

# **MUKAT PIPES LIMITED**

**25<sup>TH</sup>**  
**Annual Report**  
**2011-2012**

## Mukat Pipes Limited

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#### **BOARD OF DIRECTORS**

Mr. Rupinder Singh Ahluwalia	Chairman
Ms. Sandeep Kaur Ahluwalia	Whole Time Director
Ms. Mandeep Ahluwalia Pahwa	Director
Mr. Rajkumar Bali	Director
Mr. Kamal Jain	Director
Mr. Amrik Singh Grewal	Director

#### **REGISTERED OFFICE**

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

#### **PLANT**

Village Khadoli, Patiala Road,  
Rajpura-140401,  
Dist. Patiala, Punjab.

#### **AUDITORS**

**R.P. BHAMBRI & CO.**  
Chartered Accountants

#### **WEBSITE**

[www.mukatpipes.com](http://www.mukatpipes.com)

## Mukat Pipes Limited

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF *MUKAT PIPES LIMITED* WILL BE HELD ON MONDAY, THE 17<sup>TH</sup> DECEMBER, 2012 AT 11.00 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 31<sup>st</sup> March, 2012 and Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012 and Report of Auditors and Directors thereon.
2. To appoint a Director in place of **Ms. Mandeep Ahluwalia Pahwa** who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of **Mr. Amrik Singh Grewal** who retires by rotation and being eligible offers for himself re-appointment.
4. To appoint Auditors and authorize the Board of Directors to fix their remuneration.

#### SPECIAL BUSINESS:

5. To approve the appointment of and remuneration payable to Mrs. Sandeep Kaur Ahluwalia as Whole Time Director w.e.f 1.10.2011.

To consider and if thought fit, to pass with or without modifications the following resolution as special resolution:

**“RESOLVED THAT** pursuant to Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto as amended from time to time and subject to the approval of the Central Government, consent of the members be and is hereby accorded to the appointment of and remuneration payable (as recommended by the Remuneration Committee) to .Mrs. Sandeep Kaur Ahluwalia as Whole Time Director of the Company designated as Director (Administration) for a period of 3(three) years w.e.f. 1<sup>st</sup> October, 2011 on the terms and conditions including remuneration as set out hereunder :-

Mrs. Sandeep Kaur Ahluwalia shall manage the Administration of the Company under the directions, supervision and control of the Board of Directors of the Company.

In consideration of her services as Director (Administration) and as recommended by the Remuneration Committee, Mrs. Sandeep Kaur Ahluwalia shall be paid the following remuneration w.e.f. 1<sup>st</sup> October, 2011:-

A) Salary: Monthly Salary in the grade of Rs. 1,50,000– 20,000– 25,000- Rs. 1,95,000

B) Allowances & Perquisites :

i) Housing :

Housing I :

The expenditure by the company on hiring furnished accommodation for the appointee will be subject to the ceiling of 60% (sixty per cent) of the salary, over and above 10% (ten per cent) payable by the appointee.

Housing II :

In case the accommodation is owned by the Company, ten per cent of the salary of the appointee shall be deducted by the Company.

Housing III :

In case the accommodation is not provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.

- ii) Medical Reimbursement :  
The company shall reimburse the medical expenses incurred for the appointee and her family.
- iii) Personal Accident Insurance :  
Personal Accident Insurance Policy for an amount, the annual premium of which shall not exceed Rs. 10,000/- per annum.
- iv) Leave Travel Concession :  
Reimbursement of actual traveling expenses incurred in India and/or abroad once in a year in respect of herself and her family.
- v) Club Fees :  
Fee of clubs subject to maximum of two clubs including admission and life membership fees.
- vi) Car :  
Provision of car for official-cum-personal use. However, the valuation of personal use of car shall be treated as perquisite of the appointee.
- vii) Telephone :  
Provision of telephone at residence and mobile phone for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the appointee.

C) Other Perquisites

The appointee shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration.

- i) Contribution to provident fund, superannuation fund and annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961:
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- iii) Encashment of leave at the end of the tenure.

Provided that even in case of loss or inadequacy of profits during any Financial Year, Mrs. Sandeep Kaur Ahluwalia will be paid the aforesaid remuneration as minimum remuneration.

Further that the Board of Directors be and is hereby authorized to alter, vary, modify the terms of appointment and payment of remuneration from time to time and to take or cause to be taken such steps, actions including interalia to execute any Agreement deeds, as may be required to effect to the aforesaid Resolution."

**By Order of the Board  
For MUKAT PIPES LIMITED,**

**RUPINDER SINGH AHLUWALIA  
CHAIRMAN**

**Registered Office:**

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

**Place:** RAJPURA

**Date:** 20<sup>th</sup> October, 2012.

**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 12.12.2012 to 17.12.2012 (both days inclusive).
3. The Explanatory Statement pursuant to sec 173(2) of the Companies Act, 1956 in respect of special resolution to be transacted at the meeting mentioned at item No. 5 of the notice, is annexed herewith and forms part of this notice.
4. 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.
5. 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.
6. 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.
7. In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its Circular No 17/2011 dated 21.04.2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs, so as to enable the Company to send all notices / reports / documents / intimations and other correspondence etc. through e-mails, in the electronic mode instead of receiving physical copies of the same. For registering your email ID, kindly send your email ID details to [mukatpipes@gmail.com](mailto:mukatpipes@gmail.com) Members holding shares in Demat mode, who have not registered their e-mail IDs with DPS, are requested to register/update their email IDs with their DPS.
8. Members are requested to bring the copy of Annual Report sent to them.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No.5**

**To approve appointment and payment of remuneration to Mrs. Sandeep Kaur Ahluwalia as Whole Time Director w.e.f 01.10.2011**

The Board of Directors at its meeting held on 27.09.2011 appointed Mrs. Sandeep Kaur Ahluwalia as a Whole Time Director of the Company designated as Director (Administration) pursuant to Section 269,198,309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 w.e.f 01.10.2011 for a period of 3 (three) years on a remuneration recommended by the Remuneration Committee, subject to approval of the members and Central Government. The material terms, including payment of remuneration, of her appointment are set out in the Item No. 5 of the Notice convening the Meeting. In view of the Remuneration Committee, Mrs. Sandeep Kaur Ahluwalia possesses requisite qualifications and experience to handle Administrative operations of the Company. Her past performance & vast experience would be of immense benefit and in the interest of the Company. The Company had already applied to the Central Government for approval to the appointment & payment of remuneration to Mrs. Sandeep Kaur Ahluwalia. The said Application is pending for the consent/ approval from Members of the Company.

The Board recommends the passing of the Resolution at Item No.5 of the Notice as a Special Resolution.

Mrs. Sandeep Kaur Ahluwalia, being the appointee and Mr. Rupinder Singh & Ms. Mandeep Pahwa Ahluwalia, Directors being relative of the appointee are deemed to be concerned or interested in the proposed resolution.

This Explanation together with the accompanying Notice is and shall be treated as an abstract of the terms of contract.

