

MUKAT PIPES LIMITED

19TH
Annual Report
2005-2006

ANNUAL REPORT 2005 - 2006

Board of Directors	: Mr. Kuljinder Singh Ahluwalia Mr. Ravinder Singh Ahluwalia Mr. Rupinder Singh Ahluwalia Mr. Raj Kumar Bali Mr. Kamal Jain Ms. Sandeep Kaur Ahluwalia Ms. Mandeep Ahluwalia Pahwa	
Auditors	: M/s R.P. Bhambri & Co. Chartered Accountants 8, Yadvindra Colony, The Mall, Patiala - 147001. Tel.: 2217015	
Branch Auditors / Tax Consultant	: M/s Desai Dighe & Co. Chartered Accountants 7, R.M. Building, 49, Dr. E Moses Road, Opp. Mahalaxmi Rly. Station, Mahalaxmi (W), Mumbai - 400 034. Tel.: 2494 6187	
Registered Office :	Surindra House, Next to New Sakinaka Telephone Exchange, Andheri Kurla Road, Safaid Pool, Mumbai - 400 072.	
Delhi Office	: Flat No. 211, Mahatta Tower, 54, B Block, Community Centre, Janakpuri, New Delhi - 110 058.	
Works	: Village Khadoli, Patiala Road, Dist. Patiala, Rajpura - 140 401, Punjab.	D-45, Baramati Industrial Area, Tandulwadi, Baramati, Pune - 413 133, Maharashtra
Registrar & Share Transfer Agent	: M/s. Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.	
Bankers	: Punjab National Bank Oriental bank of Commerce	

NOTICE

NOTICE is hereby given that the Nineteenth Annual General meeting of the Members of **MUKAT PIPES LIMITED** will be held on 11th June, 2007 at 11.00 a.m. at Vishal Hall, Sir M. V. Road, Andheri (East), Mumbai - 400 069. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2006 and the Profit & Loss Account for the year ended March 31, 2006 together with the reports of Directors and that of the Auditors thereon.
2. To appoint Mr. Raj Kumar Bali, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Mr. Kamal Jain, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
"RESOLVED THAT Ms. Sandeepkaur Ahluwalia be and is hereby appointed as Director liable to retire by rotation."
6. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
"RESOLVED THAT Ms. Mandeep Ahluwalia Pahwa be and is hereby appointed as Director liable to retire by rotation."

For and on behalf of the Board

Chairman

Place: Rajpura

Date: 8th May 2007

REGD. OFFICE:

Surindra House,
M. V. Road, Safaid Pool,
Mumbai 400 072

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/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Registrar of Members and the Share Transfer Books of the Company will remain closed from 7th June, 2007 to 11th June 2007 (both days inclusive)
3. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business is Annexed with the Notice.
4. The members are requested to
 - (a) Intimate changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, M/s. Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, at the earliest.
 - (b) Quote ledger folio numbers in all their correspondence
 - (c) Apply for consolidation of share folios, if share holdings are under multiple folios
 - (d) Bring copies of the Annual Reports and the Attendance Slips with them at the Annual General Meeting.

5. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least ten days before the meeting, so as to enable the Company to make the required information readily available at the meeting to the extent possible.
6. Members who hold shares in dematerialised form are requested to bring their Client ID & DP ID numbers for easy identification of attendance at the meeting.
7. Information about Directors seeking appointment/re-appointment as required under Clause 49 (VI)(A) of the Listing Agreement entered into with the Stock Exchanges..
8. Information about Directors seeking appointment/re-appointment as required under Clause 49 (VI)(A) of the Listing Agreement entered into with the Stock Exchanges.

1. Name : Mr. Raj Kumar Bali
 Age : 62 years
 Expertise : He is senior business executive and having 40 years experience in the Industry general, and of Iron and Steel Industry, in particular. He has been associated with the Company from last 13 years.
 Other Directorships : He is the Director in the following Companies:
 a) Muktanandan Pipes Ltd. No. of Shares held: 100
2. Name : Mr. Kamal Jain
 Age : 59
 Expertise : Vast Experience in marketing and purchase. He served in many textile companies within India and abroad in various capacities. He has been associated with the company from 13 years.
 Other Directorships : He is the Director in the following Companies:
 a) Surindra Engg. Co. Ltd. No. of Shares held: 3300
3. Name : Ms. Sandeepkaur Ahluwalia
 Age : 58
 Qualification : M.A
 Expertise : She being a wife of Ex-Chairman of Mukat Group is closely associated with the business.
 Other Directorships : NIL
 No. of Shares held : 3397100
4. Name : Ms. Mandeep Ahluwalia Pahwa
 Age : 33
 Qualification : MBA, Finance
 Expertise : Has a Good Experience of Finance & Accounting & Marketing.
 Other Directorships : NIL
 No of Shares held : NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Items No. 5 & 6**

