

# MUKAT PIPES LIMITED

AN ISO 9001-2008 COMPANY

Manufacturers of Large Diameter SAW Pipes

-Longitudinal Welded -Spiral Welded

Correspondence Address :-  
Rajpura- Patiala Road,  
Rajpura - 140 401 (Punjab)  
Phone : +91 1762-225040, 325498  
Fax : +91 1762-222390  
e-mail : mukat@mukatpipes.com  
mukatpipes@gmail.com  
Website : www.mukatpipes.com  
CIN No. : L27200MH1987PLC044407

REF/MPL/2020/ 218

Date:02.09.2020

To,

The Manager  
Dept. of Corporate Services  
BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001.

Dear Sir,

**Ref: Stock Code – 523832 MUKAT PIPES LIMITED**

**Sub: Submission of Annual Report under Regulation 34(1) for the Financial Year ended 31<sup>st</sup> March, 2020.**

=====

As required under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report for the Financial Year ended 31<sup>st</sup> March, 2020 along with Notice of Annual General Meeting to be held on Friday, 25<sup>th</sup> September, 2020 for your reference and records.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **MUKAT PIPES LIMITED**

(RUPINDER SINGH AHLUWALIA)  
DIRECTOR  
DIN: 01239483  
Address - Patiala Road,  
Rajpura-140 401, Punjab.



Regd. Office : \_\_\_\_\_

39, Parag Apartments, 7th Floor, J.P. Road, Versova, Andheri (West) Mumbai - 400061

# MUKAT PIPES LIMITED



## **33<sup>rd</sup>** ***Annual Report***



**2019-20**

## Mukat Pipes Limited

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#### **BOARD OF DIRECTORS:**

**Mr. Rupinder Singh Ahluwalia**  
**Mrs. Sandeep Kaur Ahluwalia**  
**Mrs. Mandeep Ahluwalia Pahwa**  
**Mr. Rajkumar Bali**  
**Mr. Kamal Jain**  
**Mr. Amrik Singh Grewal**

Chairman  
Whole Time Director  
Director  
Director  
Director  
Director

#### **KEY MANAGERIAL PERSONNEL:**

**Mr. Naishadh Jayantilal Purohit**  
**Mr. Jagdish Parshad Aggarwal**

Company Secretary  
Chief Financial Office

#### **AUDITORS :**

M/s. Gurpreet Kaur & Associates  
Chartered Accountants  
A-52, DLF Colony,  
Sirhind Road, Patiala -147 004

#### **BANKERS :**

1. HDFC Bank
2. Corporation Bank

#### **REGISTERED OFFICE:**

Flat No. 39, Parag Apartments, 7th Floor,  
J.P. Road, Versova, Andheri (West), Mumbai - 400 061.  
Tel. No.: 022-26364013, Fax : 022-26364013  
CIN : L27200MH1987PLC044407

#### **PLANT LOCATION:**

Village Khadoli, Patiala Road,  
Rajpura - 140 401, Dist. Patiala, Punjab  
Tel. No.: 01762 - 225040; Fax No.: 01762 - 222390  
Email ID : mukatpipes@gmail.com  
Website : www.mukatpipes.com

#### **REGISTRAR & SHARE TRANSFER AGENT :**

##### **LINK INTIME INDIA PVT. LTD.**

C 101, 247 Park, L.B.S Marg, Vikhroli (West),  
Mumbai- 400083  
Tel. No.: 022-49186000, Fax No.: 022-49186060

## MUKAT PIPES LIMITED

### **NOTICE TO MEMBERS**

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of **MUKAT PIPES LIMITED** will be held on **Friday, the 25<sup>th</sup> day of September, 2020 through Video Conferencing (VC)/Other Audio Visual Means (OAVM) at 2:00 p.m.**, to transact the following businesses:

#### **Ordinary Business:**

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended March 31, 2020 including Audited Balance sheet as at March 31, 2020 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date together with the reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454) who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of M/s. Gurpreet Kaur & Associates, Chartered Accountants, Patiala, (FRN-01538N) as the Statutory Auditors of the Company and to authorize the Board to fix their remuneration.