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### INFORMATION IN PURSUANCE OF SECTION II OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956:

I. GENERAL INFORMATION:		
(1) Nature of Industry	The Company is engaged in the production of Pipes.	
(2) Date or Expected date of Commencement of Commercial Production:	Not Applicable. The Company is already into operation since 1987.	
(3) In case of new companies, expected date of Commencement of Activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.	
(4) Financial performance based on given indicators	Particulars	(Rs. in Lakhs) 2011-2012
	Gross Sales	1267.29
	Profit/ (Loss) after tax	2472.12
	Rate of Dividend	--
Earnings per share(In Rs.)	31.57	
(5) Export performance & net foreign Exchange Collaborations:	NIL	
(6) Foreign Investments or collaborators:	NOT APPLICABLE	

### II. INFORMATION ABOUT APPOINTEE:

Name	Mrs. Sandeep Kaur Ahluwalia	
Age	62 Years	
Qualifications	M.A.	
No. of Equity shares held in the Company	33,97,100 Equity Shares	
Employment Records	<p>Mrs. Sandeep Kaur Ahluwalia was appointed as Director of the Company on 08/03/2007. She was then appointed as Whole Time Director designated as Director (Administration) w. e. f. 01/10/2011 subject to the approval of the Members and Central Government.</p> <p>Prior to joining the Company she was Vice President of M/s. Surindra Engg. Co. Ltd. (SECO), where she was actively involved in Administration.</p>	
Other Directorship	NIL	
Background Details:	Details as given hereinabove.	
Past Remuneration:	The Remuneration drawn by Mrs. Sandeep Kaur Ahluwalia during the past 5 years was as follows:	
	Financial Year	Rs. In Lakhs
	2007-08	18.85
	2008-09	18.85
	2009-10	14.13
	2010-11	-----
2011-12	9.00	

Recognition or Awards:	NIL
Job profile & her suitability:	The Company is consolidating its activities which had been not adequately attended due to differences/ disputes between Promoter Groups. Hence it was necessary that one should shoulders the responsibilities of proper administration. Mrs. Sandeep Kaur Ahluwalia, Director who had M.A. degree to her credit, took lead & responsibilities of proper administration of Company's activities. Hence to appreciate & recognize her gentle gesture, she was appointed as Whole time Director designated as Director (Administration).
Remuneration proposed	As set out in the resolution
Comparative Remuneration profile with respect to the industry, size of the Company, profile of the position & person:	Considering Mrs. Sandeep Kaur Ahluwalia's vast experience and the contributions to the Company's business/ activities, the proposed Remuneration is commensurate with the remuneration packages of similar Senior level personnel in other companies.
Pecuniary Relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any.	Does not have any pecuniary relationship with the Company except remuneration drawn/to be drawn by her as Whole Time Director designated as Director (Administration) and as member to the extent of her shareholding in the company. She is relative of Mr. Rupinder Singh and Mrs. Mandeep Ahluwalia, Directors of the Company.

**III. OTHER INFORMATION:**

(1) Reasons of Loss or inadequate profits:	On account of differences/ disputes between Promoter groups for past several years, Company could not perform its activities at optimum level. The same resulted in Losses for past several years.
(2) Steps taken or proposed to be taken for improvement:	<p>The remedial measures proposed to be taken to improve the performance of the Company are:</p> <ol style="list-style-type: none"> <li>Reduction in operating cost</li> <li>Sales Productivities</li> <li>Product Improvement</li> <li>Compressing Cash</li> <li>People and Processes</li> </ol> <p>The Company is proposing to launch a project on reducing the material cost, overhead cost etc. This will have an impact on increasing the selling capability of the Company. In the domain of people and processes, the Company is refocusing on performance management system, governance and processes. On the cash side, the management is focusing on the field inventory reduction, inside inventory reduction and reduction in dealer over dues. All these put together should ensure the enhanced profitability.</p>
(3) Expected Increase in productivity & profits in measurable terms:	The Company has implemented various corrective steps and cost reduction measures so as to improve its operational efficiencies. These includes reduction in fixed costs, prompt and better customer service, better product mix etc.

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### DIRECTORS' REPORT

#### **To the Members,**

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report & Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2012.

#### **FINANCIAL HIGHLIGHTS**

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

<b>Particulars</b>	<b>Current year (2011-12) (Rs. in lacs)</b>	<b>Previous Year (2010-11) (Rs. in lacs)</b>
Sales (Including Excise)	1267.29	1617.84
Other Income from operations	3.55	22.75
Total	1270.84	1640.58
Profit/(Loss) before Interest, Deprecation & Tax	(153.09)	(7.16)
Less: Interest	27.07	10.40
Less: Depreciation	96.56	177.74
Profit/(Loss) before Tax	(276.72)	(195.30)
Taxation (Earlier Years) Prior period Adjustment (Income)/(Expenses):	(31.14)	(38.25)
Extra-ordinary/Exceptional Items (Income)	2779.98	0
Profit after Tax	2472.12	(233.55)
Balance of Profit/(Loss) brought forward	(3792.24)	(3558.69)
Balance of Profit/(Loss) carried to Balance Sheet	(1320.12)	(3792.24)

#### **FINANCIAL AND OPERATIONAL REVIEW**

During the year under review, sales have declined to Rs.1267.29 lacs as compared Rs.1617.84 lacs during the previous year, which has resulted in increase in loss before interest & depreciation to Rs 153.09 lacs from the loss of Rs.7.16 lacs during the previous year. However, the net loss after interest and depreciation has been Rs.276.72 lacs during the current year as against net loss of Rs.195.30 lacs during the previous year. The company has suffered losses during the year, because, there is an approx. 22% fall in sales turnover over the previous year.

Extra-ordinary & exceptional items of income during the year under review includes substantial waivers granted by Financial Institutions/Banks on account of settlement of their dues on the basis of negotiated one time settlement (OTS), profit on sale of Baramati unit, write back of some creditors/liabilities no longer payable etc., which have contributed a lot to improve net worth of the company and would ultimately help in its revival.

The Company caters to infrastructure sector and due to slow down in developmental expenditure in this sector; the sales of the Company have declined considerably due to lack of orders. This has been a challenging year. The operational business of your Company has also been adversely effected by increasing cost and falling revenue from the sale of the products of the company. The fall in GDP, especially in manufacturing and infrastructure sectors; recession in domestic & international markets has generated a cascading effect to squeeze the demand for the business of the Company.

#### **SALE OF BARAMATI UNIT:**

Baramati unit located in the state of Maharashtra was sold during the year under the directions of the Board for Industrial and Financial Reconstruction (BIFR) as one of the measures of rehabilitation of the Company. The sales proceeds were utilized in full and final settlement of the dues of Stressed Assets Stabilisation Fund (SASF) (Assignee of IDBI) and Assets Reconstruction Company of India Ltd. (ARCIL) (Assignee of OBC).



**INDUCTION OF STRATEGIC LENDER FOR REVIVAL OF THE COMPANY:**

During the year under review, the Company has inducted a Strategic Lender, namely, Silver Business Opportunities Pvt. Ltd. (for short, SBOPL) to make full and final settlement of the dues of Punjab National Bank (PNB) for the purpose of revival of the Company. The Strategic Lender has directly paid Rs.240 lacs to PNB in full and final settlement of their dues under the assignment agreement entered in to with them and stepped in the shoes of PNB, whereby PNB has assigned all their all underlying security, charges, interests, lien etc. in favour of the said Strategic Lender.

**REHABILITATION OF THE COMPANY UNDER THE AEGIS OF BIFR:**

The Company is under the process of revival under the aegis of the Board for Industrial and Financial Reconstruction (BIFR). The Company has submitted a fully tied up draft rehabilitation scheme duly revised and updated on various occasions to SASF, operating agency (OA) as appointed by the BIFR to examine and formulate a revival scheme for the company. The revival scheme is further under modifications and updation as per the directions of the Hon'ble BIFR and the same will be submitted to the OA in due course of time. The process for approval of the revival scheme is thus going on.

**FUTURE PROSPECTS OF THE COMPANY:**

Your Company is making all out efforts to procure the orders, whether the orders are for direct supply or job work /lease basis in order to utilize optimum capacity utilization of production and achieve better sales realization. With these efforts the order book position of the company has improved. The story of infrastructure development in the country is intact and Government spending in this sector has to catch up momentum for GDP growth. As the Govt. spending in this sector increases, the order inflow to the company shall also increase. Keeping these factors in view, the future prospects and outlook of the Company appear to be promising and bright.

**DIVIDEND**

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

**FIXED DEPOSITS**

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

**BOARD OF DIRECTORS**

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mrs. Mandeep Ahluwalia Pahwa & Mr. Amrik Singh Grewal, Directors retire by rotation and being eligible offer themselves for reappointment.

Mrs. Sandeep Kaur Ahluwalia, wife of late Rajinder Singh Ahluwalia (the Chief Promoter of the Company), has been appointed as whole time director of the company with the designation as Director (Administration) for a period of 3 years w.e.f. 1st October, 2011. Necessary application has been made to the Central Government for approval for the salary and perks of Mrs. Sandeep Kaur Ahluwalia.