Pursuant to order passed on 14th Feb., 2007 by the Hon'ble Principal Bench of CLB, Ms. Sandeepkaur Ahluwalia was permitted to have atleast two Directors on the Board of the Company. Accordingly, as nominated by her the Board has appointed Ms. Sandeepkaur Ahluwalia & Ms. Mandeep Ahluwalia Pahwa as Additional Directors at its meeting held on 8/3/2007. Further, as required by the said Order the said two Directors are to be appointed by the Members at the next General Meeting. Hence, the Resolutions under items No.5 & 6 are proposed for the approval of the Members by way of Ordinary Resolution.

The Company has received a notice in writing under section 257 of the Companies Act, 1956 along with the prescribed deposit from member proposing their candidature for the Office of Director.

Ms. Sandeepkaur Ahluwalia & Ms. Mandeep Ahluwalia Pahwa are interested in the said Resolutions it being relates to their own appointment and also as a relative of each other. Further, Mr. Kuljinder Singh Ahluwalia, Mr. Ravinder Singh Ahluwalia & Mr. Rupinder Singh Ahluwalia, being relatives are also interested in the Resolutions.

For and on behalf of the Board

Chairman

Place: Rajpura

Date: 8th May, 2007

REGD. OFFICE:

Surindra House,
M. V. Road, Safaid Pool,
Mumbai 400 072

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting 19th Annual Report & Audited Accounts for the year ended 31st March 2006.

The Members are hereby informed that Audited Accounts for the year ended 31st March, 2006 are placed now as vide the interim Order dated 27th January, 2006 of Hon'ble Pricipal Bench, CLB, the Company was directed not to hold any Board and General Meeting. The Hon'ble CLB has lifted the said Stay vide their Final Order dated 14th February, 2007. Hence though the accounts were ready, the same could not be placed earlier before Board for approval and to 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 2005-06 (Rs.in lacs)	April to March 2004-05 (Rs.in lacs)
Sales and other income	811.85	3291.67
Profit/(Loss) before Interest, Deprecation & Tax	23.23	(537.88)
Less: Interest	0.00	292.97
Profit/(Loss) before Depreciation & Tax.	23.23	(830.85)
Less: Depreciation	184.74	185.00
Profit/(Loss) before Tax	(161.51)	(1015.85)
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	10.10	0.00
Profit after Tax	(151.41)	(1015.85)
Balance Brought Forward	(2570.23)	(1554.38)
Balance available for appropriation	(2721.64)	(2570.23)

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.811.85 Lacs (P.Y.Rs.3291.67 lacs) with a positive PBDIT of Rs.23.23 lacs (Previous Year negative PBDIT of Rs.537.88 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

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Rajkumar Bali & Mr. Kamal Jain, retires by rotation and being eligible offers themselves for reappointment.

In compliance of Order of H'ble Principal Bench, CLB, the Board has co-opted Mrs. Sandeep Ahluwalia and Mrs. Mandeep Ahluwalia Pahwa as Additional Director at its meeting held on 8th March 2007. Further as required by the said Order the said two Directors are to be appointed by the Members at the next General Meeting. Hence necessary resolutions are proposed in the Notice of the 19th Annual General Meeting in respect of their Appointment.

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, 2006, 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 31/03/2006 and of the Profit and Loss Account for that period;
- 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, 2006 on a 'going concern' basis.

AUDIT QUALIFICATION

The credit facilities granted by P.N.B. I.D.B.I. and O.B.C. to the company has been designated as NPAs accounts under the prudential norms applicable to the our accounts. The company has been negotiating OTS 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 is not certain so the company has not provided interest accrued for the financial year in these accounts. The company is in process of making payments of outstanding statutory dues. 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

REFERENCE TO BIFR

The Hon'ble Bench -2 of the BIFR vide their letter 213/2004 dated 31.8.2006 informed that the company has been declared as sick under Section 3(l)(O) of the SICA Act, 1985. The SASF has been appointed as operating agency to prepare a viability study report and revival scheme for the company under Section 17(3) of the SICA Act, 1985.