#### **Special Business:**

4. **Re-appointment of Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454) as the Whole Time Director of the Company for a further period of three (3) years with effect from 01.10.2020 till 30.09.2023:**

**To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and as recommended by Audit Committee and Nomination & Remuneration committee and subject to the approval of Central Government, if required, approval of Members of the Company be and is hereby accorded to the re-appointment of Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454), age 71 years, as the Whole-time Director of Company for a further period of three (3) years w.e.f 01.10.2020 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 Whole-time Director (Administration) and as recommended by the Remuneration Committee, Mrs. Sandeep Kaur Ahluwalia shall be paid the following remuneration w.e.f. 1st October, 2020:-

- A. Salary: Monthly Salary in the grade of Rs. 150000 – 20000 – 25000 – Rs. 195000
- 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 percent 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.

**“RESOLVED FURTHER THAT** 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.”

**“RESOLVED FURTHER THAT** Mr. Amrik Singh Grewal (DIN: 01239180) and Mr. Rajkumar Bali (DIN: 02227210), Directors, be and are hereby jointly and/or severally authorised 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 inter alia to execute any Agreement deeds, as may be required to effect to the aforesaid Resolution.”

For and on behalf of the Board

Sd/-  
**(RUPINDER SINGH AHLUWALIA)**  
**CHAIRMAN**  
**(DIN: 01239483)**

**Registered Office:**

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

Place: RAJPURA  
Date: 21-08-2020

## NOTES:

1. In view of the outbreak of the Pandemic COVID-19, Social Distancing is a rule to be followed and pursuant to the Circular No. 20/2020 dated May 5, 2020, read with Circular No. 14/2020 dated April 8, 2020 Circular No. 17/2020 dated April 13, 2020, issued by the Ministry of Corporate Affairs (MCA) and Circular dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI), hereinafter collectively referred to as "Circulars", Companies are allowed to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020 and hence physical attendance of the Members at the AGM venue is not required. The 33<sup>rd</sup> AGM of the Company shall be conducted through VC or OAVM in accordance with the aforesaid Circulars.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. SINCE THIS AGM IS BEING HELD THROUGH VC / OAVM PURSUANT TO THE CIRCULARS, THE FACILITY TO APPOINT PROXY TO ATTEND AND CAST VOTE FOR THE MEMBERS IS NOT AVAILABLE FOR THIS AGM AND HENCE THE FORM AND ATTENDANCE SLIP INCLUDING ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE. HOWEVER, THE BODY CORPORATES ARE ENTITLED TO APPOINT AUTHORISED REPRESENTATIVES TO ATTEND THE AGM THROUGH VC / OAVM AND PARTICIPATE THEREAT AND CAST THEIR VOTES THROUGH E-VOTING.
3. The Member can join the AGM in the VC / OAVM platform 15 minutes before and up to 15 Minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at AGM through VC / OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Procedure for joining the AGM through VC / OAVM:
  - 4.1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - 4.2. Select the "Company" and 'Event Date' and register with your following details:
    - [A] **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No:
      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
      - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
    - [B] **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
    - [C] **Mobile No.:** Enter your mobile number.
    - [D] **Email ID:** Enter your email id, as recorded with your DP/Company.
      - Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

4.3. **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

- Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Note: Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

- 4.4. Members are encouraged to join the AGM through Laptops for better experience.
- 4.5. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 4.6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report for the year 2019-20 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company or their Depository Participants. Members who have not yet registered their email addresses are requested to follow the process mentioned below, for registering their email addresses to receive login ID and password for e-Voting.
7. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.mukatpipes.com](http://www.mukatpipes.com). The Notice can also be accessed from the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com)
8. Members holding shares in physical mode and who have not registered their email addresses with the Company are requested to register their email addresses with the Company's Share Transfer Agent, Link Intime India Pvt. Ltd., at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html). Members holding shares in dematerialized mode are requested to register/update their email addresses with their Depository Participants.
9. As mandated by the Securities and Exchange Board of India (SEBI) effective April 1, 2019, requests for effecting transfer of shares (except in case of transmission or transposition of shares) shall not be processed unless the shares are held in a dematerialized form with a depository. Members are advised to dematerialize shares held by them in physical mode.
10. The Register of Members and Transfer Books will remain closed from September 18, 2020 to September 25, 2020, both days inclusive.
11. All documents referred to in the Notice calling the AGM and the Explanatory Statement will be available electronically for inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [mukatpipes@gmail.com](mailto:mukatpipes@gmail.com).



12. Information required under Regulation 36(3) of the SEBI (**Listing Obligations and Disclosure Requirements**) Regulations, 2015, with respect to the Director seeking re-appointment at the 33<sup>rd</sup> Annual General Meeting in respect of Item No. 2. of the Notice and Explanatory Statement of the Special Business pursuant to Section 102 of the Companies Act, 2013, in respect of Item No. 4. of the Notice are given in the Annexure A & B respectively.

