

MUKAT PIPES LIMITED

20TH
Annual Report
2006-2007

Mukat Pipes Limited

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 20TH ANNUAL GENERAL MEETING OF THE MEMBERS OF *MUKAT PIPES LIMITED* WILL BE HELD ON TUESDAY, THE 13TH SEPTEMBER, 2011 AT 10.00 A.M. AT TIME AND AGAIN, 9 RAHEJA CLASSIQUE LINK ROAD, NEXT TO CINEMAX, LOKHANDWALA, ANDHERI (W), MUMBAI-53, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2007 and Profit and Loss Account for the year ended 31st March, 2007 and Report of Auditors and Directors thereon.
2. To appoint a Director in place of **Mr. Rupinder Singh Ahluwalia** who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of **Mr. Rajkumar Bali** who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and authorize the Board of Directors to fix their remuneration.

By Order of the Board

For MUKAT PIPES LIMITED,

RUPINDER SINGHAHLUWALIA
CHAIRMAN

Registered Office:

Flat No. 39, Parag Apartments,
7th Floor, J.P. Road, Versova,
Andheri (West), Mumbai 400061.

Place: RAJPURA

Date: 23rd June, 2011.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. **The Register of Members and Register of Transfers will remain closed from 07.09.2011 to 13.09.2011, (both days inclusive).**
3. **Members are requested to intimate any change in their address to the Company and Share Transfer Agents- M/s. Link Intime India Pvt. Ltd. (Formerly M/s. Intime Spectrum Registry Ltd.), C/13, Pannalal Silk Mill Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 at the earliest quoting their Folio Numbers.**
4. **Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 8 days before the date of the meeting so that the information required may be made available at the meeting.**
5. **The relevant details of Directors retiring by rotation, seeking re-appointment as required by Clause 49 of the Listing Agreement are given under the Corporate Governance Report.**
6. **Members are requested to bring the copy of Annual Report sent to them.**

20th Annual Report

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 20th Annual Report & Audited Accounts for the year ended 31st March 2007. The directors regret delay in the same due to certain litigations and/or disputes between 2 groups of Directors before various Hon'ble Courts. Hence, though the accounts were ready, the same could not be placed earlier before the Members for adoption. The same are being presented now.

FINANCIAL HIGHLIGHTS

The salient features of the Company's working are as under:-

	April to March 2006-07 (Rs.in lacs)	April to March 2005-06 (Rs.in lacs)
Sales and other income	989.75	811.85
Profit/(Loss) before Interest, Depreciation & Tax (PBDIT)	(76.31)	23.23
Less: Interest	1.08	0.00
Profit/(Loss) before Depreciation & Tax.	(77.39)	23.23
Less: Depreciation	183.01	184.74
Profit/(Loss) before Tax	(260.40)	(161.51)
Less: Provision for Taxation	0.00	0.00
Taxation for earlier years	0.00	0.00
Provision for deferred Tax	0.00	0.00
Prior period Adjustment	0.00	10.00
Profit after Tax	(260.40)	(151.41)
Balance Brought Forward	(2721.64)	(2570.23)
Balance available for appropriation	(2982.04)	(2721.64)

DIVIDEND

In view of the accumulated losses, your Directors do not recommend any dividend for the year under review.

FINANCIAL AND OPERATIONAL REVIEW

During the year under review the Company registered a gross income of Rs.989.75 lacs (P.Y. Rs.811.85 lacs) with negative PBDIT of Rs.76.31 lacs (P.Y. with a positive PBDIT of Rs. 23.23 lacs). Further due to the non-availability of need based working capital finance, the average capacity utilization of Rajpura unit was very low. Moreover, due to continuous closure of manufacturing operations of ERW unit at Baramati during the year has resulted into loss for that unit.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the Public during the year under review.

BOARD OF DIRECTORS

Though the Annual Accounts under reference pertain to the Financial Year 2006-07, under the provisions of the Companies Act, 1956, since the Board Report should give material particulars till the date of making the Report, particulars of Board of Directors are furnished from the previous Report dated 8th May 2007 till the date of this Report.

At the Adjourned 19th Annual General Meeting held on 27th April 2009, the Members had appointed Mrs. Sandeep Kaur Ahluwalia, Ms. Mandeep Ahluwalia Pahwa & Mr. Amrik Singh Grewal as Directors, liable to retire by rotation.

Thereafter, at the Extra Ordinary General Meeting held on 8th August 2009, convened at the requisition of some of the Members of the Company, Mrs. Sandeep Kaur Ahluwalia, Ms. Mandeep Ahluwalia Pahwa & Mr. Amrik Singh Grewal were removed as Directors and Mr. Bhagwati Prasad Mangal, Mr. Hemang Nalin Shah, Mr.

Satishkumar Bandurao Desai, Mr. Anil Kumar Jain and Mr. Mathew John Lewis were appointed as Directors. The Hon'ble CLB, New Delhi vide their Order dtd. 7th August, 2009, allowed the holding of the said EOGM but restrained to implement the decisions taken at the EOGM till the completion of the suit proceedings in the High Court of Bombay and also the Arbitration Proceedings at Mumbai. Accordingly, the effect of the said Appointment of 5 (Five) Directors as well as the Removal of 3 (Three) Directors made at the said EOGM were deferred. However, the said Order of the CLB, New Delhi, was set aside by the Hon'ble High Court of Bombay vide their Order dated 4th December, 2009. This Order of the Hon'ble High Court of Bombay dated 4th December, 2009, was then challenged in the Supreme Court by way of a Special Leave Petition under SLP no. 2549/2010 .

The Hon'ble Supreme Court vide Order dated 12th May, 2011 while disposing off the SLP No. 27174/2009 declared the Special Leave Petition under SLP no. 2549/2010 (and accordingly the Order of the Hon'ble Bombay High Court dated 4th December, 2009), as infructuous. Accordingly, the Removal of the said 3 (Three) Directors as well as the Appointment of the said 5 (Five) Directors made by the Members of the Company at the said EOGM held on 8th August 2009, were considered *ineffective & non-operative*.

A Compromise Deed dated 5th January, 2011 was entered into by and between Mr. Kuljinder Singh Ahluwalia, Mr. Ravinder Singh Ahluwalia on one hand and Mrs. Sandeep Kaur Ahluwalia on the other hand. In terms of the said Compromise Deed dated 5th January, 2011, read with H'ble Supreme Court's Order dated 12th May, 2011, in SLP No. 27174 of 2009 and 2549 of 2010,, Mr. Kuljinder Singh Ahluwalia and Mr. Ravinder Singh Ahluwalia, Directors were deemed to have resigned from the Board of Directors w.e.f. 12th May 2011.

Mr. Rupinder Singh Ahluwalia & Mr. R. K. Bali, Directors retire by rotation and being eligible offered themselves for reappointment. As required under Clause 49 of the Listing Agreement, brief particulars of Directors retiring by rotation are furnished in the Corporate Governance Report.

AUDITORS

M/s. R.P. Bhambhri & Co., Chartered Accountants, Patiala, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible, offered themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm that;

- i. In the preparation of the Annual Accounts for the Financial Year ended March 31, 2007, the Applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- ii. 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 as at 31/03/2007 and of the Profit and Loss Account for that year.
- iii. 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 March 31, 2007 on a 'going concern' basis.