**AUDITORS**

M/s. R.P. Bhambri & 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, 2012, 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 31/03/2012 and of the Profit and Loss Account for that period;

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- 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 had prepared the Accounts for the Financial Year ended March 31, 2012 on a `going concern' basis.

### **AUDIT QUALIFICATION**

The company has already sent credit/debit conformation letters to parties.

The matter of books of accounts of Baramati Unit, which have already been sold under BIFR process, is being taken to procure the same.

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.

### **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

### **REVOCAION OF TRADING IN EQUITY SHARES OF THE COMPANY**

At the 24<sup>th</sup> AGM, the Chairman assured about the Revocation of the Suspension of Trading in Equity Shares of the Company. We have the pleasure to inform you that the suspension had already been revoked w.e.f. 26<sup>th</sup> April, 2012.

### **CORPORATE GOVERNANCE**

Your Company is committed to follow the best of the Corporate Governance Practices and follows the same while conducting the affairs of the Company. A Report on Corporate Governance along-with a certificate from Auditors of the Company has been incorporated as a part of this Annual Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

A detailed analysis of the Company's performance is mentioned in the Management Discussion and Analysis Report, which forms part of this Annual 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 : 20-10-2012

For and on behalf of the Board,

(Rupinder Singh Ahluwalia)  
CHAIRMAN

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

INFORMATION REQUIRED UNDER SECTION 217(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 2011 – 2012.

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

**FORM A****A. Power and Fuel consumption:**

		<b>Current Year (2011-2012)</b>	<b>Previous Year (2010-2011)</b>
<b>1. Electricity</b>			
a) Purchased Units (KWH)		<b>294590</b>	350241
Total Amount (Rs.)		<b>1689095</b>	1735070
Rate/Unit (Rs.)		<b>5.73</b>	4.95
b) <b>Own generation</b>			
Through Diesel Generator			
Units Generated (KWH)		<b>17938</b>	41033
Total Amount (Rs.)		<b>230429</b>	532468
Cost/Unit (Rs.)		<b>12.84</b>	12.98
<b>2. Consumption per unit of production</b>			
Production : M.S.Pipes (Unit in MT) (Including Job Work)		<b>3092.42</b>	4235.785
Electricity Consumption/MT (KWH)		<b>101.06</b>	92.37

**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:**

<b>Particular</b>	<b>2011-2012 (Rs.in lacs)</b>	<b>2010-2011 (Rs.in lacs)</b>
Earning	Nil	Nil
Outgo	Nil	Nil

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### MANAGEMENT DISCUSSION AND ANALYSIS:

The company's assessment performance for the period ended 31.03.2012 and the outlook for the current year are based on the current environment and business situation. However, unforeseen circumstances and those arising from external factors could affect the performance and the results.

#### (i) Industry Structure and Business Overview:

Infrastructure is the key driver of the Steel Tubes Industry. Liberalization scenario promoted competition and acceptability of the products of the industry which was a net exporter before the international recession. At present, our industrial unit, given its technology, scale of production and location, mainly operates in the Northern region of the country and supply its products to small and medium contracts which are related to water carriage schemes. Fiscal incentives and transport charges are the main external economies to face competition at the location from big players.

#### (ii) Opportunities and Threats:

India has emerged as one of the largest steel producers in the world. However, the per capita consumption of steel in India is still low as compared to developed countries, providing huge opportunity for growth.

The Company remains alert and updated on the latest technology and product development processes and best practices applied in the area of business risks to control and mitigate the risk of intense market competitive pressure and product liability risks.

#### (iii) Segment-wise Performance:

The company has business activity within a single primary business segment viz " Longitudinal & Helical Pipes" and is a single geographical segment.

#### (iv) Financial & Operational Performance

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

Particulars	Current Year (2011-12) (Rs. in lacs)	Previous Year (2010-11) (Rs. in lacs)
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**(v) Internal Control Systems:**

The Standard Operating Policy, Procedures and Guidelines are issued from time to time to achieve best Practices for adequate control in regard to operations of the Company.

Comprehensive internal audit is also carried out by an independent internal auditor to ensure Compliance and identify weaknesses in the system.

**(vi) Human Resources & Industrial Relations:**

The industrial relations continued to be harmonious and cordial providing an atmosphere conducive to sustenance of growth and enhancement of value for shareholders.

**(vii) Health and Safety:**

Adequate safety measures have been taken at all the Places of Businesses. Highest standard of hygiene is maintained.

**(viii) Conclusion:**

The Company is hopeful to break through into new business and is looking various avenues for the same.

**(ix) Cautionary Statement:**

Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual Result and Outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.

## 25th Annual Report

### 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

##### Composition

As on March 31<sup>st</sup>, 2012, the Board consists of Six (6) Directors out of which Four (4) Directors are Non-Executive Directors, Three (3) are Non-Executive Independent Directors and Chairman of the Board is Mr. Rupinder Singh Ahluwalia who is an Executive Director.

##### Meetings and Attendance

##### a) Board Meetings:

The Board of the Company met 7 times during the year on the following dates viz. 13/06/2011, 22/06/2011, 13/08/2011, 13/09/2011, 27/09/2011, 24/10/2011 and 11/02/2012.

##### b) Details of Directors, their attendance at Board Meeting & last Annual General Meeting and Directorships, committee memberships in other Companies:

Name of Directors	Category	No. 7 of Board Meeting attended	Attendance at last AGM held on 13.09.11	No. of outside Directorship and Committee Membership in domestic public companies.#				No. of Shares held on 31.03.12
				Other Directorships		Committee Memberships		
				As a Member	As a Chairman	As a Member	As a Chair-man	
Mr. Rupinder Singh Ahluwalia	Executive	6	Yes	Nil	Nil	Nil	Nil	1700
Ms.Sandeep Kaur Ahluwalia	Executive	6	Yes	Nil	Nil	Nil	Nil	3397100
Mrs.Mandeep Ahluwalia Pahwa	Non-Executive	6	Yes	Nil	Nil	Nil	Nil	0
Mr.Rajkumar Bali	Non-Executive Independent	5	Yes	Nil	Nil	Nil	Nil	400
Mr.Kamal Jain	Non-Executive Independent	6	Yes	Nil	Nil	Nil	Nil	100
Mr. Amrik Singh Grewal	Non-Executive Independent	6	Yes	Nil	Nil	Nil	Nil	100

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

#### 3. Remuneration:

##### a) Remuneration Committee:

While deciding the remuneration of Directors, the Committee considers the performance of the Company, the current trends, the qualifications of the appointee(s), their experience, past performance etc.

**b) Remuneration to Whole Time Director:**

Remuneration paid/payable to Mrs. Sandeep Ahluwalia (Whole Time Director w.e.f 01.10.2011) was fixed by the Remuneration Committee and subsequently approved by the Board of Directors. The Company had made an application for sanction to the Central Government and it is still pending, because, approval of the Shareholders is pending. The same is being obtained at the ensuing Annual General Meeting. Further no Agreement for appointment had been entered so far.

Following is the remuneration paid/payable to Mrs. Sandeep Ahluwalia, as the Whole Time Director during the year ended 31.03.2012.