13. **Procedure for remote e-voting and e-voting during the AGM:**

13.1. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the MCA dated April 8, 2020, April 13, 2020, and May 5, 2020, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed M/s. Link Intime India Pvt. Ltd. for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using the remote e-voting system as well as e-voting on the date of the AGM will be provided by M/s. Link Intime India Pvt. Ltd (LI IPL).

13.2. The instructions for remote e-voting are as under:  
The remote e-voting period shall commence at 9:00 am on Monday, September 21, 2020, and will end at 5:00 pm on Thursday, September 24, 2020. The remote e-voting module shall be disabled by LI IPL at 5:00 pm on September 24, 2020.

13.3. **Procedure for Remote e voting:**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>  
**Those who are first time users of Link Intime India Pvt Ltd (LI IPL) e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

► Click on “**Sign Up**” under '**SHARE HOLDER**' tab and register with your following details: -

**A. User ID:** Enter your User ID

Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders/members holding shares in **CDSL demat account shall provide either 'C' or 'D', above** Shareholders/members holding shares in **NSDL demat account shall provide 'D', above** Shareholders/members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.

In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.

Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

The password should contain minimum 8 characters, at least one special character(@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022-4918 6000.

**13.4. Procedure for e-voting on the day of the AGM is as under:**

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
- Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

14. The voting rights of the Members in respect of remote e-voting and voting at the AGM shall be in proportion to the number of equity shares held by them as on the cut-off date of **September 18, 2020**. Members are eligible to cast their vote electronically only if they are holding shares as on that date.
15. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, that is, **September 18, 2020**, may obtain the User ID and Password by sending a request to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in). However, if you are already registered with LIPL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" options available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
16. Mr. Sudeshkumar. V. Joshi, Proprietor of Sudeshkumar & Associates, Chartered Accountant (Membership No. 043678) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and E voting at AGM Process in a fair and transparent manner.
17. The results shall be declared not later than forty-eight hours from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mukatpipes.com](http://www.mukatpipes.com) and on the website of LIPL <https://instavote.linkintime.co.in> immediately after the results are declared and will simultaneously be forwarded to BSE Ltd., where the shares of the Company are listed and shall be displayed at the Registered Office of the Company.
18. Members may kindly note that the Company's shares can now be held in de-materialised form with Central Depository Services Ltd. (CDSL) & National Securities Depository Limited (NSDL). The ISIN is 'INE862C01029'. The Company has appointed M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai 400 083 as the Registrar & Transfer Agents.
19. Members can avail of the Nomination facility by filling Form No. SH-13 pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company or its Registrar & Transfer Agents viz. M/s. Link Intime India Pvt. Ltd.

20. Members are requested to notify immediately change of Bank Particulars or Bank Mandates or for change in their address, if any, to the Company and/or to its Registrar & Transfer Agents viz. M/s. Link Intime India Pvt. Ltd. or to respective Depository Participant in case of shares held in dematerialised form.
21. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts or Arrangements in which Directors are interested shall be available for inspection.
22. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company duly certified copy of the relevant Board resolution/Authority Letter authorizing such a representative to attend and vote on their behalf at the meeting.
23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agents.
24. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Share Transfer Agents, for consolidation into single folio.
25. Members desiring any information as regards the accounts & operations of the Company are requested to write to the Company at an early date so that the information sought can be made readily available at the meeting.

**For and on behalf of the Board**

**Sd/-  
RUPINDER SINGHAHLUWALIA  
CHAIRMAN  
(DIN: 01239483)**

**Registered Office:**

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

Place: RAJPURA  
Date: 21-08-2020

**ANNEXURE TO THE NOTICE**

**ANNEXURE – A**

**Item No.2**

**Re-appointment of Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454), as a Director retiring by rotation.**

Mrs. Sandeep Kaur Ahluwalia, age 71, was appointed as a Director of the Company on March 8, 2007. She has MA degree to her credit and she took lead and responsibilities of proper administration of Company's activity. She is the wife of Late S. Rajinder Singh Ahluwalia, former Chairman of the company. She hold 73% shares of Mukat Pipes Limited.

Mrs. Sandeep Kaur Ahluwalia had attended 5 out of the five Board Meetings held in the year 2019-20.

During the year 2019-20, Mrs. Sandeep Kaur Ahluwalia was paid remuneration of Rs. 18 lakhs/ was not paid any sitting fees.