CORPORATE GOVERNANCE

In the absence of Complete information, the Corporate Governance Report for the year ended 31.3.2006, the same is not enclosed. The company is under the process of collecting the necessary information and duly audited Governance Report will be submitted separately.

In view of this, the Directors regret their inability to incorporate Corporate Governance Report as a part of Directors 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 to the Company.

For and on behalf of the Board,

(CHAIRMAN)

Place : Rajpura

Date : 8th May, 2007

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 2005 – 2006.

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

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

	<u>Current Year</u> <u>(2005-06)</u>	<u>Previous Year</u> <u>(2004-05)</u>
1. Electricity		
(a) Purchased Units (KW)	233326	290420
Total Amount	Rs.1509350.00	Rs. 13,57,778.00
Rate/Unit	(Rs).6.47	(Rs). 4.68
(b) Own generation		
1) Through Diesel Generator		
Unit (KWH)	18240	84600
Total Amount	Rs.173193.00	Rs. 7,07,686.00
Cost/Unit	(Rs) 9.50	(Rs) 8.37
2) Consumption per Unit of production		
Product: M.S.Pipes	1607.605	
Unit in M.Tonne	156.48	124.24
Electricity Units		

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 (inhouse 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:

	<u>Rs.in lacs</u> <u>2005-2006</u>	<u>Rs.in lacs</u> <u>2004-2005</u>
- Earning	Nil	Nil
- Outgo	1.30	Nil

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 31st March 2006 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 2006 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, 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, **subject to non provision of interest amounting to Rs. 418.50 Lacs app. (as mentioned in note No. 6) which has resulted in under statement of loss for the year by Rs. 418.50 Lacs and understatement of secured loan dues by Rs. 418.50 Lacs).**
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2006.
 - (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.

Place : Rajpura
Date : 8th May, 2007

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

(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 amounting to Rs. 0.19 Lacs. The amount of unpaid dividend due to be transferred to the investor education and protection fund is Rs. 4.40 Lacs.
- (b) According to the information and explanations given to us, the undisputed amounts as at 31st March, 2006 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. 0.29 Lacs 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.
- (l) Income Tax Rs. 93.45 Lac Matter pending with Appellate Authorities
- (j) Excise Duty Rs. 92.61 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.
- (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 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.

Place : Rajpura

Date : 8th May, 2007

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

(RANJIT PARKASH)
Proprietor
M. No. 80084

Balance Sheet as at 31st March 2006

	Schedule	As at 31st March 2006 Total Amount in Rs.	As at 31st March 2005 Total Amount in Rs.
SOURCES OF FUNDS :			
Shareholders Funds :			
Share Capital	A	78,300,000.00	78,300,000.00
Reserves & Surplus	B	(240,798,466.53)	(225,657,291.95)
		<u>(162,498,466.53)</u>	<u>(147,357,291.95)</u>
Secured Loans	C	317,477,217.26	319,891,736.26
Unsecured Loans	D	42,238,827.20	42,357,189.73
		<u>359,716,044.46</u>	<u>362,248,925.99</u>
Total Funds Employed		<u>197,217,577.93</u>	<u>214,891,634.04</u>
APPLICATION OF FUNDS :			
Fixed Assets	E		
Gross Block		357,579,610.13	357,836,683.26
Less : Depreciation		165,411,749.75	147,053,878.64
Net Block		192,167,860.38	210,782,804.62
Capital Work in Progress		0.00	0.00
		<u>192,167,860.38</u>	<u>210,782,804.62</u>
Baramati Control		0.00	0.00
Current Assets Loans & Advances :			
Inventories	F	22,073,951.41	21,736,606.42
Sundry Debtors	G	34,544,408.92	38,736,473.73
Cash & Bank Balances	H	16,349,477.17	5,159,576.21
Loans & Advances	I	65,147,601.73	50,352,424.34
		<u>138,115,439.23</u>	<u>115,985,080.70</u>
Less : Current Liabilities & Provisions			
Liabilities	J	122,184,079.68	100,994,610.28
Provisions	K	7,284,642.00	7,284,642.00
		<u>129,468,721.68</u>	<u>108,279,252.28</u>
Net Current Assets		8,646,717.55	7,705,828.42
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		<u>197,217,577.93</u>	<u>214,891,633.04</u>
Notes to Accounts	P		

As per our report of even date

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

For **Mukat Pipes Limited**

Ranjit Parkash
Proprietor

Kamal Jain
(Director)

Rupinder Singh Ahluwalia
(Director)