Director	Salary (Basic)	Perquisites & allowances	Total	Contract Period
Ms. Sandeep Ahluwalia	9,00,000.00	0.00	9,00,000.00	1.10.2011 to 30.09.2014

**c) During the year no sitting fees has been paid to any Directors of the Company.**

**d) Details of Director seeking re-appointment:**

At the ensuing Annual General Meeting, Ms. Mandeep Ahluwalia Pahwa and Mr. Amrik Singh Grewal, 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	Ms. Mandeep Ahluwalia Pahwa
Age	38 Years
Date of Appointment	08/03/2007
Experience	She has a good experience of Finance & Accounting and Marketing associated with the business.
No. of Shares held in the Company	Nil
Qualification	MBA- Finance
List of other Directorships	Nil
Membership/ Chairman of Committees of the other Companies	Nil

Name	Mr. Amrik Singh Grewal
Age	76 Years
Date of Appointment	29/12/2008
Experience	Mr. Amrik Singh Grewal is an Ex-Banker. He was the Senior Manager of Punjab & Sind Bank. In addition to Post Graduation in Economics, he is also having C.A.I.I.B qualification. He is associated with Mukat Group for last more than 13 years and has been advising on various Financial Matters.
No. of Shares held in the Company	100
Qualification	D.R.S, M.A.(ECO), C.A.I.I.B
List of other Directorships	Nil
Membership/ Chairman of Committees of the other Companies	Nil

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### 3. Audit Committee

The Audit Committee has been constituted by the Board of Directors and presently it comprises of Mr. A.S Grewal, Mr. Kamal Jain & Mr. Rupinder Singh. The Chairman of the committee is Non Executive & Independent Director. The committee met 3 times during the year. The attendance at the meetings are as under:

Date of Meeting	Members	Attendance
27.09.2011	3	3
24.10.2011	3	3
11.02.2012	3	3

### 4. Shareholders'/ Investors' Grievance Committee

The Investors' Grievance Committee comprises of 1) Ms. Mandeep Ahluwalia Pahwa, 2) Mr. A S. Grewal, 3) Ms. Sandeep Kaur Ahluwalia & 4) Mr. Rupinder Singh.

Ms. Mandeep Ahluwalia Pahwa is Chairperson of the Committee.

Mr Rupinder Singh is the Compliance Officer of the Company.

The Investors' Grievance Committee of the Company inter alia performs all the functions to redress grievances and complaints of the members on matters pertaining to their shareholding in the Company, also over sees the functioning of the Registrar & Share Transfer Agent and ensures the process of share transfers, transmission and issue of duplicate shares.

No Committee Meeting was held during the year 2011-12.

During the year, 1 Letter / complaint was received from the shareholder, and the same was attended to / resolved to date by the RTA.

There were no valid requests pending for share transfers as on March 31, 2012.

### 5. General Body Meeting:

**A. During the year following Annual General Meetings were held for approving the Annual Accounts for the year ended 31<sup>st</sup> March 2007, 2008, 2009, 2010 and 2011:**

Financial Year	Date/ Day	Time	Venue
2006-07	13.09.2011 Tuesday	10.00 a.m	Time & Again Banquet Hall, 9 Raheja Classique Link Road, Next To Cinemax, Lokhandwala, Andheri (W), Mumbai- 400053
2007-08	13.09.2011 Tuesday	12.00 noon	Time & Again Banquet Hall, 9 Raheja Classique Link Road, Next To Cinemax, Lokhandwala, Andheri (W), Mumbai- 400053
2008-09	13.09.2011 Tuesday	1.30 p.m	Time & Again Banquet Hall, 9 Raheja Classique Link Road, Next To Cinemax, Lokhandwala, Andheri (W), Mumbai- 400053
2009-10	13.09.2011 Tuesday	2.30 p.m	Time & Again Banquet Hall, 9 Raheja Classique Link Road, Next To Cinemax, Lokhandwala, Andheri (W), Mumbai- 400053
2010-11	13.09.2011 Tuesday	3.30 p.m	Time & Again Banquet Hall, 9 Raheja Classique Link Road, Next To Cinemax, Lokhandwala, Andheri (W), Mumbai- 400053

**B.** No Special Resolution was required to be put through Postal Ballot Last year. No Special Resolutions on the matters requiring Postal Ballot are placed for Shareholders' approval at ensuing Annual General Meeting.

### 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 in 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 regularly 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. General Shareholder Information**

**(a) Annual General Meeting to be held**

Date & Time – 17<sup>th</sup> December, 2012 at 11:00 am

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 1<sup>st</sup> April to 31<sup>st</sup> March

**(c) Book Closure Date:** 12-12-2012 to 17-12-2012 (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

**(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, 2011	-	-
May, 2011	-	-
June, 2011	-	-
July, 2011	-	-
August, 2011	-	-
September, 2011	-	-
October, 2011	-	-
November, 2011	-	-
December, 2011	-	-
January, 2012	-	-
February, 2012	-	-
March, 2012	-	-

Note :- Under Suspension as on 31.03.2012.

(Source- [www.bseindia.com](http://www.bseindia.com))

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### (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) Distribution of Shareholding as on March 31<sup>st</sup>, 2012

Slab of Shareholding No of Equity Shares	No of Shareholders	% to Total No of Shareholder	No of Shares Held	% to Total Shares held
1-500	9273	91.6939	1349633	17.2367
501-1000	458	4.5288	384856	4.9151
1001-2000	192	1.8985	292630	3.7373
2001-3000	60	0.5933	153015	1.9542
3001-4000	34	0.3362	121634	1.5534
4001-5000	35	0.3461	164137	2.0963
5001-10000	36	0.3560	255560	3.2639
10000&Above	25	0.2472	5108735	65.2431
<b>TOTAL</b>	<b>10113</b>	<b>100.0000</b>	<b>7830000</b>	<b>100.0000</b>

### (i) Categories of Shareholding as on March 31<sup>st</sup>, 2012.

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	0.004
C FIs	100	0.0013
D Private Corporate Bodies	196186	2.50
E Indian Public	2767297	35.34
F NRIs/OCBs	117385	1.50
G Clearing Members	9831	0.1256
H Trusts	1	0.00
<b>TOTAL</b>	<b>7830000</b>	<b>100</b>

### (j) Dematerialisation of Shares

As on March 31<sup>st</sup> 2012, **22,95,195** Shares, representing 29.31% of the total issued capital, were held in dematerialized form and **55,34,805** shares, representing 70.69% of the total issued capital is held in physical form.

### (k) Outstanding ADRs/GDRs:

The Company has not issued any ADRs/GDRs.

### (l) Plant Location:

Village Khadoli, Patiala Road, Rajpura –140 401, Dist. Patiala, Punjab.

### (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

**9. Compliance**

The Company has obtained Certificate regarding Compliance of conditions of Corporate Governance from Chartered Accountant R.P. Bhambri & Co., which forms part of Annual Report of the Company.

**10. Certification by Director of the Company**

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

**11. 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 31.03.2012.

**For Mukat Pipes Limited**

**(Rupinder Singh Ahluwalia)  
Director**

**Place:Rajpura  
Date:20-10-2012**

## 25th Annual Report

### 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 31<sup>st</sup> March, 2012 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 Accountants 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, the Company has complied 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

(**RANJIT PARKASH**)  
Proprietor

Place: Rajpura  
Date: 20-10-2012

R.P. BHAMBRI & CO.  
CHARTERED ACCOUNTANTS

Ph. 2217015  
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 31<sup>st</sup> March 2012 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 and 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 the 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 (CARO) 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 balance sheet, profit and loss account and cash flow statement, dealt with by this report are in agreement with the books of account;
- (iv) 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.
- (v) 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 31<sup>st</sup> March 2012 from being appointed as a director in terms of section 274 (1)(g) of the Companies Act, 1956;
- (vi) 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 availability of documents relating to transactions of Baramati Unit as mentioned in Note No. 34 impact of which on profit and loss account and Balance Sheet is not ascertainable.**
  - (ii) **No confirmation letters have been obtained as a result variance if any and its impact on profit/loss and reserves 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 31<sup>st</sup> March 2012
- (b) in the case of profit and loss account, of the Profit 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.