AUDIT QUALIFICATION

The credit facilities granted by Punjab National Bank (PNB), Industrial Development Bank of India (IDBI) and Oriental Bank of Commerce (OBC) to the Company have been designated as NPA accounts under the prudential norms applicable to our accounts. The company has been negotiating OTS (One Time Settlement) proposals with P.N.B, I.D.B.I. and O.B.C. the bankers of the company. As the amounts of the proposed OTS with the banks are not ascertained, the company has not provided interest accrued for the financial year in these accounts. The other qualifications/remarks of the Auditors, if any, have been duly clarified either in their Report or in the Notes to the Accounts and the same are self explanatory.

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is annexed as Annexure "A" to this report.

PARTICULARS OF EMPLOYEES AND INDUSTRIAL RELATIONS

The Company does not have any employee drawing salary in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended.

REFERENCE TO BIFR (BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION)

The Hon'ble Bench –I of BIFR vide summary record of the proceedings of the hearing held on 29-8-2006 before Shri Ravinder Gupta, Chairman, and A.K. Goswami, Member declared that the company had become a sick industrial Company in terms of section 3(i)(o) of the Act. The Bench appointed SASF (Stressed Assets Stabilization Fund) as the Operating Agency (O.A.) under section 17(3) of the Act with directions to prepare a viability study report and revival scheme for the company. The Hon'ble Bench under guidelines for preparation of Rehabilitation Scheme suggested the company to submit a comprehensive and fully tied up proposal, indicating verifiable means of finance within 6 weeks to the O.A. & other concerned. The Hon'ble BIFR also suggested in the guidelines that the rehabilitation scheme preferably be based on R.B.I parameters. Failing that, One Time Settlements of secured dues be explored. The Board of Directors authorised Ms. Mandeep Ahluwalia Pahwa, Director, to negotiate O.T.S with the secured creditors, namely, IDBI, PNB and OBC in the best interest of the company and to initiate effective steps to prepare the revival proposal of the company as per guidelines of BIFR.

CORPORATE GOVERNANCE

As informed earlier, due to various litigations and/or disputes between 2 groups of Directors, the compliance of various Statutory requirements including Listing Agreements were not fully met. However, the Board had strived to comply with applicable provisions of the Listing Agreement. Pursuant to Clause 49 of the Listing Agreement, the Corporate Governance Report for the financial Year 2006-07 is attached herewith.

The Management Discussion and Analysis Report are also covered under the Corporate Governance Report.

APPRECIATION

The Directors wish to express their gratitude for the support and co-operation extended to the Company by its investors, Government Agencies, Bankers and Financial Institutions during the year under review. Your Directors would also like to place on record their appreciation for the commitment, co-operation and contribution extended by all the employees of the Company.

Place : RAJPURA
Date : 22ND June, 2011

For and on behalf of the Board,

RUPINDER SINGH AHLUWALIA

(CHAIRMAN)

ANNEXURE 'A' TO THE DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY:

Measures of energy conservation have been continued systematically and conscious efforts are made to bring awareness amongst users for energy conservation. The Company has not made any additional Capital investment on energy conservation equipment devices, during the year 2006 – 2007.

Total energy consumption and energy consumption per unit of production is as follows:

FORM A

		Current Year (2006-2007)	Previous Year (2005-2006)
1. Electricity			
a)	Purchased Units (KWH)	260898	233326
	Total Amount (Rs.)	1242150	1509350
	Rate/Unit (Rs.)	4.76	6.47
b)	Own generation		
	Through Diesel Generator		
	Units Generated (KWH)	33107	18240
	Total Amount (Rs.)	323702	173193
	Cost/Unit (Rs.)	9.78	9.50
2. Consumption per unit of production			
	Production : M.S.Pipes (Unit in MT)	1718.580	1607.605
	Electricity Consumption/MT (KWH)	171.07	156.48

B. TECHNOLOGY ABSORPTION:**FORM B**

Disclosure of particulars with regard to technology absorption

Though the Company has not incurred any Capital expenditure on Research & Development during the year, emphasis has been given by introduction of various new methods of on-line inspection to improve manufacturing process and quality to result in better productivity. Quality Control Department is equipped with automatic equipments for quality control which has produced positive results.

Technology absorption, adaptation and innovation.

- i) Continuous efforts are made towards technology absorption, adoption and innovation. Plant operation and maintenance personnel are regularly imparted training (in house and outside) through study of technical literature and seminars.
- ii) Benefits derived as a result of the above efforts
 - improvement in productivity, cost reduction, product development etc.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particular	2006-2007 (Rs.in lacs)	2005-2006 (Rs.in lacs)
- Earning	Nil	Nil
- Outgo	Nil	1.30

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CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the listing agreement a Report on Corporate Governance is given below:

1. Company's Philosophy on code of Governance

Your Company's philosophy on corporate Governance envisages compliance with Statutory requirements, transparency and optimum disclosure of material Information, improvements and maintenance of product quality, professionalism and accountability in its dealing, human resource management, thereby striving for high standards of Corporate Governance.

2. Board of Directors

a) Composition:

As on March 31st, 2007, the Board consists of Seven(7) Directors out of which Four (4) Directors are Non-Executive Directors, Two(2) are Non- Executive Independent Directors and Chairman of the Board is Mr. Rupinder Singh Ahluwalia who is an Executive Director.

b) Board Meetings:

During the year under review, the Board of the Company met once on 08.03.2007.

c) Details of Directors, their attendance at Board Meeting & last Annual General Meeting and Directorships,

Name of Directors	Category	Attendance particulars	No. of outside Directorship and Committee Membership in domestic public companies. #					
			Board Meetings	Other Directorships		Committee Memberships		No. of Shares held
				As a Member	As a Chairman	As a Member	As a Chairman	
Mr.Kuljinder Singh Ahluwalia	Non-Executive	Nil	4	1	2	Nil	2,57,300	
Mr.Ravinder Singh Ahluwalia	Non-Executive	1	4	3	2	1	Nil	
Mr.Rupinder Singh Ahluwalia	Executive	1	Nil	Nil	Nil	Nil	1,700	
Mrs.Sandeep Kaur Ahluwalia	Non-Executive	Nil	Nil	Nil	Nil	Nil	33,97,100	
Mr.Mandeep Ahluwalia Pahwa	Non-Executive	Nil	Nil	Nil	Nil	Nil	Nil	
Mr.Rajkumar Bali	Non-Executive Independent	1	Nil	Nil	Nil	Nil	200	
Mr.Kamal Jain	Non-Executive Independent	1	Nil	Nil	Nil	Nil	100	

Board Committee for this purpose includes only audit Committee, & Shareholder/ Investors Grievance Committee.

Note: There was no Annual General Meeting held during the year 2006-2007. Hence, the particular of Directors present at the Last AGM is not furnished.

Details of Director seeking re-appointment:

At the ensuing Annual General Meeting, Mr. Rupinder Singh Ahluwalia and Mr. Rajkumar Bali, retire by rotation and being eligible offer themselves for re-appointment. The brief resume, experience, functional expertise and membership on various Boards and Committees of the Directors proposed to be re-appointed as mentioned in Item No. 2 & 3 of the Notice as per Corporate Governance code defined under Clause 49 of the Listing Agreement are furnished below:

Name	Mr. Rupinder Singh Ahluwalia
Age	56 Years
Date of Appointment	31/10/1992
Experience	He has 14 years of experience in Banking Industry and 20 years of experience in the Iron and Steel Industry.
No. of Shares held in the Company	1,700
Qualification	Post - Graduate
List of other Directorships	Nil
Membership/ Chairman of Committees of the other Companies	Nil

Name	Mr. Rajkumar Bali
Age	67 Years
Date of Appointment	15/03/2003
Experience	He is senior business executive and having 44 years experience in the industry general, and of iron and steel industry, in particular. He has been associates with the Company from last 15 years.
No. of Shares held in the Company	200
Qualification	Under- Graduate
List of other Directorships	Nil
Membership/ Chairman of Committees of the other Companies	Nil

3. Audit Committee

Due to disputes amongst the Two group of Directors, No Audit committee Meetings were held during the year.

