and another from Hyundai Heavy Industries Ltd. for ONGC MUT project. The order book position for the spiral mill is fully booked for the year. Barring unforeseen circumstances, your Company should achieve the turnover of over Rs.1000 crores which would be a major landmark. However, significant fluctuations in the foreign currencies and the tight supply situation coupled with continued rise in steel prices could affect the performance of the Company in terms of profitability. Your management is taking adequate steps to arrest the negative impact of these factors.

KEY ACHIEVEMENTS

- Execution of 210 Kms order from GAIL (India) Limited well ahead of schedule puts your Company as one of the most reliable and committed vendor for saw pipes in the country
- Your Company is the first in the country to manufacture 56" dia high wall thickness coated LSAW pipes. The manufacture and successful handling of the logistics associated with the execution of such orders is a feather in the Company's cap.
- First Indian manufacturer to be registered with GAZPROM of Russia, that opens up the Company to the huge potential market of Siberia known for its rich oil and gas reserves.
- Eupec-Welspun PipeCoatings India Ltd. (EWPCIL), the joint-venture company commenced the commercial production of its CTE coating facility and is currently executing a major order for IOCL.

MANUFACTURING FACILITIES / EXPANSION PLANS

The manufacturing facilities at Dahej have reflected its ability to perform to its potential and have turned out a production 677 Kms of pipes. Your Company has invested regularly for improvements in the areas of material handling, process resource tools, inspection and quality control, storage facilities to ensure improved performance and meet the needs of the order execution process. ERP system has been utilized as an effective management tool to enhance performance.

Encouraged by the creditable performance, your Company has embarked upon a substantial expansion plan to enhance the existing capacity for manufacture of Spiral and Longitudinal Welded Pipes along with pipe coating facilities. Further, to ensure that the Company is able to cater to all the sizes of pipes required by the customers, it has been decided to set up plant facilities for manufacture of ERW Pipes of size 1½" to 6" dia and 6" to 16" dia. The said facilities are being set up in the backward area of Anjar in Kutch District of the State of Gujarat. Apart from close proximity to the ports of Kandla and Mundra, the Expansion Project would be entitled to Sales Tax and Excise benefits. The project is proposed to be financed by a mix of forex loans and low cost rupee

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borrowings. Commercial production is expected to go on stream during the last quarter of the calendar year 2004.

JOINT VENTURE

Eupec-Welspun PipeCoatings India Ltd. (EWPCIL), the joint-venture company has also posted a significant improvement in its performance for year ended 31.03.2004. Turnover for the year has increased to Rs. 9468.26 lacs from 2966.66 lacs reflecting a growth of 219.16 %.The profit after tax stood at Rs. 727.23 lacs as compared to the Rs. 197.76 lacs of the previous year. The joint venture company has declared a maiden dividend of 15% for the year.

Apart from CTE coating order from IOCL, EWPCIL is also poised to execute coating orders for GAIL projects and for coated pipe orders of your Company for the current year.

SCHEME OF ARRANGEMENT

Under the Scheme of Arrangement approved by the Board, Eupec-Welspun PipeCoatings India Ltd. (EWPCIL), the joint-venture company is proposed to be merged with your Company and the swap ratio is fixed at 10 shares of your Company for every 15 shares held in EWPCIL. As part of the scheme, the capital structure of the merged entity is proposed to be reorganized to 53534516 Equity Shares of Rs.10/- each Fully Paid-up after canceling Rs.6.50 of every Equity Share of Rs.10/- Fully Paid-up and the balance Rs.3.50 Full Paid-up Equity Share being consolidated in to Equity Shares of Rs.10/- each fully paid up.

The paid-up share capital after implementation of the Scheme of Arrangement would be Rs.5353.45 lacs. The Scheme is subject to the approval of the Honb'le High Court of Gujarat and would take effect upon filing of the Orders of the said High Court with the Registrar of Companies or the date on which the last of all such consents,approvals, permissions, resolutions, agreements, sanctions and orders necessary thereto have been obtained or passed with effect from the appointed date being 1st April, 2003.

TERM LOANS AND DEBENTURES

During the year under review, your Company has prepaid/ repaid high cost rupee loans and debentures amounting to Rs.12789.59 lacs. Foreign currency loans has declined by Rs.1559.24 lacs. Part of the repayment has been met by fresh low cost rupee loan of Rs. 5000 lacs from State Bank of India. As part of the prepayment arrangement with IFCI, your Company is required to allot Zero Rate Debentures (ZRDs) amounting to Rs. 213.56 lacs.