Place : Rajpura
Date : 8th May, 2007

Profit & Loss Account For The Year Ended 31st March 2006

	Schedule	For the Year Ended March, 06 <u>Amount in Rs.</u>	For the Year Ended March, 05 <u>Amount in Rs.</u>
INCOME			
Sales & Job Works		79,808,773.44	322,333,118.56
Other Income	L	1,376,154.32	6,833,903.88
		<u>81,184,927.76</u>	<u>329,167,022.44</u>
EXPENDITURE			
Raw Material Consumed	M	57,629,907.03	306,242,961.72
Stock transfer from Baramati		0.00	0.00
Expenses	N	21,232,297.28	76,712,306.49
Interest	O	0.00	29,297,277.96
Depreciation	E	18,474,227.11	18,500,129.00
		<u>97,336,431.42</u>	<u>430,752,675.17</u>
Profit Before Taxation		(16,151,503.66)	(101,585,651.65)
Provision for Taxation		0.00	0.00
Taxation for Earlier Years		0.00	0.00
Prior Period Adjustment		1,010,329.00	0.00
Profit After Tax		15,141,174.66	(101,585,651.65)
Balance Brought Forward		(257,023,291.87)	(155,437,641.22)
Balance Available for Appropriation		<u>(272,164,466.53)</u>	<u>(257,023,292.87)</u>
Less : Appropriated to :			
General Reserve		0.00	0.00
Balance Carried to Balance Sheet		<u>(272,164,466.53)</u>	<u>(257,023,292.87)</u>
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
Place : Rajpura
Date : 8th May, 2007

Kamal Jain
(Director)

Rupinder Singh Ahluwalia
(Director)

Schedules Forming Part of Balance Sheet as at 31st March 2006

	As at 31st March 2006 Total Amount in Rs.	As at 31st March 2005 Total 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	1,550,000.00	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	(272,164,466.53)	(257,023,291.87)
Total	(240,798,466.53)	(225,657,292.95)
Schedule - 'C'		
SECURED LOANS		
Term Loans :		
Financial Institutions :		
Industrial Development Bank of India Ltd.	112,000,000.00	113,000,000.00
Punjab State Industrial Development Corp. Ltd	0.00	329,000.00
Interest Accrued & Due	3,103,670.00	3,103,670.00
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	94,175,936.26	95,261,455.26
Oriental Bank of Commerce	108,197,611.00	108,197,611.00
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	317,477,217.26	319,891,736.26
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	572,191.43	690,553.96
Total	42,238,827.20	42,357,189.73

Mukat Pipes Limited

SCHEDULE - 'E'

DETAILS OF FIXED ASSETS FORMING PART OF BALANCE SHEET FOR THE YEAR ENDING MARCH 31,2006

S. NO	PARTICULARS	RATE OF DEP	COST				DEPRECIATION				WRITTEN DOWN VALUE	
			AS ON 01.04.05	ADDITION DURING YEAR	SALES DURING YEAR	AS ON 31.03.06	UPTO 01.04.05	ON ITEMS SOLD DURING YEAR	FOR THE YEAR ENDED 31.03.06	UP TO 31.03.06	AS ON 31.03.06	AS ON 31.03.05
			1	2	3	4	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	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	12,434,014.30	0.00	2,008,768.00	14,442,782.30	45,699,973.04	47,708,741.04
	B) OFFICE	1.63%	4,350,609.51	0.00	0.00	4,350,609.51	754,340.52	0.00	70,915.00	825,255.52	3,525,353.99	3,596,268.99
	C) RESIDENTAL	1.63%	8,406,069.00	0.00	0.00	8,406,069.00	443,297.48	0.00	137,018.00	580,315.48	7,825,753.52	7,962,771.52
	D) BOREWELL	0	22,945.00	0.00	0.00	22,945.00	4,932.00	0.00	766.00	5,698.00	17,247.00	18,013.00
3	PLANT & MACHINERY	4.75%	261,441,956.12	0.00	0.00	261,441,956.12	121,799,839.02	0.00	14,900,720.00	136,700,559.02	124,741,397.10	139,642,117.10
4	FURNITURE & FIXTURE	6.33%	2,466,088.78	0.00	0.00	2,466,088.78	1,485,437.12	0.00	156,103.00	1,641,540.12	824,548.66	980,651.66
5	OFFICE EQUIPMENT	4.75%	2,376,878.81	0.00	0.00	2,376,878.81	859,844.21	0.00	112,902.00	972,746.21	1,404,132.60	1,517,034.60
6	COMPUTERS	16.21%	1,559,147.00	0.00	0.00	1,559,147.00	1,322,639.89	0.00	192,600.11	1,515,240.00	43,907.00	236,507.11
7	VEHICLES	9.50%	4,885,447.82	0.00	257,073.00	4,628,374.82	2,629,287.89	116,355.00	469,202.00	2,982,134.89	1,646,239.93	2,256,159.93
8	AIR-CONDITIONER	4.75%	895,440.05	0.00	0.00	895,440.05	350,612.66	0.00	42,533.00	393,145.66	502,294.39	544,827.39
9	TOOLS & EQUIPMENTS	4.75%	750,662.09	0.00	0.00	750,662.09	350,289.16	0.00	35,656.00	385,945.16	364,716.93	400,372.93
10	DESIGNE & DRAWINGS	4.75%	7,306,198.74	0.00	0.00	7,306,198.74	4,619,343.39	0.00	347,044.00	4,966,387.39	2,339,811.35	2,686,855.35
	TOTAL		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
	CAPITAL W.I.P.		0.00	0.00	0.00	0.00	-		-	0.00	0.00	0.00
	Total		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
	PREVIOUS YEAR		374,065,403.26	900,000.00	17,128,720.00	357,836,683.26	128,823,403.64	-269,654.00	18,500,129.00	147,053,878.64	210,782,805.62	245,241,999.62