4. Shareholders'/ Investors Grievance Committee

a) Name & Designation of the Compliance officer:

Mr. Kuljinder Singh Ahluwalia, Executive Director

b) Number of Complaints received and resolved:

During the year ended March 31st, 2007, No complaints were received from the shareholders.

5. General Body Meeting:

A.

Financial Year	Date/ Day	Time	Venue
2005-06	Original A.G.M 11.06.2007 Monday	11.00 am	Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri-East, Mumbai -400069.
	Adjourned A.G.M 27.04.2009 Monday	4.00 pm	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400021.
2004-05	30.12.2005 Friday	4.00 pm	Surindra House, Next to Sainaka New Telephone Exchange, M.V.Road, Safaid Pool, Mumbai-400072.
2003-04	28.08.2004 Saturday	4.00 pm	Mukat House, 313, Link Road, Khar (W), Mumbai - 400052

B. During the year under review, there have been no resolution requiring approval of shareholders to be put through postal ballot, as required under section 192A of the Companies Act, 1956 and Rule made thereunder.

C. At the A.G.M held on 28.08.2004, one (1) Resolution was passed as a Special Resolution.

D. No Special Resolution was required to be put through Postal Ballot Last year.

6. Disclosures:

a) Materially significant related party transactions:

The related party transaction entered into by the Company with its promoters, Directors on the Management or their subsidiaries or relative etc; are in normal course of business and doesn't conflict with the company's interest at large. A Register of contracts containing such transactions is maintained and placed before the Board of Directors on a regular basis.

b) No Penalties strictures have been imposed on the Company by any of the Stock Exchanges, Securities and Exchange Board of India and other Statutory Authorities on matters relating to Capital Markets during the last three Years.

7. Means of Communications

The Compliance with Clause 41 of Listing Agreement with the Stock Exchanges the Company publishes Quarterly and Annual Results in news papers and submits the same to all the Stock Exchanges where the shares of the Company are listed. These Results are normally published in The Free Press Journal (English) and in Navshakti (Marathi) News Papers.

8. Management Discussion and Analysis

The Company's assessment performance for the period ended 31.03.2007 and the outlook for the current year is based on the current environment and business situation. However, unforeseen circumstances and those arising from external factors could affect the performance and the results.

9. General Shareholder Information

(a) Annual General Meeting to be held

Date & Time – 13th September 2011, at 10.00 a.m.

Venue: Time and Again, 9 Raheja Classique Link Road, Next to Cinemax, Lokhandwala, Andheri(W), Mumbai-53.

(b) Financial Year of the Company

The Financial year covers the period 1st April to 31st March.

(c) Book Closure Date: 07.09.2011 to 13.09.2011 (Both Days Inclusive)

(d) Listing on Stock Exchange at:

The Bombay Stock Exchange Limited
Phiroza Jeejeebhoy Towers, Dalal Street, Mumbai

The Delhi Stock Exchange Association Limited
DSE House, 3/1 Asaf Ali Road, New Delhi – 110002

The Ludhiana Stock Exchange Association Limited
Feroz Gandhi Marg, Ludhiana – 1141001

(e) Stock Code:

The Bombay Stock Exchange Limited:- 523832

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(f) Market Price Data:

The monthly high low quotation of equity shares traded on the Stock Exchange, Mumbai are as follows:

Month	Mukat Pipes Limited	
	High(Rs)	Low(Rs.)
April, 2006	8.56	6.88
May, 2006	9.83	6.91
June, 2006	6.91	5.10
July, 2006	5.79	4.12
August, 2006	6.33	4.35
September, 2006	6.00	4.56
October, 2006	6.18	4.62
November, 2006	5.75	4.31
December, 2006	8.10	4.80
January, 2007	7.64	6.50
February, 2007	7.50	6.10
March, 2007	6.66	5.04

(Source- www.bseindia.com)

(g) Shares Transfer system:

The Company's Registrar and Transfer Agent, M/s Link Intime (India) Private Limited processes applications for Transfer of Shares in physical form. Share transfers are usually registered and returned with a period of thirty days of receipt, provided the documents are clear in all respects. Share Transfer Committee constituted for Transfer/Transmission, issue of duplicate shares certificates and other allied matter meet as often as required.

(h) Categories Shareholding as on March 31st, 2007

Slab of Shareholding No of Equity Shares	No of Shareholders	% to Total No of Shareholders	No of Shares Held	% to Total Shares held
1-500	10060	92.0990	1493002	19.067
501-1000	482	4.4130	400102	5.109
1001-2000	192	1.7580	304044	3.88
2001-3000	60	0.5490	153993	1.966
3001-4000	45	0.4120	157111	2.006
4001-5000	28	0.256	132161	1.68
5001-10000	37	0.3390	250501	3.19
10000 & Above	19	0.1740	4939086	63.07
TOTAL	10923	100.00	7830000	100.00

(i) Categories of Shareholding as on March 31st, 2007.

	CATEGORIES	SHARES HELD	PERCENT OF TOTAL
A	Indian Promoters, Directors and Relatives	4738900	60.52
B	Banks, Financial Institution, Insurance Companies (Central/ State Govt. Institutions/Non Govt. Institutions)	300	0.0038
C	FIs	100	0.0013
D	Private Corporate Bodies	227373	2.9
E	Indian Public	2731242	34.88
F	NRI's/OCBs	131410	1.68
G	Clearing Members	675	0.01
	TOTAL	7830000	100

(j) Dematerialisation of Shares

As on March 31st 2007, **2,182,600** Shares, representing 27.87% of the total issued capital, were held in dematerialized form and **56,47,400** shares issued, representing 72.13% of the total issued capital is held in physical form.

(k) Outstanding ADRs/GDRs:

The Company has not issue any ADRs/GDRs.

(l) Plant Location:

- i. Village Khadoli, Patiala Road, Rajpura –140 401, Dist. Patiala, Punjab.
- ii. D-45, Tandulwadi, Baramati, Pune - 413 133, Maharashtra.

(m) Address for investor Correspondence:

i) Mukat Pipes Limited:

Flat No. 39, Parag Apartments, 7th Floor, J.P. Road, Versova, Andheri (West), Mumbai 400061.
Tel No. 022-26364013, Fax. 022-26364013

ii) Registrar and Transfer Agents:

Link Intime (India) Private Limited, C-13 Pannalal Silk Mills' Compound, L.B.S. Marg, Bhandup
(West), Mumbai 400078. Tel No. 022-25963838, Fax. 022-25946969

CERTIFICATION BY DIRECTOR OF THE COMPANY

The Director Certification for the Financial Statements and Cash Flow Statement for the year are obtained.

CODE OF CONDUCT DECLARATION

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

DECLARATION

I, Rupinder Singh Ahluwalia, Director of Mukat Pipes Limited, hereby declare that all the members of the Board of Directors and the Senior Managerial personnel have affirmed Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchange, for the year ended 31.03.2007.