Place: Patiala  
Date : 28-05-2012

For **R.P. BHAMBRI & CO.,**  
**CHARTERED ACCOUNTANTS**  
(Firm Registration No.001312N)

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

## 25th Annual Report

### Annexure

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

- (i) In respect of its fixed assets:
  - (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 programme 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) In respect of its inventory:
  - (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) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the companies Act, 1956 (hereinafter referred to as the Act).
  - (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) According to the information and explanations given to us, the terms and conditions of secured/unsecured loans taken by the company from companies, firms or other parties concerned in the register maintained under prejudicial to the interest of the company. The maximum amount involved during the year was Rs. 6.24 Crores and the year end balance of loans taken from such parties was Rs. 6.24 Crores.
  - (d) 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 is adequate internal control procedure, commensurate with the size of the company and the nature of its business with regards to purchase 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 control procedure. 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 the 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 prima facie reasonable having regard to prevailing market prices at the relevant time.
- (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) According to the information and explanation given to us and the records of the company examined by us in respect of statutory dues.
  - (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues of provident fund, employees' state insurance, applicable to it. The amount of unpaid dividend due to be transferred to the investor education and protection fund is Rs. 12.13 Lacs.

- (b) According to the information and explanations given to us, the undisputed amounts as at 31<sup>st</sup> March, 2012 which are outstanding for a period of more than six months from the date they became payable, in respect of Income Tax, Sales Tax & Wealth Tax, Customs duty and Excise Duty are NIL.
- (c) According to the information given to us, there are no dues of customs duty, wealth tax and cess except for Income Tax, Excise Duty and Sales Tax, which are disputed.

(I) Income Tax	Rs. 255.16 Lac	Matter pending with Appellate Authorities
(ii) Excise Duty	Rs. 136.55 Lac	Matter pending with Appellate Authorities
(iii) Sales Tax	Rs. 126.32 Lac	Matter pending with Appellate Authorities

- (x) Although the company has not incurred any cash loss during the year but still the accumulated losses of the company are more than 50% of its net worth. The company is already registered with BIFR for rehabilitation and reconstruction.
- (xi) The company has settled/repaid its dues outstanding with banks and financial institutions under the OTS approved by them.
- (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) According to the information and explanation given to us the company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us the Term Loan taken during the year has been applied for the purpose for which that was obtained.
- (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.
- (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.

Place: Patiala  
Date :28-05-2012

For **R.P. BHAMBRI & CO.,**  
**CHARTERED ACCOUNTANTS**  
(Firm Registration No.001312N)

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

25th Annual Report

MUKAT PIPES LIMITED

Balance Sheet as on 31st March 2012

(Amount in Rs.)

Particulars 1	Note No. 2	31.03.2012 3	31.03.2011 4
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	78,300,000.00	78,300,000.00
(b) Reserves and Surplus	3	(97,645,453.66)	(344,857,958.00)
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-Current liabilities</b>			
(a) Long term borrowings	4	58,249,820.00	37,742,452.00
(b) Deferred tax liabilities (Net)	5	3,597,000.00	3,597,000.00
(c) Other long term liabilities		-	-
(d) Long term provisions		-	-
<b>(4) Current liabilities</b>			
(a) Short term borrowings	6	-	190,865,864.00
(b) Trade payables	7	24,809,979.72	37,802,996.00
(c) Other current liabilities	8	25,884,022.00	212,741,858.00
(d) Short-term provisions	9	266,500.00	266,500.00
<b>Total</b>		<b>93,461,868.06</b>	<b>216,458,712.00</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		33,844,244.73	103,495,197.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non current investments	11	483,077.39	459,428.00
(c) Long-term loans and advances	12	5,570,893.14	40,263,905.00
(d) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	13	23,486,893.00	26,996,652.00
(c) Trade receivables	14	12,084,348.43	23,844,611.00
(d) Cash and Bank Balances	15	4,040,750.29	3,899,895.00
(e) Short-term loans and advances	16	13,951,661.07	17,499,024.00
(f) Other Current assets		-	-
<b>Total</b>		<b>93,461,868.06</b>	<b>216,458,712.00</b>

Accompanying notes 1 to 40 form part of the Financial Statements.

**AUDITOR'S REPORT**

SUBJECT TO OUR REPORT OF EVEN DATE  
FOR R.P.BHAMBRI & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. 001312N

FOR MUKAT PIPES LIMITED

(RANJIT PARKASH)  
PROPRIETOR  
M.No. 80084

MANDEEP AHLUWALIA PAHWA  
DIRECTOR

RUPINDER SINGH  
CHAIRMAN

Place : Rajpura  
Dated : 28-05-2012



**MUKAT PIPES LIMITED**  
**Statement of Profit and Loss the year ended 31st March 2012**

(Amount in Rs.)

Particulars	Note No.	31.03.2012	31.03.2011
I. Revenue from operation (gross)	17	126,728,549.00	161,783,355.00
Less: Excise Duty		7,986,181.00	11,730,207.00
Revenue from operation (Net)		<b>118,742,368.00</b>	<b>150,053,148.00</b>
II. Other income	18	354,577.64	2,275,411.00
<b>III. Total Revenue</b>		<b>119,096,945.64</b>	<b>152,328,559.00</b>
IV. Expenses:			
Cost of materials consumed	19	81,352,251.25	106,926,531.00
Purchases of Traded Goods		-	-
Changes in inventories of finished goods Work-in-Progress and Stock-in-Trade	20	(4,636,231.00)	7,324,594.00
<u>Employee benefit Expenses</u>	21	10,134,471.00	9,485,788.00
Finance costs	22	2,707,153.00	1,040,000.00
Depreciation and Amortisation Expenses	23	9,656,201.59	17,774,181.00
Other Expenses	24	47,555,476.79	29,307,022.00
<b>Total Expenses</b>		<b>146,769,322.63</b>	<b>171,858,116.00</b>
V. Profit before exceptional and extraordinary items and tax		<b>(27,672,376.99)</b>	<b>(19,529,557.00)</b>
VI. Exceptional items	25	3,113,924.00	-
VII. <u>Profit before extraordinary items and tax</u>		<b>(30,786,300.99)</b>	<b>(19,529,557.00)</b>
VIII. Extraordinary items	26	277,998,805.33	-
IX. Profit before tax		<b>247,212,504.34</b>	<b>(19,529,557.00)</b>
X. Tax expenses			
(1) Current tax		-	-
(2) Deffered tax		-	-
XI. Profit/ (loss) for the period from continuing operations		247,212,504.34	(19,529,557.00)
XII. Profit/ (loss) from discontinuing operations		-	-
XIII. Tax expenses of discontinuing operations		-	-
XIV. Profit/ (loss) from discontinuing operations (after tax)		-	-
XV. Profit/ (loss) for the Period		<b>247,212,504.34</b>	<b>(19,529,557.00)</b>
XVI. Earning per Equity share:	27		
(1) Basic		31.57	(2.49)
(2) Diluted		-	-

Accompanying notes 1 to 40 form part of the Financial Statements.

**AUDITOR'S REPORT**

SUBJECT TO OUR REPORT OF EVEN DATE  
**FOR R.P.BHAMBRI & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration No. 001312N

**FOR MUKAT PIPES LIMITED**

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

**MANDEEP AHLUWALIA PAHWA**  
 DIRECTOR

**RUPINDER SINGH**  
 CHAIRMAN

Place : Rajpura  
 Dated : 28-05-2012

**MUKAT PIPES LIMITED**  
**DETAILS OF FIXED ASSETS FORMING PART OF BALANCE SHEET FOR THE PERIOD ENDING March 31, 2012**  
**10. FIXED ASSETS**