Schedules Forming Part of Balance Sheet as at 31st March 2006

	As at 31st March 2006 Total Amount in Rs.	As at 31st March 2005 Total Amount in Rs.
Schedule - 'F'		
INVENTORIES		
(Taken, Valued and Certified by The Management)		
Raw Material (Including Pledge Stock Rs. 97.67 Lacs)	1,564,057.20	4,008,028.45
Stores & Spares	1,275,000.00	1,425,000.00
Work in Progress	2,845,476.09	2,128,266.00
Scrap	781,849.40	958,049.00
Finished Goods	13,635,685.60	13,216,050.00
Unutilised Portion of Modvat	1,971,884.12	1,212.97
Total	22,073,951.41	21,736,606.42
Schedule - 'G'		
SUNDRY DEBTORS		
Debts Outstanding for Less than six months considered good	4,214,635.48	6,825,306.84
Debts Outstanding for More than six months:	17,405,537.44	18,795,564.89
Considered good	12,924,236.00	13,115,602.00
Considered doubtful	9,789,117.00	9,789,117.00
	44,333,525.92	48,525,590.73
Less: Provision for doubtful Debts	9,789,117.00	9,789,117.00
Net Debtors	34,544,408.92	38,736,473.73
Schedule - 'H'		
CASH & BANK BALANCES		
Cash In Hand	818,119.52	1,104,566.52
Balance with Scheduled Banks	4,383,793.65	1,897,548.69
In Bank Account	11,147,564.00	2,157,461.00
In Fixed Deposit	16,349,477.17	5,159,576.21
Total	65,147,601.73	50,352,424.34
Schedule - 'I'		
LOANS & ADVANCES		
Dues from Associate Concern	36,341,118.00	21,951,253.00
Staff Loans & Advances	462,593.94	616,624.22
Balances with Excise Authorities	2,395,560.52	354,431.43
Tax Deducted at Source	3,064,276.00	3,033,990.00
Advance Tax	8,102,461.56	8,092,461.56
Security Deposit	1,311,101.00	1,740,925.00
Advances Recoverable in Cash or Kind	8,546,371.10	4,218,835.00
Advances to Supplier	4,570,439.61	10,153,414.13
Amount Recoverable	353,680.00	190,490.00
Total	65,147,601.73	50,352,424.34
Schedule - 'J'		
CURRENT LIABILITIES		
Advances from Customers	6,857,664.49	5,704,254.77
Sundry Creditors	22,660,052.81	12,585,637.72
Dues to Associates Concern	83,478,631.69	72,585,960.03
Expenses Payable	2,554,961.99	3,635,634.74
Securities Refundable	31,339.00	36,339.00
Unpaid Dividend	1,214,208.00	1,215,663.00
Other Liabilities	5,387,221.70	5,231,121.02
Total	122,184,079.68	100,994,610.28