For Mukat Pipes Limited

**Place:Rajpura
Date: 22.06.2011**

**Rupinder Singh Ahluwalia
(Director)**

REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE

To,
The Members of Mukat Pipes Limited,

We have examined the compliance of conditions of Corporate Governance by MUKAT PIPES LIMITED for the year ended 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountant of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we state that due to/on account of certain litigations and/or disputes between two groups of Director before various Hon'ble Courts, the Company could not comply with majority of the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.P. BHAMBRI & CO.
Chartered Accountants
Firm Registration No: 001312N

**Place: Rajpura
Date: 22.06.2011**

(RANJIT PARKASH)
Proprietor
M.No. 80084

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R.P. BHAMBRI & CO.
CHARTERED ACCOUNTANTS

Ph. 217015
8, Yadvindra Colony
The Mall, Patiala – 147 001

TO THE MEMBERS OF MUKAT PIPES LIMITED

1. We have audited the attached balance sheet of Mukat Pipes Ltd. as at 31st March 2007 and the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub- section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The report on the accounts of the Baramati Division audited by the Branch auditors has been appropriately dealt with by us in preparing this report.
 - (iv) The balance sheet, profit and loss account and cash flow statement, dealt with by this reports are in agreement with the books of account;
 - (v) In our opinion, the balance sheet and profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred in sub- section (3C) of section 211 of the Companies Act, 1956, except AS-22;
 - (vi) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub- section (1) of section 274 of the Companies Act, 1956;
 - (vii) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with notes to the accounts subject to the following:-
 - (i) **Non provision of interest for the year on secured loans as mentioned in Note No. 6 of schedule "P", as the same is not ascertainable.**
give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2007.
 - (b) in the case of profit and loss account, of the loss for the year ended on that date.
 - (c) In the case of the cash flow statement, of the cash flow of the company for the year ended on that date.

For R.P. BHAMBRI & CO.,
CHARTERED ACCOUNTANTS

Place : Rajpura
Date : 22-06-2011

(RANJIT PARKASH)
Proprietor
M. No. 80084

Annexure

Referred to in paragraph 3 of our report of even date,

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were stated to be noticed on such verification.
- (ii)
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company maintains proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii)
 - (a) The company had taken interest free loan from other parties, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.4.17 Crores and the year- end balance of loans taken from such parties was Rs. 4.17 Crores.
 - (b) The parties have, barring a few cases, repaid the principal amount as stipulated and have been regular in the payment of interest, if stipulated.
 - (c) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act. 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business with regards to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls. However, they are required to be strengthened.
- (v)
 - (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 are in process of being updated.
 - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, when ever such comparison is made.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any fixed deposit from the public.
- (vii) The company has not appointed any external internal auditor, however, it has employed professionals who undertake internal audit.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the account and records, though not in the prescribed format, have been maintained.
- (ix)
 - (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues of provident fund, employees' state insurance, applicable to it. The provident fund and other statutory dues pertaining thereto for the last quarter has not been paid

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- amounting to Rs. 0.43 Lacs. The amount of unpaid dividend due to be transferred to the investor education and protection fund is Rs. 8.80 Lacs.
- (b) According to the information and explanations given to us, the undisputed amounts as at 31st March, 2007 which are outstanding for a period of more than six months from the date they became payable, in respect of Income Tax and Sales Tax is Rs. NIL and Rs. 15.18 Lacs respectively and in respect of Wealth Tax, Customs duty and Excise Duty are NIL.
- (c) According to the information given to us, there are no dues of sales tax, customs duty, wealth tax and cess except for Income Tax and Excise Duty, which are disputed.
- (i) Income Tax Rs. 156.70 Lac Matter pending with Appellate Authorities
- (ii) Excise Duty Rs. 73.59 Lac Matter pending with Appellate Authorities
- (x) The company has incurred cash losses during the financial year and also in the immediately preceding financial year. The accumulated losses of the Company are more than 50% of its net worth. The Company has approached BIFR for financial reconstruction and its application for rehabilitation and reconstruction has been registered with BIFR.
- (xi) The company has defaulted in repayment of dues to financial institution and banks.
- (xii) The company has not granted loans advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Reports) order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the companies (Auditor's Reports) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company to the extent consideration received by it.
- (xvi) No fresh term loans have been sanctioned / disbursed during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the of the company, we report that no funds raised on short- term basis have been used for long term investment. However the long term funds have been used for short-term investments.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register to be maintained under section 301 of the Act.
- (xix) According to the information and explanation given to us, during the period covered by our audit, the company has not issued any debentures or created security in respect of debentures.
- (xx) According to the information and explanations given to us, no fraud in the company has been reported during the course of our audit.
- (xxi) No money was raised by public issue by the Company during the year.

For **R.P. BHAMBRI & CO.,**
CHARTERED ACCOUNTANTS

Place : Rajpura
Date : **22-06-2011**

(**RANJIT PARKASH**)
Proprietor
M.No. 80084

Mukat Pipes Limited
Balance Sheet as at 31st March 2007

	Schedule	As at 31st March 2007 Total Amount in Rs.	As at 31st March 2006 Total Amount in Rs.
SOURCES OF FUNDS :			
Shareholders Funds :			
Share Capital	A	78,300,000.00	78,300,000.00
Reserves & Surplus	B	(263,837,917.21)	(240,798,466.53)
		(185,537,917.21)	(162,498,466.53)
Secured Loans	C	308,836,680.26	317,477,217.26
Unsecured Loans	D	42,104,009.38	42,238,827.20
		350,940,689.64	359,716,044.46
Total Funds Employed		165,402,772.43	197,217,577.93
APPLICATION OF FUNDS :			
Fixed Assets	E		
Gross Block		357,834,879.74	357,579,610.13
Less : Depreciation		183,596,568.75	165,411,749.75
Net Block		174,238,310.99	192,167,860.38
Capital Work in Progress		0.00	0.00
		174,238,310.99	192,167,860.38
Current Assets Loans & Advances :			
Inventories	F	18,571,756.41	22,073,951.41
Sundry Debtors	G	35,897,333.58	34,544,408.92
Cash & Bank Balances	H	3,872,442.25	16,349,477.17
Loans & Advances	I	65,760,493.83	65,147,601.73
		124,102,026.07	138,115,439.23
Less : Current Liabilities & Provisions			
Liabilities	J	122,055,922.63	122,184,079.68
Provisions	K	7,284,642.00	7,284,642.00
		129,340,564.63	129,468,721.68
Net Current Assets		(5,238,538.56)	8,646,717.55
Deferred Tax :			
Deferred Tax Assets 25,207,000.00			
Deferred Tax Liabilities 28,804,000.00		(3,597,000.00)	(3,597,000.00)
Total Assets		165,402,772.43	197,217,577.93
Notes to Accounts	P		

As per our report of even date

FOR R. P. BHAMBRI & CO.
CHARTERED ACCOUNTANTS

FOR MUKAT PIPES LIMITED

(RANJIT PARKASH)
Proprietor
M.No. 80084

KAMAL JAIN RUPINDER SINGH
DIRECTOR

PLACE: RAJPURA
DATE : 22-06-2011

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Mukat Pipes Limited
Profit & Loss Account For The Year Ended 31st March 2007