S. NO	PARTICULARS	RATE OF DEP	COST				DEPRECIATION				WRITTEN DOWN VALUE	
			AS ON 01.04.11	ADDITION DURING YEAR	SALES DURING YEAR	AS ON 31.03.2012	UPTO 01.04.11	ON ITEMS SOLD DURING	FOR THE PERIOD ENDED 31.03.12	UPTO 31.03.12	AS ON 31.03.12	AS ON 31.03.11
1	LAND	0.00	3,232,485.00	0.00	2,680,585.00	551,900.00		0.00		0.00	551,900.00	3,232,485
2	BUILDING											
	A) FACTORY	3.34%	60,142,755.00	0.00	35,360,677.00	24,782,078.00					10,278,490.00	35,656,133
	B) OFFICE	1.63%	4,350,610.00	0.00	0.00	4,350,610.00					3,099,864.00	3,170,779
	C) RESIDENTIAL	1.63%	8,406,069.00	0.00	7,859,782.00	546,287.00					365,946.00	7,140,664
	D) BOREWELL	0	22,945.00	0.00	22,945.00	0.00					0.00	13,417
3	PLANT & MACHINERY	4.75%	263,167,691.00	1,161,199.00	92,967,319.00	171,361,571.00					18,383,735.00	51,826,992
4	FURNITURE & FIXTURE	6.33%	2,735,685.00	25,903.00	764,444.00	1,997,144.00					1.00	245,840
5	OFFICE EQUIPMENT	4.75%	2,472,487.00	78,287.00	1,193,324.00	1,357,450.00					374,843.00	914,531
6	COMPUTERS	16.21%	875,962.00	18,900.00	0.00	894,862.00					1.00	65,475
7	VEHICLES	9.50%	3,376,266.00	0	0.00	3,376,266.00					1.00	1
8	AIR-CONDITIONER	4.75%	1,085,540.05	0.00	0.00	1,085,540.05					386,290.05	437,853
9	TOOLS & EQUIPMENTS	4.75%	750,662.09	0.00	0.00	750,662.09					145,627.09	186,437
10	DESIGNE & DRAWINGS	4.75%	7,306,198.74	0.00	0.00	7,306,198.67					257,547.67	604,591
	<b>TOTAL</b>		<b>357,925,355.88</b>	<b>1,284,289.00</b>	<b>140,849,076.00</b>	<b>218,360,568.81</b>					<b>33,844,245.81</b>	<b>103,495,197</b>
	<b>CAPITAL W.I.P.</b>		0.00	0.00	0.00	0.00					0.00	0.00
	<b>PREVIOUS YEAR</b>		358,298,278.00	767,578.00	900,000.00	357,925,356.00					103,495,197.00	120,895,924.00

## MUKAT PIPES LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012

## 1. SIGNIFICANT ACCOUNTING POLICIES

## a) Method of Accounting

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

## b) Fixed Assets

Fixed Assets are stated at Historical Cost of Acquisition or Construction Cost less Depreciation. Attributable cost and expenses of bringing the assets to working condition for their intended use are capitalized.

## c) Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

## d) Inventories

Inventories are valued as under :-

i) Raw material and other Inventories	At Cost
ii) Work in Process	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) Sale is inclusive of Excise Duty but excludes Sales Tax/VAT. The export benefits 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

There has been no transaction in Foreign Exchange

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## MUKAT PIPES LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012

	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
<b>2. Share Capital</b>		
<b>Authorised</b> 7830000 (2010-11 - 7830000) Equity Shares of Rs 10 Each	78,300,000.00	78,300,000.00
<b>Issued, Subscribed and fully paid up</b> 7830000 (2010-11 - 7830000) Equity shares of Rs. 10 Each	78,300,000.00	78,300,000.00
	<b>78,300,000.00</b>	<b>78,300,000.00</b>
(i) There has been no movement in the equity shares in the current year and previous year.		
(ii) There is no change in issued, subscribed and paid up capital during the current year and corresponding previous year		
(iii) The company has only one class of Equity Shares having a par value of Rs. 10 per share		
(iv) Each holder of equity share is entitled to one vote per share		
(v) Shareholders holding more than 5% shares		
<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
a) Smt. Sandeep Kaur Ahluwalia - 43.38%	3397100	3397100
b) Surindra Engg. Co. Pvt. Ltd. - 10.47%	820000	820000
<b>3 Reserves and Surplus</b>		
a) <b>Capital Reserve</b> Subsidy	4,550,000.00	4,550,000.00
b) <b>Revenue Reserve</b> Deferred Tax adjustment on initial adjustments	29,816,000.00	29,816,000.00
(c) <b>Surplus/Deficit in Statement of Profit &amp; Loss</b>		
Opening Balance	(379,223,958.00)	(355,869,367.00)
Add: Profit for the year	247,212,504.34	(23,354,591.00)
Add : Income Tax refunds		-
Less: Tax payments & others		
Closing Balance	(132,011,453.66)	(379,223,958.00)
<b>TOTAL</b>	<b>(97,645,453.66)</b>	<b>(344,857,958.00)</b>
<b>4 Long Term borrowings</b>		
<b>SECURED</b>	-	-
Term loans		
- from banks / financial institutions	-	112,000,000.00
- from others	24,675,000.00	-
	<b>24,675,000.00</b>	<b>112,000,000.00</b>
<b>UNSECURED</b>	-	-
From Directors/Relatives	37,742,452.00	37,742,452.00
Less : Current maturities of long term borrowings	4,167,632.00	112,000,000.00
	<b>58,249,820.00</b>	<b>37,742,452.00</b>

<b>MUKAT PIPES LIMITED</b>		
<b>NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012</b>		
	<b>As At 31.03.2012 Rs.</b>	<b>As At 31.03.2011 Rs.</b>
Detail of Current maturities of long term borrowings		
<b>SECURED</b>		
Term loans		
- from banks / financial institutions	4,167,632.00	112,000,000.00
- from others		
<b>UNSECURED</b>		
Current maturities of long term borrowings		
	-	-
	<b>4,167,632.00</b>	<b>112,000,000.00</b>
<b>1. Banks/Financial Institutions</b>		
Nil (2010-11 - 1120 Lacs secured by paripaasu charge on immovable properties and hypothecation of all the movable assets subject to first charge on moveable assets created in favour of Bankers for working capital)		
<b>2. Others</b>		
246.75 Lacs (2010- 11 - NIL) secured by first charge on immovable properties and movable assets of the company.		
<b>5 Deferred Tax liabilities (Net)</b>		
<b>(a) Deferred tax liabilities</b>		
<b>Less: Deferred tax assets</b>	28,804,000.00	28,804,000.00
	25,207,000.00	25,207,000.00
<b>Net</b>	<b>3,597,000.00</b>	<b>3,597,000.00</b>
<b>6 Short term borrowings</b>		
<b>Secured</b>		
Punjab National Bank	-	79,564,583.00
Oriental Bank of Commerce	-	108,197,611.00
Interest Accrued and due	-	3,103,670.00
	-	<b>190,865,864.00</b>
<b>Secured</b>		
Nil ( 2010-11 - Rs. 1908.66 Lacs) secured by hypothecation of stocks of raw material finished and semifinished goods and book debts and 2nd charge created/to be created on the companies immovable properties.		
<b>7 Trade Payables</b>		
Acceptances	-	-
Trade payables	-	-
- Micro and small enterprises (Note -1)	-	-
- Others	24,809,979.72	37,802,996.00
The company is in the process of identifying 'suppliers' covered under the Micro, small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regards as per Schedule VI of the companies Act, 1956 could not be provided.	<b>24,809,979.72</b>	<b>37,802,996.00</b>

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## MUKAT PIPES LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012

	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
<b>8 Other current liabilities</b>		
-Advances from customers	11,181,679.00	9,699,000.00
Dues to Associates Concern	-	80,878,532.00
Expenses Payable	1,286,563.00	1,279,239.00
Securities Refundable	26,339.00	31,339.00
Unpaid Dividend	1,212,808.00	1,212,808.00
Other Liabilities	8,009,001.00	7,640,940.00
Instalment falling due within one year	4,167,632.00	112,000,000.00
	<b>25,884,022.00</b>	<b>212,741,858.00</b>
<b>9 Short-term provisions</b>		
Provisions for FBT	266,500.00	266,500.00
Provisions for Taxation	-	-
	<b>266,500.00</b>	<b>266,500.00</b>
<b>11 Non current investments</b>		
FDR With Banks	483,077.39	459,428.00
	<b>483,077.39</b>	<b>459,428.00</b>
<b>12 Long-terms loans advances</b> (unsecured, considered good unless otherwise stated)		
Security deposits	1,357,249.00	1,347,809.00
Loans and advances to related Parties	874,012.14	35,953,725.00
Other loans and advances		
-T.D.S	1,936,042.00	1,208,837.00
-To employees	1,403,590.00	1,753,534.00
	<b>5,570,893.14</b>	<b>40,263,905.00</b>
<b>13 Inventories</b>		
Raw Material	1,467,636.00	4,752,969.00
Stores & Spares	3,260,000.00	1,935,000.00
Work in Progress	8,874,232.00	4,902,462.00
Scrap	61,551.00	513,419.00
Finished Goods	9,538,462.00	8,422,133.00
Unutilised Portion of Modvat	285,012.00	6,470,669.00
	<b>23,486,893.00</b>	<b>26,996,652.00</b>
<b>14 Trade receivables</b>		
<b>Outstanding for a period exceeding 6 months from the date they are due for payment</b>		
Unsecured- Considered good	9,131,259.43	17,104,530.00
- Considered not good	20,008,953.00	20,008,953.00
	<b>29,140,212.43</b>	<b>37,113,483.00</b>
<b>Less: Provision for doubtful debts</b>	20,008,953.00	20,008,953.00
	<b>9,131,259.43</b>	<b>17,104,530.00</b>