Schedules Forming Part of Balance Sheet as at 31st March 2006

	As at 31st March 2006 Total Amount in Rs.	As at 31st March 2005 Total Amount in Rs.
Schedule - 'K'		
PROVISIONS		
Provision For Taxation	7,284,642.00	7,284,642.00
Total	7,284,642.00	7,284,642.00
Share Issue Expenses		
	0.00	0.00
Total	0.00	0.00
Schedule - 'L'		
OTHER INCOME		
Interest Received	198,748.10	50,314.00
Miscellaneous Receipts	492,880.00	354,579.00
Insurance Claims	90,000.00	4,200.00
Charges Recovered	508,052.00	1,197,097.50
Profit on Sale of Asset	0.00	0.00
Provision for interest written back	0.00	3,340,118.00
Balance Written back	86,474.22	1,887,595.38
Total	1,376,154.32	6,833,903.88
Schedule - 'M'		
RAW MATERIALS CONSUMED		
Opening Stock - Material	4,008,028.45	39,933,149.80
Unutilised Portion Of Modvat	1,212.97	4,176,902.13
Add : Purchases	58,117,253.02	258,676,209.11
	62,126,493.44	302,786,261.04
Less : Closing Stock-Material	1,564,057.20	4,008,028.45
Unutilised Portion Of Modvat	1,971,884.12	1,212.97
Material Consumed	58,590,552.12	298,777,019.62
Accretion / Depletion Of Stock		
Opening Stock		
Finished Goods	13,216,050.00	20,499,589.20
Work In Progress	2,128,266.00	3,070,584.90
Realisable Scrap	958,049.00	198,132.00
Stores & Spares	0.00	0.00
Total	16,302,365.00	23,768,306.10
Closing 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
		0.00
Total	17,263,011.09	16,302,365.00
(Accretion) / Depletion	(960,645.09)	7,465,941.10
Grand Total	57,629,907.03	306,242,960.72

Schedules Forming Part of Balance Sheet as at 31st March 2006

	As at 31st March 2006 Total Amount in Rs.	As at 31st March 2005 Total Amount in Rs.
Schedule - 'N'		
EXPENSES		
Employees Remuneration & Other Benefits		
Salaries Wages and Bonus	3,777,831.40	5,375,362.53
Contribution to Provident & Other Funds	205,466.00	219,158.00
Workmen & Staff Welfare Expenses	311,864.65	376,916.40
Total	4,295,162.05	5,971,436.93
Operational & Other Expenses		
Excise Duty Paid	8,589,065.44	34,073,656.00
Testing, Inspection & Radiographic Charges	0.00	262,780.00
Consumable Stores	1,370,056.88	6,483,667.37
Labour Charges	212,784.00	1,194,245.71
Power & Fuel	2,026,509.36	3,600,066.65
Repairs to Plant & Machinery	16,300.00	18,546.00
Repairs to Building	76,529.00	100,974.00
Repairs Others	98,449.00	180,862.76
Material Handling Charges	0.00	2,030.00
Insurance Charges	128,993.00	263,987.00
Vehicle Expenses	820,658.03	907,066.91
Legal & Professional Charges	950,771.00	2,032,833.00
Telephone & Telex Charges	165,514.32	157,828.98
Printing & Stationery	115,852.05	230,230.90
Travelling Expenses	417,454.12	593,194.00
Rent, Rates & Taxes	153,079.61	222,960.13
Bank Charges & Commission	303,750.70	2,733,474.16
Postage & Telegram	60,184.15	87,824.00
Directors Remuneration & Other Benefits	277,500.57	232,800.00
Auditors Remuneration	124,620.00	70,000.00
Selling Expenses	381,135.00	0.00
Sales Promotion & Advertising	65,672.00	256,718.72
Freight & Forwarding Charges	396,079.00	279,965.00
Donations	701.00	9,817.00
General Expenses	626,773.00	575,625.19
Ware housing Charges	0.00	390,600.00
Loss of Sale of Assets	37,218.00	107,174.00
Late Delivery Charges	(524,779.00)	1,290,852.00
Service Tax Paid	46,265.00	18,731.00
Provision for doubt full debts	0.00	3,000,000.00
Bad debts	0.00	11,362,359.00
Total	16,937,135.23	70,740,869.48
Grand Total	21,232,297.28	76,712,306.41
Schedule - 'O'		
INTEREST		
On Term Loans	0.00	14,092,353.00
On Working Capital	0.00	12,858,405.00
On Others	0.00	2,346,519.96
Total	0.00	29,297,277.96

Schedule – P

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st March, 2006.