	Schedule	For The Year Ended March, 07 Total	For The Year Ended March, 06 Total
		Amount in Rs.	Amount in Rs.
INCOME			
Sales & Job Works		97,998,689.83	79,808,773.44
Other Income	L	976,625.81	1,376,154.32
		98,975,315.64	81,184,927.76
EXPENDITURE			
Accretion/Depletion of stock & Raw Material Consumed	M	75,209,074.23	57,629,907.03
Expenses	N	31,397,222.91	21,232,296.28
Interest	O	107,658.18	0.00
Depreciation	E	18,300,812.00	18,474,227.11
		125,014,766.32	97,336,431.42
Profit Before Taxation		(26,039,450.68)	(16,151,503.66)
Provision for Taxation		0.00	0.00
Taxation for Earlier Years		0.00	0.00
Prior Period Adjustment		0.00	1,010,329.00
Profit After Tax		(26,039,450.68)	(15,141,174.66)
Balance Brought Forward		(272,164,466.53)	(257,023,291.87)
Balance Available for Appropriation		(298,203,917.21)	(272,164,466.53)
Less : Appropriated to : General Reserve		0.00	0.00
Balance Carried to Balance Sheet		(298,203,917.21)	(272,164,466.53)
Notes to Accounts	P		

As per our report of even date

FOR R. P. BHAMBRI & CO.
CHARTERED ACCOUNTANTS

FOR MUKAT PIPES LIMITED

(RANJIT PARKASH)
Proprietor
M.No. 80084

KAMAL JAIN RUPINDER SINGH
DIRECTOR

PLACE: RAJPURA
DATE : 22-06-2011

Mukat Pipes Limited
Schedules Forming Part of Balance Sheet as at 31st March 2007

	As at 31st March 2007 Total	As at 31st March, 2006 Total
	Amount in Rs.	Amount in Rs.
Schedule - 'A'		
SHARE CAPITAL		
Authorised :		
1,00,00,000 (1,00,00,000) Equity Shares of Rs. 10/- each	100,000,000.00	100,000,000.00
Issued, Subscribed & Paid Up :		
78,30,000 (78,30,000) Equity Shares of Rs. 10/- each	78,300,000.00	78,300,000.00
Schedule - 'B'		
RESERVES & SURPLUS		
CAPITAL RESERVE		
Subsidy	4,550,000.00	1,550,000.00
REVENUE RESERVES		
General : Balance as on 1/4/03 Less Deferred tax adjustment on initial adjustments	29,816,000.00	29,816,000.00
Balance in Profit & Loss Account	(298,203,917.21)	(272,164,466.53)
Total	(263,837,917.21)	(240,798,466.53)

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Mukat Pipes Limited

Schedules Forming Part of Balance Sheet as at 31st March 2007

	As at 31st March 2007 Total Amount in Rs.	As at 31st March, 2006 Total Amount in Rs.
Schedule - 'C'		
SECURED LOANS		
Term Loans :		
Financial Institutions :		
Industrial Development Bank of India Ltd.	112,000,000.00	112,000,000.00
Punjab State Industrial Development Corp. Ltd	0.00	0.00
NOTE :		
Secured by pari passu charge on immovable properties and hyp. of all the movable assets subject to first charges on movable assets created in favour of bankers for working capital facilities.		
Working Capital Loans :		
Punjab National Bank	85,535,399.26	94,175,936.26
Oriental Bank of Commerce	108,197,611.00	108,197,611.00
Interest Accrued & Due	3,103,670.00	3,103,670.00
NOTE :		
Secured by hyp. of Stocks of Raw Materials. Finished, Semi Finished Goods & Book Debts and second charge created/to be created on the Co.'s immovable properties		
Total	308,836,680.26	317,477,217.26
Schedule - 'D'		
UNSECURED LOANS		
Promoters		
a) Directors/Shareholders	40,076,635.77	40,076,635.77
b) Others	1,590,000.00	1,590,000.00
c) Short Term Loan from Banks	0.00	0.00
d) City Banks Car Loan	437,373.61	572,191.43
Total	42,104,009.38	42,238,827.20

Mukat Pipes Limited
Schedules Forming Part of Balance Sheet as at 31st March 2007

	As at 31st March 2007 Total Amount in Rs.	As at 31st March, 2006 Total Amount in Rs.
Schedule - 'F'		
INVENTORIES (Taken, Valued and Certified by The Management)		
Raw Material	4,306,221.00	1,564,057.20
Stores & Spares	1,315,000.00	1,275,000.00
Work in Progress	3,571,155.00	2,845,476.09
Scrap	682,244.50	781,849.40
Finished Goods	6,978,983.40	13,635,685.60
Unutilised Portion of Modvat	1,718,152.51	1,971,884.12
Total	18,571,756.41	22,073,951.41
Schedule - 'G'		
SUNDRY DEBTORS		
Debts Outstanding for Less than six months considered good	6,931,363.43	4,214,635.48
	0.00	0.00
Debts Outstanding for More than six months:	18,056,951.15	17,405,537.44
Considered good	10,909,019.00	12,924,236.00
Considered doubtful	12,064,923.00	9,789,117.00
	47,962,256.58	44,333,525.92
Less: Provision for doubtful Debts	12,064,923.00	9,789,117.00
Net Debtors	35,897,333.58	34,544,408.92
Total	35,897,333.58	34,544,408.92
Schedule - 'H'		
CASH & BANK BALANCES		
Cash In Hand	1,216,398.52	818,119.52
Balance with Scheduled Banks		
In Bank Account	(2,273,229.27)	4,383,793.65
In Fixed Deposit	4,929,273.00	11,147,564.00
Total	3,872,442.25	16,349,477.17
Schedule - 'I'		
LOANS & ADVANCES		
Dues from Associate Concern	36,286,738.00	36,341,118.00
Staff Loans & Advances	610,786.80	462,593.94
Balances with Excise Authorities	3,937,104.77	2,395,560.52
Tax Deducted at Source	3,145,109.00	3,064,276.00
FBT	23,000.00	0.00
Advance Tax	8,113,736.56	8,102,461.56
Security Deposit	1,308,101.00	1,311,101.00
Advances Recoverable in Cash or Kind	6,474,693.93	8,546,371.10
Advances to Supplier	4,006,748.77	4,570,439.61
Amount Recoverable	1,854,475.00	353,680.00
Total	65,760,493.83	65,147,601.73

Mukat Pipes Limited

Schedules Forming Part of Balance Sheet as at 31st March 2007

	As at 31st March 2007 Total	As at 31st March, 2006 Total
	Amount in Rs.	Amount in Rs.
Schedule - 'J'		
CURRENT LIABILITIES		
Advances from Customers	10,347,273.49	6,857,664.49
Sundry Creditors	25,060,655.87	22,660,052.81
Dues to Associates Concern	78,820,412.14	83,478,631.69
Expenses Payable	2,468,866.13	2,554,961.99
Securities Refundable	31,339.00	31,339.00
Unpaid Dividend	1,212,808.00	1,214,208.00
Other Liabilities	4,114,568.00	5,387,221.70
Total	122,055,922.63	122,184,079.68
Schedule - 'K'		
PROVISIONS		
Provision For Taxation	7,284,642.00	7,284,642.00
Total	7,284,642.00	7,284,642.00