<b>MUKAT PIPES LIMITED</b>		
<b>NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012</b>		
	<b>As At 31.03.2012 Rs.</b>	<b>As At 31.03.2011 Rs.</b>
<b>Others</b>		
Other Trade Receivables Unsecured Considered Good	2,953,089.00	6,740,081.00 -
	<b>12,084,348.43</b>	<b>23,844,611.00</b>
<b>15 Cash and Cash Equivalents</b>		
Balance with banks	2,088,716.97	2,067,148.00
-Current accounts	1,952,033.32	1,832,747.00
Cash on hand		
	<b>4,040,750.29</b>	<b>3,899,895.00</b>
<b>16 Short-term loans and advances</b> (Unsecured considered good unless otherwise stated)		
<b>Other loans and advances</b>		
Balances with Excise Authorities	2,516,731.90	8,679,455.00
Advances Recoverable in Cash or kind	3,718,085.41	3,660,840.00
Advances to Supplier & Others	3,858,227.00	4,701,833.00
Amount Recoverable	3,858,616.76	456,896.00
	<b>13,951,661.07</b>	<b>17,499,024.00</b>
<b>17 Revenue from operations</b>		
Sale of products & Job Work	126,728,549.00	161,783,355.00
	<b>126,728,549.00</b>	<b>161,783,355.00</b>
<b>18 Other income</b>		
Interest income	133,045.64	115,276.00
Insurance Claim	-	3,600.00
Charges Recovered	9,400.00	9,600.00
Miscellaneous Receipt	212,132.00	2,146,935.00
	<b>354,577.64</b>	<b>2,275,411.00</b>
<b>19 Cost of Material Consumed</b>		
Opening stock - Material	4,752,969.00	5,103,049.00
Unutilised Portion of Modvat	6,470,669.25	7,289,199.00
Add : Purchases	71,881,261.00	105,757,921.00
Less Closing Stock Material	1,467,636.00	4,752,969.00
Unutilised Portion of Modvat	285,012.00	6,470,669.00
<b>Total</b>	<b>81,352,251.25</b>	<b>106,926,531.00</b>
<b>20 Accretion/Depletion of Stock</b>		
Opening Stock		
Finished Goods	8,422,133.00	15,033,996.00
Work in Progress	4,902,462.00	5,650,302.00
Realisable Scrap	513,419.00	478,310.00
<b>Total</b>	<b>13,838,014.00</b>	<b>21,162,608.00</b>

## 25th Annual Report

## MUKAT PIPES LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012

	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
Closing Stock		
Finished Goods	9,538,462.00	8,422,133.00
Work in Progress	8,874,232.00	4,902,462.00
Realisable Scrap	61,551.00	513,419.00
<b>Total</b>	<b>18,474,245.00</b>	<b>13,838,014.00</b>
(Accretion)/Depletion	<b>(4,636,231.00)</b>	<b>7,324,594.00</b>
<b>21 Employee benefits expenses</b>		
Salaries, wages, incentives	8,581,202.00	8,434,186.00
Contribution to provided funds and other funds	522,782.00	502,092.00
Staff welfare and employee training expenses	1,030,487.00	549,510.00
	<b>10,134,471.00</b>	<b>9,485,788.00</b>
<b>22 Finance cost</b>		
Interest expenses	2,707,153.00	1,040,000.00
	<b>2,707,153.00</b>	<b>1,040,000.00</b>
<b>23 Depreciation &amp; Amortisation</b>		
Depreciation	9,656,201.59	17,774,181.00
	<b>9,656,201.59</b>	<b>17,774,181.00</b>
<b>24 Other expenses</b>		
Excise Duty Paid	368,731.00	2,731,697.00
Testing charges	81,023.00	89,952.00
Consumable Stores	9,683,740.00	9,328,372.00
Labour Charges	4,332,882.00	6,773,405.00
Power & Fuel	3,293,801.00	2,882,300.00
Repairs to Plant & Machinery	67,487.00	17,948.00
Repairs to Building	96,976.00	15,717.00
Repairs Others	508,150.00	220,705.00
Insurance Charges	152,074.00	44,163.00
Vehicle Expenses	1,241,318.70	1,018,184.00
Legal & Professional Charges	682,238.00	1,455,070.00
Telephone & Telex Charges	138,512.00	157,951.00
Printing & Stationery	437,968.00	91,644.00
Travelling Expenses	359,722.00	477,596.00
Rent, Rates & Taxes	2,630,503.00	791,643.00
Bank Charges & Commission	406,071.02	15,484.00
Postage & Telegram	198,058.00	22,466.00
Directors Remuneration & Other Benefits	1,274,310.00	350,922.00
Auditors Remuneration	50,000.00	50,000.00
Selling Expenses	1,833,427.00	5,396.00
Sales Promotion & Advertising	177,323.00	119,700.00
Freight & Forwarding Charges	57,840.00	889,889.00
Donations	40,000.00	26,300.00
General Expenses	339,312.07	343,093.00
Service Tax Paid	99,995.00	45,027.00
Security & Safety Exp.	124,914.00	953,386.00



## MUKAT PIPES LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012

	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
Bad & Doubtful Debts written off	9,894,335.00	-
Expenses incurred on Job Work	8,341,670.00	-
Listing fee	236,840.00	-
Directors Travelling Exp.	406,256.00	389,012.00
	<b>47,555,476.79</b>	<b>29,307,022.00</b>
<b>25 Exceptional Item</b>		
Prior Period Expenses	3,113,924.00	-
	<b>3,113,924.00</b>	-
<b>26 Extraordinary Item</b>		
1. Amount received from SASF	2,115,000.00	-
2. Profit on sale of Baramati Unit	84,820,959.00	-
3. Amount written off		
a) Punjab National Bank	38,164,583.26	-
b) Oriental Bank of Commerce	75,301,281.00	-
c) Others	77,596,982.07	-
	<b>277,998,805.33</b>	-
<b>27 Earning Per share</b>	<b>This Year</b>	Previous Year
Profit/ (Loss) after tax as per statement of Profit and loss	<b>247,212,504.34</b>	(19,529,557.00)
Number of equity shares outstanding	<b>7,830,000.00</b>	7,830,000.00
Earning per share- basic/ diluted (face value- Rs. 10 per share)	<b>31.57</b>	(2.49)
<b>28 Contingent liabilities not provided for:</b>		
a) Counter guarantees given by Bank	-	-
b) Claims not acknowledged as debts	<b>9,000.00</b>	9,000.00
i) Excise Duty demand (against which the company has preferred appeals)	<b>13,655,000.00</b>	13,655,000.00
ii) Income Tax demanded (against which the company has preferred appeals)	<b>25,516,000.00</b>	21,167,000.00
iii) Demand from DGFT (against which the company has preferred appeals)	<b>22,500,000.00</b>	22,500,000.00
iv) Sales Tax	<b>12,632,000.00</b>	12,590,000.00
<b>29</b> The company has written back Rs. 45923819/- on account of balances with different group companies in terms of family settlement recorded by the Hon'ble Supreme Court vide its orders dtd. 12-05-2011. This has resulted in increase in profits of the company by the aforesaid amount.		
<b>30</b> All the assets of Baramati unit of the company were sold during the year with the permission of the Hon'ble BIFR through the process of public auction and the proceeds of the sales were credited to secured creditors, SASF/IDBI, ARCIL/OBC under the process of negotiated OTS's as		