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 Company's 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.

f) 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.103.73 (Previous Year Rs. 104.69)
- 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.92.61 (Previous Year Rs. 88.46 Lacs)

Income Tax Rs. 93.45 Lacs. (Previous Year Rs. 93.45Lacs)

4. In the absence of confirmation letters, the balances of debtors, creditors and other parties the balances are taken as per the book 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 2006.

6. No Provision for interest has been made during the year in respect of Secured Loans which is Rs. 418.50 Lacs (approx.)

7. The manufacturing operations of the Baramati Division are suspended due to industrial unrest.

8. Consumption Particulars of Raw Materials.

Raw Material Consumed:

	2005-2006		2004-2005	
	QTY (MT)	VALUE (Rs. in Lacs)	QTY (MT)	VALUE (Rs. in Lacs)
Coils, Zinc, Iron & Steel & Other	2415.565	576.30	9344.481	3062.43
Total	2415.565	576.30	9344.481	3062.43

Note: Coils/Plates purchased for trading 547.060 MT (P.Y. 5291.27MT)

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

Imported and Indigenous Raw Materials Consumption:

	2005-2006		2004-2005	
	VALUE (Rs. in lacs)	%	VALUE (Rs. in lacs)	%
i) Indigenous	576.30	100	3062.43	100
ii) Imported	Nil	Nil	Nil	Nil
Total	576.30	100	3062.43	100

10. Installed Capacity 50,000 TPA

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

11. Production / Sales of Finished Goods:

Particulars	Opening Stock (MT)	Prod. /Purch. (MT)	Closing Stock(MT)	Sales (MT)	Value (Rs. In lacs)
Pipes	424.139 (663.681)	1612.575 (3228.110)	442.228 (424.139)	1594.486 (3467.65)	602.00 (1252.31)
Scrap	28.355 (29.147)	172.639 (171.298)	106.889 (28.355)	94.105 (172.09)	8.89 (18.12)
Trading in Plate, Coils Iron & Steels, & Pipes and Other material etc.				598.715 (5439.262)	185.38 (1818.32)
Other Export Incentive					1.81 (6.59)
Job Work					NIL (127.99)
Total					798.080 (3223.33)

12. Sales of Finished Goods

Type	Local (Rs. In lac)	Export (Rs. In lac)	Total (Rs. In lac)
M.S. Pipes	601.961 (1211.08)	Nil Nil	601.961 (1211.08)
G.I. Pipes	0.039 (41.23)	Nil Nil	0.039 (41.23)
Total	602.00 (1252.31)		602.00 (1252.31)

13. Expenditure in Foreign Currency

		2005-2006 (Rs.in Lacs)	2004-2005 (Rs.in Lacs)
a)	Raw Material	0.00	0.00
b)	Others (Licence fee)	1.30	0.00
c)	Bank Charges	0.00	0.00

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

		2005-2006 (Rs.in Lacs)	2004-2005 (Rs.in Lacs)
I)	Statutory Auditor		
a)	Audit Fees	0.38	0.38
b)	Tax Audit Fees	0.12	0.12
II)	Branch Auditor		
b)	Audit Fee	0.74	0.20
c)	Out of Pocket Exp.		

15. Earning in Foreign Exchange

		2005-2006 (Rs.in Lacs)	2004-2005 (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 Influences 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	227.82	Nil
Sales – Goods & Material	59.10	22.13

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 Limited**

Ranjit Parkash
Proprietor

Kamal Jain
(Director)

Rupinder Singh Ahluwalia
(Director)

Place : Rajpura
Date : 8th May, 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2006
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	Year Ended 31/03/2006 (Rs in Lacs)	Year Ended 31/03/2005 (Rs in Lacs)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax And Extraordinary Items	(161.51)	(1,015.86)
Adjustments For		
Depreciation	184.74	185.00
Deferred Expenses Written Off	0.00	0.00
Interest Expenses	0.00	292.97
Interest Income	(1.98)	(0.50)
Financial Lease Expenses	0.00	0.00
Prior Period Adjustment	10.10	
Operating Profit Before Working Capital Changes	31.35	(538.39)
Adjustments For		
Trade & Other Receivables	(105.63)	455.89
Inventories	(3.37)	507.47
Trade Payables	211.89	(1,080.71)
	134.24	(655.74)
Cash Generated From Operations		
Interest Paid	0.00	(292.97)
Tax Paid	(0.41)	(0.46)
	133.83	(949.17)
Cash Flow Before Extraordinary Items		
Extraordinary Items	0.00	0.00
Additional Tax Paid for Earlier Years	0.00	0.00
Net Cash From Operating Activities (A)	133.83	(949.17)
B) Cash Flow From Investing Activities		
Capital W.I.P.	0.00	0.00
Purchase/Sale of Fixed Assets	1.41	159.59
Interest Received	1.98	0.50
Net Cash Used in Investing Activities (B)	3.39	160.09
C) Cash Flow From Financing Activities		
Proceeds From Long Term Borrowings (Net)	(13.29)	(212.39)
Proceeds From Short Term Borrowings	(10.86)	906.35
Proceeds From Unsecured Loans	(1.18)	6.72
Repayment of Financial Lease Liabilities	0.00	0.00
Net Cash Flow From Financing Activities (C)	(25.33)	700.68
Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	111.89	(88.40)
Cash and Cash Equivalent at The Beginning of The Year	51.60	140.00
Cash and Cash Equivalent at The Close of The Year	163.49	51.60