DIRECTORS

During the year under review, the changes in the Board of Directors of the Company were as under:

- Shri Chaman Kumar who was nominated in place of Shri C. L. Meena as a nominee by GIIC Ltd. (Associate Sector Partner) w.e.f. 14th July, 2003 held office till 30th January, 2004. Shri P.D.Vaghela has been nominated in his place w.e.f. 30th January, 2004;
- IFCI Ltd. nominated Shri Sanjoy Chowdhury in place of Shri Naresh Saluja as its nominee on the Board of the Company w.e.f. 27th October, 2003;
- Shri S. V. Joglekar who was appointed as Director (Operations) of the Company w.e.f. 28th November, 2003 resigned w.e.f 31st March, 2004 on personal grounds;
- Shri J. Scheutt, nominee of INTERTECH ceased to be a director w.e.f. 30th January, 2004 and Shri K. H. Viswanathan, Alternate to Shri J.Scheutt was appointed as a director to fill the casual vacancy.

Further, the following changes were made in the Board of Director after the end of the financial year.

- Shri Braja K Mishra, Chief Executive Officer of the Company has been inducted as Director w.e.f. 1st May, 2004.

Your Directors welcome the new members on the board of the Company and place on record its appreciation for the services rendered and contributions made by Shri C. L. Meena, Shri Naresh Saluja, Shri Chaman Kumar,Shri S. V. Joglekar and Shri J. Scheutt during their tenure.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri K. H. Viswanathan, Shri Rajkumar Jain and Shri P. D. Vaghela 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 :

(i) That in the preparation of the accounts for the financial year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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 of the Company for the year under review;

(iii) 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;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2004 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 resolution under Section 224 of the Companies Act, 1956.

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AUDITORS' REPORT

The observation of the Auditor on recognition of certain sales without effecting deliveries under circumstances detailed therein does not call for any additional comments. The notes to the account referred to in the Auditors' Report and other observations are self explanatory and therefore do not call for any further comments.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF 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

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and Accounts is being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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, Ahmedabad (Regional), The Stock Exchange, Mumbai and the National Stock Exchange of India Ltd. 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

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 the 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
Dated : 31st July 2004

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FORM – A

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	CURRENT YEAR 2003-2004	PREVIOUS YEAR 2002-2003
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
PURCHASED		
A. UNIT (IN '000S)	**605.94**	140.05
TOTAL AMOUNT (Rs IN LACS)	**36.70**	14.01
RATE/UNIT (Rs)	**6.06**	10.00
B. OWN GENERATION		
(I) THROUGH CAPTIVE POWER PLANT		
GENERATOR UNIT (IN '000S)	**14792.78**	12189.79
UNITS GENERATOR PER UNITS OF FUEL	The Captive Power Plant 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)	**1.53**	1.81
(II) THROUGH STEAM TURBINE / GENERATOR	**Nil**	Nil
2 COAL (SPECIFY QUALITY AND WHERE USED)	**Nil**	Nil
3 FURNACE OIL	**Nil**	Nil
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

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCTS	STANDARD	CURRENT YEAR	PREVIOUS YEAR
NAME OF PRODUCT:	Welded Pipes		
ELECTRICITY		**58.81**	89.90
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)

01 Specific areas in which R&D is carried out by the Company : None

02 Benefits derived as a result of the above R&D. : Not Applicable.

03 Future plan of action : The Company has regular system of plans/ efforts for constant improvement in the operational process as part of R & D activities.

04 Expenditure on R&D
- (a) Capital : Nil
- (b) Recurring : Nil
- (c) Total : Nil
- (d) Total R&D expenditure as a percentage of total turnover. : N.A.

Technology absorption, adaptation and innovation.

01 Efforts, in brief, made towards technology absorption, adaptation and innovation. :
- i) Successful trial of high wall thickness- high tensile steel pipes.
- ii) In-house fabrication of Expander Boom for 56" dia.
- iii) Manufacture of Nace grade pipes.