Mukat Pipes Limited

Schedules Forming Part of Balance Sheet as at 31st March 2007

	As at 31st March 2007 Total	As at 31st March, 2006 Total
	Amount in Rs.	Amount in Rs.
Schedule - 'L'		
OTHER INCOME		
Interest Received	547,869.81	198,748.10
Miscellaneous Receipts	329,191.00	492,880.00
Insurance Claims	0.00	90,000.00
Charges Recovered	26,192.00	508,052.00
Profit on Sale of Asset	73,373.00	0.00
Balance Written back	0.00	86,474.22
Total	976,625.81	1,376,154.32
Schedule - 'M'		
RAW MATERIALS CONSUMED		
Opening Stock - Material	1,564,057.20	4,008,028.45
Unutilised Portion Of Modvat	1,971,884.12	1,212.97
Add : Purchases	71,666,878.23	58,117,253.02
	75,202,819.55	62,126,494.44
Less : Closing Stock-Material	4,306,221.00	1,564,057.20
Unutilised Portion Of Modvat	1,716,234.51	1,971,884.12
Material Consumed	69,180,364.04	58,590,553.12
ACCRETION/ DEPLETION OF STOCK		
Opening Stock		
Finished Goods	13,635,685.60	13,216,050.00
Work In Progress	2,845,476.09	2,128,266.00
Realisable Scrap	781,849.40	958,049.00
Total	17,263,011.09	16,302,365.00
Closing Stock		
Finished Goods	6,978,983.40	13,635,685.60
Work In Progress	3,571,155.00	2,845,476.09
Realisable Scrap	682,244.50	781,849.40
Unutilized Portion of modvat	1,918.00	0.00
Total	11,234,300.90	17,263,011.09
(Accretion) / Depletion	6,028,710.19	(960,646.09)
Grand Total	75,209,074.23	57,629,907.03

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Mukat Pipes Limited

Schedules Forming Part of Balance Sheet as at 31st March 2007

	As at 31st March 2007 Total	As at 31st March, 2006 Total
	Amount in Rs.	Amount in Rs.
Schedule - 'N'		
EXPENSES		
Employees Remuneration & Other Benefits		
Salaries Wages and Bonus	3,529,567.51	3,777,831.40
Contribution to Provident & Other Funds	182,663.00	205,466.00
Workmen & Staff Welfare Expenses	400,600.55	311,864.65
Total	4,112,831.06	4,295,162.05
Operational & Other Expenses		
Excise Duty Paid	12,340,344.13	8,589,065.44
Testing, Inspection & Radiographic Charges	10,000.00	0.00
Meeting Fee	2,550.00	
Consumable Stores	2,079,134.91	1,370,056.88
Labour Charges	115,272.00	212,784.00
Power & Fuel	1,862,457.36	2,026,509.36
Repairs to Plant & Machinery	82,790.00	16,300.00
Repairs to Building	1,036,124.00	76,529.00
Repairs Others	225,956.80	98,449.00
Material Handling Charges	71,410.00	0.00
Insurance Charges	62,863.00	128,993.00
Vehicle Expenses	760,601.06	820,658.03
Legal & Professional Charges	756,246.00	950,771.00
Telephone & Telex Charges	133,611.00	165,514.32
Printing & Stationery	115,397.70	115,852.05
Travelling Expenses	307,593.50	417,454.12
Rent, Rates & Taxes	637,730.00	153,079.61
Bank Charges & Commission	145,959.06	303,750.70
Postage & Telegram	28,115.00	60,184.15
Directors Remuneration & Other Benefits	268,897.00	277,500.57
Auditors Remuneration	120,000.00	124,620.00
Selling Expenses	1,371,544.00	381,135.00
Sales Promotion & Advertising	216,852.00	65,672.00
Freight & Forwarding Charges	598,604.00	396,079.00
Donations	13,101.00	701.00
General Expenses	2,938,138.33	626,773.00
Ware housing Charges	0.00	0.00
Loss of Sale of Assets	0.00	37,218.00
Late Delivery Charges	0.00	(524,779.00)
Service Tax Paid	42,674.00	46,265.00
Provision for doubt full debts	0.00	0.00
Bad debts	940,425.00	0.00
Total	27,284,390.85	16,937,135.23
Grand Total	31,397,221.91	21,232,297.28
Schedule - 'O'		
INTEREST		
On Term Loans	0.00	0.00
On Working Capital	0.00	0.00
On Others	107,658.18	0.00
Total	107,658.18	0.00

MUKAT PIPES LIMITED,													
DETAILS OF FIXED ASSETS FORMING PART OF BALANCE SHEET FOR THE YEAR ENDING MARCH 31, 2007													
SCHEDULE - E													
S. NO	PARTICULARS	RATE OF DEP	COST				DEPRECIATION				WRITTEN DOWN VALUE		
			AS ON 01.04.06	ADDITION DURING YEAR	SALES DURING YEAR	AS ON 31.03.07	UPTO 01.04.06	ON ITEMS SOLD DURING YEAR	FOR THE YEAR ENDED 31.03.07	UPTO 31.03.07	AS ON 31.03.07	AS ON 31.03.06	
			1	2	3	4					1	2	
1	LAND	0.00	3,232,485.00	0.00	0.00	3,232,485.00	-	0.00	-	0.00	0.00	3,232,485.00	3,232,485.00
2	BUILDING												
	A) FACTORY	3.34%	60,142,755.34	0.00	0.00	60,142,755.34	14,442,782.30	0.00	2,008,768.00	16,451,550.30	43,691,205.04	45,699,973.04	
	B) OFFICE	1.63%	4,350,609.51	0.00	0.00	4,350,609.51	825,255.52	0.00	70,915.00	896,170.52	3,454,438.99	3,525,353.99	
	C) RESIDENTIAL	1.63%	8,406,069.00	0.00	0.00	8,406,069.00	580,315.48	0.00	137,018.00	717,333.48	7,688,735.52	7,825,753.52	
	D) BOREWELL	0	22,945.00	0.00	0.00	22,945.00	5,698.00	0.00	766.00	6,464.00	16,481.00	17,247.00	
3	PLANT & MACHINERY	4.75%	261,441,956.12	0.00	0.00	261,441,956.12	136,700,559.02	0.00	14,900,720.00	151,601,279.02	109,840,677.10	124,741,397.10	
4	FURNITURE & FIXTURE	6.33%	2,466,088.78	201,190.55	0.00	2,667,279.33	1,641,540.12	0.00	167,612.00	1,809,152.12	858,127.21	824,548.66	
5	OFFICE EQUIPMENT	4.75%	2,376,878.81	28,000.00	0.00	2,404,878.81	972,746.21	0.00	113,716.00	1,086,462.21	1,318,416.60	1,404,132.60	
6	COMPUTERS	16.21%	1,559,147.00	0.00	0.00	1,559,147.00	1,515,240.00	0.00	43,907.00	1,559,147.00	0.00	43,907.00	
7	VEHICLES	9.50%	4,628,374.82	0.00	142,621.00	4,485,753.82	2,982,134.89	115,994.00	426,147.00	3,292,287.89	1,193,465.93	1,646,299.93	
8	AIR-CONDITIONER	4.75%	895,440.05	168,700.00	0.00	1,064,140.05	393,145.66	0.00	48,543.00	441,688.66	622,451.39	502,294.39	
9	TOOLS & EQUIPMENTS	4.75%	750,662.09	0.00	0.00	750,662.09	385,945.16	0.00	35,656.00	421,601.16	329,060.93	364,716.93	
10	DESIGNE & DRAWINGS	4.75%	7,306,198.74	0.00	0.00	7,306,198.74	4,966,387.39	0.00	347,044.00	5,313,431.39	1,992,767.35	2,339,811.35	
	TOTAL		357,579,610.26	397,890.55	142,621.00	357,834,879.81	165,411,749.75	115,994.00	18,300,812.00	183,596,568.75	174,238,311.06	192,167,860.51	
	CAPITAL W.I.P.		0.00	0.00	0.00	0.00	-	-	-	0.00	0.00	0.00	
	Total		357,579,610.26	397,890.55	142,621.00	357,834,879.81	165,411,749.75	115,994.00	18,300,812.00	183,596,568.75	174,238,311.06	192,167,860.51	
	PREVIOUS YEAR		357,836,683.26	0.00	257,073.00	357,579,610.26	147,053,878.64	116,355.00	18,474,227.11	165,411,749.75	192,167,860.51	210,782,805.62	

Mukat Pipes Ltd

Schedule – P

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st March, 2007.