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<b>MUKAT PIPES LIMITED</b>		
<b>NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012</b>		
	<b>As At 31.03.2012 Rs.</b>	<b>As At 31.03.2011 Rs.</b>
envisaged in the DRS submitted by O.A. to the Hon'ble BIFR. Profit on sale amounting to Rs.84820959/- has been shown in extraordinary item.		
31 The company has entered into OTS's with PNB, IDBI and OBC. The company has settled the accounts with the aforesaid institutions in full. The profit on settlement amounting to Rs. 113465864/- is treated as income for the year and is shown under extra ordinary item.		
32 The sale proceeds of Rs. 1.78 Crores of collateral security under the process of SAFFRASI Act were credited in the OTS account of PNB and the counter balance was written off.		
33 No Provision has been made for Income Tax		
34 The company has not produced books of accounts and other relevant record in respect of Baramati unit which has since been sold, as such the balances are taken as per audited balance sheet as on 31-03-2008. The impact of transactions entered into by the company at Baramati Unit after 31-03-2008 will be considered when the relevant documents are produced.		
35 In the absence of confirmation letter of balances from Debtors, Creditors and Other parties, the balances are taken as per the books of accounts		
<b>36 Auditors Remunderation</b>		
<b>Statutory Auditor</b>		
i) Audit fee	38,000.00	38,000.00
ii) Tax Audit Fee	12,000.00	12,000.00
	<b>50,000.00</b>	<b>50,000.00</b>
<b>37 Amount remitted in foreign Currency on Account of Dividends to Non-Resident Shareholders</b>		
a) Number of Shareholders	-	-
b) Number of shares held	-	-
c) Amounts remitted (Net) Rs. In Lacs	-	-
d) Year for which dividend was remitted	-	-
<b>38 Earning in Foreign Exchange</b>		
FOB Value of exports	-	-
Figures of the previous year have been re-grouped and re-classified wherever necessary to facilitate company's presentation.		

## MUKAT PIPES LIMITED

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012

	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
<b>39 Related Party Disclosure Under Accounting Standard (AS)18</b>		
<b>A. <u>Key management personnel and their relatives</u></b>		
i) Mr. Rupinder Singh, Chairman		
ii) Mrs. Sandeep Kaur Ahluwalia, Director		
iii) Mrs. Mandeep Ahluwalia Pahwa, Director		
iv) Mr. Kamal Jain, Director		
v) Ms. Manpreet Ahluwalia, Relative		
vi) Mr. Kuljinder Singh Ahluwalia, Director (upto 12-05-2011)		
vii) Mr. Ravinder Singh Ahluwalia, Director (upto 12-05-2011)		
<b>B. Entities over which key management personnel are able to exercise significant influence:</b>		
i) M/s. Balaji Steel & Pipes		
ii) M/s. Silver Business Opportunities Pvt. Ltd.		
iii) M/s. Surindra Engg. Co. Ltd.		
iv) M/s. Mukat Tanks and Vessels Ltd.,		
v) M/s. Muktanandan Pipes Ltd.,		
vi) M/s. Mukat Finance Ltd.		
<b>Details of Transactions are as follows:</b>		
<b>1. Remuneration</b>		
Key management personnel	1,274,000.00	351,000.00
<b>2. Rent, Interest and other expenses paid</b>	2,243,000.00	390,000.00
<b>3. Loan Received</b>		
Balance as at close of the year		
i) Entities over which key management personnel has significant influence:-	24,675,000.00	-
ii) Directors and their relatives	37,742,000.00	37,742,000.00
<b>40</b> The Revised Schedule - VI has become effective from April 1, 2011 for the preparation of financial statements. Pursuant to the same, the required changes in presentation and disclosures have been incorporated in these financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosures.		

FOR R.P.BHAMBRI & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. 001312N

FOR MUKAT PIPES LIMITED

(RANJIT PARKASH)  
PROPRIETOR  
M.No. 80084

MANDEEP AHLUWALIA PAHWA  
DIRECTOR

RUPINDER SINGH  
CHAIRMAN

Place : Rajpura  
Dated : 28-05-2012

25th Annual Report

**MUKAT PIPES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2012**  
**PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

	Year Ended 31/03/2012 (Rs. in Lacs)	Year Ended 31/03/2011 (Rs. in Lacs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax, exceptional & extra ordinary items	(276.72)	(195.30)
Adjustments For		
Depreciation	96.56	177.74
Loss on sale/write off of fixed assets	0.00	
Finance Cost	27.07	10.40
Less: interest and dividend income	(1.33)	(1.15)
<b>Operating Profit Before Working Capital Changes</b>	<b>(154.42)</b>	<b>(8.31)</b>
Adjustments For		
Trade Receivables	117.60	71.44
Long term loans and advances	346.93	
Short term loans and advances	35.47	
Other current assets		
Inventories	35.10	84.18
Trade Payables	(129.93)	109.29
Long term provisions		
Short term provisions		
Other Long term liabilities	0.00	(72.85)
Other current liabilities	(1,868.58)	(132.43)
<b>Cash generated from operations</b>	<b>(1,463.41)</b>	<b>59.63</b>
Income taxes refund		
<b>Net Cash from/(used) in operating activities before exceptional &amp; extra ordinary item</b>	<b>(1,617.83)</b>	<b>51.32</b>
Exceptional and Extra Ordinary item	2,748.85	0.00
<b>Net cash from/(used) in operating activities</b>	<b>1,131.02</b>	<b>51.32</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(12.84)	(7.67)
Sale of fixed assets	612.80	3.94
Purchase of trade non current investments		
Purchase of non-trade non current investment		
Redemption of non-trade non current investment		
Purchase of non-trade current investment	(0.24)	(4.59)
Sale of non-trade current investments		
Short term loans and advances to subsidiary companies		
Long term loans and advances to subsidiary companies		
Interest received	1.33	1.15
Dividend received		

**MUKAT PIPES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2012**  
**PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

	Year Ended 31/03/2012 (Rs. in Lacs)	Year Ended 31/03/2011 (Rs. in Lacs)
<b>Cash flow used in investing activities</b>	<b>601.05</b>	<b>(7.17)</b>
<b>C. Cash flow from financing activities.</b>		
Proceeds from Long term borrowings	205.07	
Proceeds from Short term borrowings		
Repayment of Long term borrowings		(10.00)
Repayment of short term borrowings	(1,908.66)	
Changes in working capital borrowings		
Dividends paid		
Corporate dividend tax paid		(38.25)
Finance Cost paid	(27.07)	(10.40)
<b>Net Cash (used)/from financing activities</b>	<b>(1,730.66)</b>	<b>(58.65)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1.41</b>	<b>(14.50)</b>
Cash and cash equivalents as at opening*		
Cash and cheques in hand and balance with banks	39.00	53.50
Cash and cash equivalents as at closing*		
Cash and cheques in hand and balance with banks	40.41	39.00

**AUDITOR'S REPORT**

SUBJECT TO OUR REPORT OF EVEN DATE  
**FOR R.P.BHAMBRI & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 001312N**

**FOR MUKAT PIPES LIMITED**

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

**MANDEEP AHLUWALIA PAHWA**  
**DIRECTOR**

**RUPINDER SINGH**  
**CHAIRMAN**

Place : Rajpura  
Dated : 28-05-2012

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## 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 25<sup>th</sup> Annual General Meeting of the Company held on Monday, 17<sup>th</sup> day of December, 2012 at 11.00 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 25<sup>th</sup> Annual General Meeting to be held on Monday, 17<sup>th</sup> day of December, 2012 at 11.00 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 \_\_\_\_\_ 2012.

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 :

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**Unit : MUKAT PIPES LIMITED**

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