02 Benefits derived as a result of the above efforts. Product improvement, cost reduction, product development, import substitution, etc. :
- i) Enhanced operational capacity
- ii) Cost reduction & import substitution.
- iii) Capacity to compete with seamless pipes
- iv) Enhanced customer confidence

03 In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished
- (a) Technology imported : Basic engineering consultancy. Proces engineering and technical know-how from INTERTEC GmbH, Germany
- (b) Year of import : Commenced in 1996-97.
- (c) Has technology been fully absorbed ? : Technology for both Spiral and Longitudinal Pipe mill has been fully absorbed.
- (d) 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 achieved significant growth in Exports and has received major orders for executions in the coming year.

Initiatives taken to increase exports : Increased participation in international bids and tenders; appointment of local liaison agents; and Execution of trial orders.

Development of new export markets for products and services and export plans : Participation in international exhibition, Vendor registration with global oil and gas majors in different countries

Total foreign exchange used and earned. : Used : Rs. 51644.14 lacs
: Earned : Rs. 35673.34 lacs

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CORPORATE GOVERNANCE REPORT – 2004

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 2003-04	Attendance at the Last AGM	No. of other Directorship	Member/Chairperson in No. of Board Committees including other Companies
Shri G.R.Goenka-Chairman	P, NE, S	2	No	2	Nil
Shri B.K.Goenka-Vice Chairman & Managing Director	P, E, S	5	No	13	7M, 1C
Shri R.R.Mandawewala	P, NE	3	No	10	7M, 1C
Shri M.L.Mittal – Director (Finance)	E, I	6	Yes	4	4M, 1 C
Shri S.V.Joglekar – Director (Operations)@	E, S	Nil	N.A.	Nil	Nil
Shri J.Scheutt#	P, NE, S	Nil	No	Nil	Nil
Shri K.H.Viswanathan	NE	5	No	Nil	1M, 2C
Shri Naresh Saluja (Nominee)$	NE, I, L	1	No	4	5M
Shri C.L.Meena%	NE, I, S	Nil	N.A.	12	Nil
Shri A.B.Shah	NE, I, S	4	No	3	Nil
Shri Sanjoy Chowdhury (Nominee)	NE, I, L	2	N.A	2	2
Shri Chaman Kumar&	NE, I, S	2	No	11	Nil
Shri P. D.Vaghela (Nominee)	NE, I, S	Nil	N.A.	10	Nil
Shri Rajkumar Jain	NE, I, S	5	Yes	2	1M, 2C

@ 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.

% Ceased to be a director w.e.f. 14.07.2003

$ Ceased to be a director w.e.f. 27.10.2003

Ceased to be a director w.e f 30.01.2004.

& Ceased to be a director w.e.f. 30.01.2004

@ Ceased to be a Director w.e f. 31.03.2004.

6 (Six) meetings of the board of directors were held during the financial year 2003-04 on the following dates: 12th June, 2003, 30th June 2003, 14th July 2003, 27th October 2003, 28th November, 2003 and 30th January, 2004.

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

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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 Rajkumar Jain	Chairman	4
Shri K.H.Vishwanathan	Member	4
Shri Naresh Saluja*	Member	1
Shri Sanjoy Chowdhury#	Member	1

* Ceased to be a member of the Committee w.e.f. 27.10.2003.

\# Inducted as member of the Committee w.e.f. 27.10.2003.

4 (Four) meetings of the Audit Committee of the Board of Directors were held during the financial year 2003-04 on following dates: 30th June 2003, 14th July 2003, 27th October 2003 and 30th January, 2004.

IV. REMUNERATION COMMITTEE

The Company has duly constituted Remuneration Committee consisting of independent, non-executive directors. During the year under review, 3 meeting of the Committee was held on 30th June, 2003, 14th July, 2003 and 28th November, 2003. 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 comprises of 3 non-executive directors as on 31st March, 2004 viz. Shri Sanjoy Chowdhury, Shri Rajkumar Jain and Shri K. H. Viswanathan.

c. Remuneration to Executive Directors

The details of remuneration paid/ payable to the directors for the Financial Year 2003-04 onwards subject to schedule XIII of the Companies Act, 1956 is as under :

1) Shri B. K. Goenka - Vice Chairman and Managing Director
   Basic Salary : Rs. 30,00,000/-
   Besides the above Shri Goenka is entitled for a commission of 1 % on the profits determined under Section 349 of the Companies Act, 1956.
2) Shri. M.L.Mittal - Director (Finance)
   Basic Salary : Rs. 11, 25,000/-
   Medical Re-imbursement : Rs. 10,000/-
3) Shri. S.V.Joglekar - Director (Operations)
   Basic Salary : Rs. 7,80,800/-
   Incentives : Rs.1,17,120/-
   Contribution to Provident Fund : Rs. 93,696/-
   Allowances and Re-imbursement : Rs. 6,800/-

During the year under review, no remuneration was paid to non-executive directors.