1. Significant accounting policies

a) Method of Accounting

The company maintains its accounts on mercantile basis. However, certain price escalations and other claims, which are not ascertainable /acknowledged by customers/suppliers are taken into account only on such acknowledgement by customers/suppliers.

b) Fixed Assets

Fixed Assets are stated at historical cost or cost of acquisition or construction cost less depreciation. Attributable cost and expenses of bringing the assets to working condition for their intended use are capitalised.

c) Depreciation:

Depreciation for the year is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act 1956.

d) Inventories are valued as under:-

- i. Raw Material and other inventories at cost.
- ii. Work in progress at estimated cost.
- iii. Finished Goods at Cost or Market Value whichever is lower.
- iv. Scrap at Market Value

e) Gratuity

The company has provided for Gratuity liability on estimated basis. No Actuarial Valuation has been made.

f) Income Recognition:

- i. Sales is inclusive of Excise Duty but excludes Sales Tax.
The export benefit are recognized as income on the basis of actual exports.
- ii. Excise duty liability on manufactured goods lying in the factory premises is not provided for and is also not included in the valuation of stock.

g) Foreign Currencies :

Transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realization. The foreign currency receivable/payable on revenue account not covered by forward contracts are converted at the exchange rate prevailing on the last working day of the accounting period. The net loss or gain arising out of such fluctuations/conversions is adjusted to the profit and loss account (except those relating to acquisition of fixed assets, if any, which are adjusted in the cost of the asset)

2. Claims of the Company against its creditors (secured & unsecured) have not been accounted for by the company and as such dues of the said creditors as reflected in the Balance Sheet are subject to the said claims of the Company.

3. Contingent Liabilities not provided for:

- a) Counter Guarantees given to Bank Rs.23.68 Lacs (Previous Year Rs. 103.73)
- b) L/C Outstanding Rs. Nil (Previous Year Rs. Nil)
- c) Capital Contracts remaining to be executed not provided for Rs. NIL (Previous Year Rs. Nil)
- d) Claims not acknowledged as debt.
 - i) Demand against which the Company has preferred appeals:
Excise Duty Rs.73.59 Lacs (Previous Year Rs. 92.61 Lacs)
Income Tax Rs. 156.70 Lacs. (Previous Year Rs. 93.00 Lacs)

4. In the absence of confirmation letters, the balances of debtors, creditors and other parties the balances are taken as per the books of accounts. Difference, if any, is not ascertainable till confirmation letters are received.
5. Payment against supplies from small scale and ancillary undertakings are made in accordance with the agreed credit terms and on the basis of available information and in the opinion of the management there is no amount overdue as on 31st March 2007.
6. No Provision for interest has been made during the year in respect of Secured Loans as the secured loan account has become NPA.
7. The manufacturing operations of the Baramati Division are suspended due to industrial unrest.

8. Consumption Particulars of Raw Materials.
Raw Material Consumed:

	2006-2007		2005-2006	
	QTY (MT)	VALUE (Rs. in Lacs)	QTY (MT)	VALUE (Rs. in Lacs)
Coils, Zinc, Iron & Steel & Other	2610.491	691.80	2415.565	585.91
Total	2610.491	691.80	2415.565	585.91

Note: Coils/Plates purchased for trading 578.187 MT (P.Y. 547.060 MT)

9. Value of indigenous and imported raw material consumed during year.

Imported and Indigenous Raw Materials Consumption:

	2006-2007		2005-2006	
	VALUE (Rs. in lacs)	%	VALUE (Rs. in lacs)	%
i) Indigenous	691.80	100	585.91	100
ii) Imported	Nil	Nil	Nil	Nil
Total	691.80	100	585.91	100

10. Installed Capacity 50,000 TPA

Certified by Director, being technical matter and relied upon by the auditors.

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11. Production / Sales of Finished Goods:

Particulars	Opening Stock (MT)	Prod. /Purch. (MT)	Closing Stock(MT)	Sales (MT)	Value (Rs. In lacs)
Pipes	442.228 (424.139)	1718.580 (1612.575)	216.380 (442.228)	1944.428 (1594.486)	745.65 (602.00)
Scrap	106.889 (28.355)	63.100 (172.639)	90.625 (106.889)	79.364 (94.105)	25.60 (8.89)
Trading in Plate, Coils Iron & Steels, & Pipes and Other material etc.				578.187 (547.060)	187.68 (170.28)
H.R Coil	Nil (51.655)	NIL	NIL	16.75 (51.655)	6.79 (9.62)
Zinc	38 (38)	NIL	NIL (38)	58.16 (NIL)	NIL
Other Export Incentive					NIL (1.81)
Job Work					9.75
Excise Duty Recovered					4.51 (5.48)
Total					979.98 (798.08)

12. Sales of Finished Goods:

Type	Local (Rs. In lac)	Export (Rs. In lac)	Total (Rs. In lac)
M.S. Pipes	745.65 (601.961)	Nil Nil	745.65 (601.961)
G.I. Pipes	NIL (0.039)	Nil Nil	NIL (0.039)
Total	745.65 (602.00)	Nil	745.65 (602.00)

13. Expenditure in Foreign Currency:

	2006-2007 (Rs.in Lacs)	2005-2006 (Rs.in Lacs)
a) Raw Material	0.00	0.00
b) Others (Licence fee)	1.54	1.30
c) Bank Charges	0.00	0.00

14. Auditor's Remuneration (Rs. in Lacs):

	2006-2007 (Rs.in Lacs)	2005-2006 (Rs.in Lacs)
I) Statutory Auditor		
a) Audit Fees	0.38	0.38
b) Tax Audit Fees	0.12	0.12
II) Branch Auditor		
a) Audit Fee	0.70	0.74
b) Out of Pocket Exp.	0.00	0.00

15. Earning in Foreign Exchange:

	2006-2007 (Rs.in Lacs)	2005-2006 (Rs.in Lacs)
a) FOB Value of Exports	0.00	0.00

16. Related Parties Disclosures:

1. Relationship

a) Key Management Personnel are Mr. Kuljinder Singh Ahluwalia and Mr.Ravinder Singh Ahluwalia & Mr. Rupinder Singh Ahluwalia.

b) Entities over which key management personnel are able to exercise Significant Influence are Surindra Engineering Co. Ltd., Mukat Tanks and Vessels Ltd., Muktanandan Pipes Ltd & Mukat Finance Ltd.

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business.

(Rs.in lacs)

Nature of Transactions	Related Parties Referred in 1(a) above	Referred in 1(b) above
Purchase- Goods & Material	4.68	141.35
Sales – Goods & Material	0.00	103.59
Salary etc.	2.69	0.00

The Figures in brackets are in respect of previous year.