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

Rupinder Singh Ahluwalia
(Director)

Place : Rajpura
Date : 8th May, 2007

R. P. BHAMBRI & CO.
CHARTERED ACCOUNTANTS

Ph. 2217015
8, Yadvindra Colony
The Mall,
Patiala – 147 001

AUDITORS CERTIFICATE

The Board of Directors,
Mukat Pipes Limited,
M.V. Road, Safaid Pool,
Mumbai

We have examined the above Cash Flow Statement of Mukat Pipes Limited for the year ended 31st March 2006. The statement has been prepared by the Company in accordance with the requirements of clause 32 of listing agreements with the stock exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of date 8-5-2007 to the members of the Company.

For R.P. BHAMBRI & CO.
(Chartered Accountants)

Place : Patiala

Date : 08-05-2007

Ranjit Parkash
Proprietor

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 Sheet abstract and Company's General business profile:		
REGISTRATION No. 44407 of 1987		STATE CODE - 11
BALANCE SHEET DATE - March 31, 2006		
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 LIABILITIES		469382
TOTAL ASSETS		469382
SOURCE OF FUNDS		
Paid up Capital		78300
Reserves and Surplus		31366
Secured Loans		317477
Unsecured Loans		42239
APPLICATION OF FUNDS:		
Net Fixed Assets		192168
Investments		Nil
Net Current Assets		8647
Misc. Expenditure		(3597)
Accumulated Losses		272164
IV. Performance of Company (Amount in Rs. Thousand)		
Turnover		81185
Total Expenditure		97336
Profit/ (Loss) Before Tax		(16151)
Prior Period Adjustment		1010
Profit/ (Loss) After Tax		(15141)
Earning Per Share (In Rs.)		Nil
Divided 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

Rupinder Singh Ahluwalia
(Director)

Place : Rajpura
Date : 8th May, 2007

MUKAT PIPES LIMITED

Registered Office : Surindra House, M.V. Road, Safaid Pool, Mumbai - 400 072.

Nineteenth Annual General meeting

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

Full Name & address of Member _____

Name of the Proxy :

I hereby record my presence at the 19th Annual General meeting of the Company held at Vishal Hall, Sir. M. V. Road, Andheri (E), Mumbai - 400 069. on Monday 11th June, 2007 at 11.00 a.m.

Registered Folio No.

DP ID No.:

Client ID No.:

No. of Shares :

Signature of the Member / Proxy
(To be signed at the time of handing over this slip)

MUKAT PIPES LIMITED

Registered Office : Surindra House, M.V. Road, Safaid Pool, Mumbai - 400 072.

PROXY FORM

I / We _____ being a Member / Members of MUKAT PIPES LIMITED hereby appoint _____ of _____ in the district of _____ or failing him / her _____ of _____ in the district of _____ as my / our Proxy to attend and vote for me / us on my/our behalf at the 19th Annual General Meeting of the Company to be held at Vishal Hall, Sir. M. V. Road, Andheri (E), Mumbai - 400 069. on Monday 11th June, 2007 at 11.00 a.m. and at any adjournment thereof.

As witnessed under my/our hand this _____ day of _____ 2007

Registered Folio No.

DP ID No.:

Client ID No.:

No. of Shares :

Signature _____

Affix
Revenue
Stamp

This form is to be used in favour of*/against* the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.

* Strike out whichever is not desired

Note : The proxy form must be deposited at the Company's Registered office not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

BOOK POST



If undelivered, please return to :

**INTIME SPECTRUM
REGISTRY LIMITED**

Unit : MUKAT PIPES LIMITED

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