V. SHARE TRANSFER AND INVESTOR'S GRIEVANCE COMMITTEE

a. Composition

The Share Transfer and Investor Grievance Committee is constituted in accordance with the Clause 49 of the Listing Agreement. 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 94 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 : 52
2. Stop Transfer : 11
3. Miscellaneous : 8
4. Delay in De / Re-materialisation of Shares : 23

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 31.03.2004. All the shares received for transfer / transmission have been transferred / transmitted and no transfer is pending as at 31st March, 2004.

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
6th Annual General Meeting	Friday, 7th September, 2001	12.00 noon	Registered Office: Village Jolva and Vadadla, Near Dahej, Taluka Vagra, Dist. Bharuch, Gujarat – 392 130.
7th Annual General Meeting	Thursday, 26th September, 2002	12.30 p.m.	Registered Office
8th Annual General Meeting	Saturday, 27th September, 2003	1.00 p.m.	Registered Office

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

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VII. DISCLOSURE

a. Related Party Transactions : Refer Note 17 of Notes on Account.

b. 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 Exchnage, 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) and Economic Times.

These results are simultaneously posted on the website of the Company at **www.welspunpipes.com** and the website of Securities and Exchnage Board of India. 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 Thursday, 30th September, 2004 at 3.45 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 : 1st April to 31st March.

Date of Book Closure : Monday, 20th September, 2004 to Thursday, 30th September, 2004 (both days inclusive).

Dividend payment date : Not applicable.

Listing on Stock Exchanges : The Ahmedabad Stock Exchange (Regional), National Stock Exchnage of India, The Stock Exchange, Mumbai and The Stock Exchange, KolKata.

The Company has applied for de-listing of its shares from The Stock Exchange, Kolkata pursuant to SEBI guideline for voluntary de-listing. All formalities have been completed and the de-listing permission is awaited from The Stock Exchange, KolKata.

Stock Code /Symbol :

The Stock Exchange, Mumbai : 532144

National Stock Exchange of India : WELSPUNGUJ; Series : EQ

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 and The National Stock Exchange of India Ltd. are as under.

	BSE		NSE *	
Month - Year	High (Rs.)	Low (Rs.)	High(Rs.)	Low (Rs.)
April – 2003	8.25	6.80	-	-
May - 2003	13.00	7.00	-	-
June - 2003	21.06	10.50	-	-
July - 2003	28.70	19.80	-	-
August- 2003	29.85	21.80	-	-
September-2003	34.45	23.05	-	-
October-2003	41.35	34.00	-	-
November-2003	47.95	39.80	-	-
December-2003	53.20	42.25	53.90	45.80
January-2004	52.45	35.15	55.00	35.30
February-2004	43.65	31.10	43.90	31.80
March-2004	39.05	26.90	39.40	26.80

* The Company's shares are listed at National Stock Exchanges of India w.e.f. 4th December, 2003.

Performance in comparison to broad-based indices i.e. BSE Sensex / NSE Nifty are as under :

Month - Year	BSE Index	Closing price of Shares (Rs.)	NSE Nifty	Closing price of Shares (Rs.)
April - 2003	2959.79	7.50	*	*
May - 2003	3180.75	10.60	*	*
June - 2003	3607.13	20.99	*	*
July - 2003	3792.61	24.15	*	*
August - 2003	4244.73	23.90	*	*
September - 2003	4453.24	34.20	*	*
October - 2003	4906.87	40.90	*	*
November - 2003	5044.82	43.45	*	*
December - 2003	5838.96	49.90	1879.75	49.90
January - 2004	5695.67	39.05	1809.75	39.15
February - 2004	5667.51	32.80	1800.30	32.85
March - 2004	5590.60	29.00	1771.90	29.95

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 Venktesh Bhawan, Plot No. 27, Road No. 11,
MIDC, Andheri (East) Mumbai – 400 093.
Tele. No. : +91- 22 - 2821 5235
Fax No. : +91 -22 – 2835 0456
Contact person : Shri Surreash

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