Figures for previous year are regrouped wherever necessary to make these comparable with those of current year.

As per our report of even date.

FOR, R.P.BHAMBRI & CO.
CHARTERED ACCOUNTANTS

FOR MUKAT PIPES LTD.

Ranjit Parkash
(Prop.)
M.No. 80084

Kamal Jain
(Director)

Rupinder Singh
(Director)

Place:- Rajpura.
Date: 22-06-2011

20th Annual Report

INFORMATION REQUIRED AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Balance Sheet abstract and company's general business profile:

I	REGISTRATION No. 44407 of 1987	STATE CODE 11	
	BALANCE SHEET DATE	March 31, 2007	
II.	Capital Raised During The Year (Amount in Rs. Thousand)		
	PUBLIC ISSUE	RIGHT ISSUE	
	NIL	NIL	
	BONUS ISSUE	PRIVATE PLACEMENT	
	NIL	NIL	
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)		
	TOTAL LAIBILITIES		463607
	TOTAL ASSETS		463607
	SOURCE OF FUNDS		
	Paid up Capital		78300
	Reserves and Surplus		34366
	Secured Loans		308837
	Unsecured Loans		42104
	APPLICATION OF FUNDS:		
	Net Fixed Assets		174238
	Investments		Nil
	Net Current Assets		(5238)
	Misc. Expenditure		(3597)
	Accumulated Losses		298204
IV.	Performance of Company (Amount In Rs. Thousand)		
	Turnover		98975
	Total Expenditure		125015
	Profit/ (Loss) Before Tax		(26039)
	Prior Period Adjustment		0
	Profit/ (Loss) After Tax		(26039)
	Earning Per Share (In Rs.)		Nil
	Dividend Rate (%)		Nil
V.	Generic Name of Three Principal products of Company (As per Monetary Terms)		
	PRODUCTION DESCRIPTION	ITEM CODE NO.	
	(As per I.T.C)	(As per I.T.C)	
1	Longitudinally Submerged Arc Welded (Non Galvanised Pipes)		730511.02
2	Line Pipe of Kind Used for oil or Gas Pipelines (Non Galvanized Pipes)		730610.02
3	Longitudinally Welded Non Galvanized Pipes)		730512.02
4	Galvanized Pipes		730610.01
5	ERW Precision Tubes		730690.01

As per our report of even date For & on Behalf of the Board,

For **R.P. Bhambri & Co.**
Chartered Accountants

Kamal Jain
(Director)

Ranjit Parkash
Proprietor
M.No. 80084

Rupinder Singh Ahluwalia
(Director)

Place : RAJPURA
Date : 22-06-2011

MUKAT PIPES LIMITED					
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2007					
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT					
		Year Ended 31/03/2007		Year Ended 31/03/2006	
		(Rs in Lacs)		(Rs in Lacs)	
A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax And Extraordinary Items		(260.39)		(161.51)
	Adjustments For				
	Depreciation	183.01		184.74	
	Deferred Expenses Written Off	0.00		0.00	
	Interest Expenses	1.08		0.00	
	Interest Income	(5.48)		(1.98)	
	Financial Lease Expenses	0.00	178.61	0.00	192.86
	Prior Period Adjustment	0.00		10.10	
	Operating Profit Before Working Capital Changes		(81.78)		31.35
	Adjustments For				
	Trade & Other Receivables	(18.51)		(105.63)	
	Inventories	35.02		(3.37)	
	Trade Payables	(1.28)	15.23	211.89	102.89
	Cash Generated From Operations		(66.55)		134.24
	Interest Paid	(1.08)		0.00	
	Tax Paid	(1.15)	(2.23)	(0.41)	(0.41)
	Cash Flow Before Extraordinary Items		(68.78)		133.83
	Extraordinary Items	0.00		0.00	
	Additional Tax Paid for Earlier Years	0.00	0.00	0.00	0.00
	Net Cash From Operating Activities (A)		(68.78)		133.83
B)	Cash Flow From Investing Activities				
	Capital W.I.P.	0.00		0	
	Purchase/Sale of Fixed Assets	0.00	(3.72)	1.41	
	Interest Received	0.00	5.48	1.98	3.39
	Net Cash Used in Investing Activities (B)		1.76		3.39

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MUKAT PIPES LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2007 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT			
		Year Ended 31/03/2007 (Rs in Lacs)	Year Ended 31/03/2006 (Rs in Lacs)
C)	Cash Flow From Financing Activities		
	Proceeds From Long Term Borrowings (Net)	0.00	(13.29)
	Proceeds From Short Term Borrowings	(86.40)	(10.86)
	Proceeds From Unsecured Loans	(1.35)	(1.18)
	Repayment of Financial Lease Liabilities	0.00	0.00
	Punjab State Subsidy Received	30.00	(25.33)
	Net Cash Flow From Financing Activities (C)	(57.75)	(25.33)
	Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	(124.77)	111.89
	Cash and Cash Equivalent at The Beginning of The Year	163.49	51.60
	Cash and Cash Equivalent at The Close of The Year	38.72	163.49

**As per our report of even date
For R. P. Bhambri & Co.
Chartered Accountants**

**Ranjit Parkash
Proprietor
M.No. 80084**

**Date : 22-06-2011
Place : Rajpura**

For & on Behalf of the Board,

**Rupinder Singh Ahluwalia
(Director)**

**Kamal Jain
(Director)**

MUKAT PIPES LIMITED

Registered Office : Flat No. 39, Parag Apartments, 7th Floor, J. P. Road, Versova, Andheri (West), Mumbai - 400061.

ATTENDANCE SLIP

Member(s)/Proxy (ies) are requested to bring the Attendance Slip duly filled-in and signed at the Meeting and hand it over at the entrance of the Meeting hall.

Folio NO.: _____

DP/Client ID No.: _____

No of Shares Held.: _____

I/We _____ hereby record my/our presence at the 20th Annual General Meeting of the Company held on Tuesday, 13th day of September, 2011 at 10.00 a.m. at Time and Again, 9 Raheja Classique, Link Road, Next to Cinemax, Lokhandwala, Andheri(W), Mumbai-53.

Signature of the Member / Proxy

FULL NAME OF THE MEMBER/ PROXY
(To be signed at the time of handing over this slip)

MUKAT PIPES LIMITED

Registered Office : Flat No. 39, Parag Apartments, 7th Floor, J. P. Road, Versova, Andheri (West), Mumbai - 400061.

PROXY FORM

Folio NO.: _____

DP/Client ID No.: _____

No of Shares Held.: _____

I/We _____ of _____ being member(s) of Mukat Pipes Limited, hereby appoint _____ of _____ or failing him/her, _____ of _____ as my/our proxy to attend and vote for me/ us on my/ our behalf at the 20th Annual General Meeting to be held on Tuesday, 13th day of September, 2011 at 10.00 a.m. at Time and Again, 9 Raheja Classique, Link Road, Next to Cinemax Lokhandwala, Andheri(W), Mumbai-53 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____

Affix
Revenue
Stamp

Notes:

1. The proxy to be effective should be duly stamped, signed and deposited at the Registered Office of the Company at the address mentioned above at least 48 hours before the commencement of the aforesaid Meeting.
2. The Proxy need NOT be a member of the Company.

BOOK POST

If undelivered, please return to :

LINK INTIME
INDIA PVT LTD



Unit : MUKAT PIPES LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078