**ANNEXURE - B**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No.4**

**Approval for re-appointment of Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454) as the Whole Time Director of the Company for a further period of three (3) years with effect from 01.10.2020 till 30.09.2023**

Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454) was re-appointed as the Whole Time Director of the Company w.e.f. 01.10.2017 for a term of three (3) years. Accordingly, her term as Whole Time Director of the Company would come to an end on 30.09.2020. On account of her past performance and vast experience it would be beneficial for the Company to re-appoint her as the Whole Time Director of the Company for a further period of three (3) years w.e.f. 01.10.2020. Based on the recommendation made by Nomination and Remuneration Committee at its meeting held on 21.08.2020, the Board of Directors at their meeting held on 21.08.2020, had decided to re- appoint Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454), Age 71 years, as Whole Time Director of the Company for a further period of three (3) years with effect from 01.10.2020.

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) read with Schedule V to the Companies Act, 2013, approval of Members of the Company is being sought for appointment of Mrs. Sandeep Kaur Ahluwalia as the Whole-time Director of the Company.

Mrs. Sandeep Kaur Ahluwalia satisfies all the conditions set out Section 196(3) of the Companies Act, 2013 read with Part I of Schedule V to the Companies Act, 2013.

Further in case of loss or inadequacy of profits in any financial year, Mrs. Sandeep Kaur Ahluwalia will be paid the same aforesaid remuneration as minimum remuneration.

Except Mrs. Sandeep Kaur Ahluwalia, being the appointee, Mrs. Mandeep Ahluwalia Pahwa and Mr. Rupinder Singh Ahluwalia, being her Relatives, none of the Promoters, Directors, Managers, Key Managerial Personnel, or their Relatives, either directly or indirectly is concerned or interested in the above Resolution.

**INFORMATION IN PURSUANCE OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013:**

**I. GENERAL INFORMATION:**

(1) Nature of Industry	The Company is manufacturer of Large Diameter Submerged Arc Welded (SAW) M.S.Pipes both Longitudinal & Spiral process.	
(2) Date of Commencement of Commercial Production:	18 <sup>th</sup> August, 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) 2018-2019
	Gross Sales	796.84
	Profit/ (Loss) after tax	(34.63)
	Rate of Dividend Earnings per share(In Rs.)	NIL (0.29)
(5) Foreign Investments or collaborators:	NOT APPLICABLE	

**II. INFORMATION ABOUT APPOINTEE:**

Name	Mrs. Sandeep Kaur Ahluwalia	
Age	71 Years	
Qualifications	M.A.	
No. of Equity shares held in the Company	8707700 Equity Shares of Rs. 5/- each.	
Employment Records	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. She was re-appointed as Whole Time Director of the Company from 01.10.2017 till 30.09.2020. Prior to joining the Company she was Vice President of M/s. Surindra Engg. Co. Ltd. (SECO), where she was actively involved in Administration.	
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:	
	<b>Financial Year</b>	<b>Rs. In Lakhs</b>
	2014-15	18.00
	2015-16	18.00
	2016-17	18.00
	2017-18	18.00
2018-19	18.00	
Recognition or Awards:	NIL	
Job profile & her suitability:	The Company is being guided by Mrs. Sandeep Kaur Ahluwalia. She is a major share holder having control on the decision making processes of the company. She is an experienced business lady and W/o Late S. Rajinder Singh Ahluwalia, former Chairman of the company. She has MA degree to her credit and she took lead and responsibilities of proper administration of Company's activity. Hence to appreciate & recognize her gentle gesture, she was appointed as Whole time Director designated as Director (Administration) w.e.f from 01.10.2011 and was re-appointed for further period of 3 years w.e.f 01.10.2014. She was further re-appointed as Whole Time Director of the Company w.e.f. 01.10.2017 till 30.09.2020.	
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 Ahluwalia and Mrs. Mandeep Ahluwalia Pahwa, Directors of the Company.	

**III. OTHER INFORMATION**

<p>(1) Reasons of Loss or inadequate profits:</p>	<p>The steel sector of economy has been under stress for the past many years. There is a surplus production capacity viz -a-viz aggregate demand in the steel sector. The order position is weak in the market. The company is producing below the break even point for the past few years. There is a cost competitiveness in the market. The differentiated fiscal policy for different region of the Government, the high transport charges from the location of the unit and non upgradation of the technology used are the big challenges and consequently increase the cost of the products.</p>
<p>(2) Steps taken or proposed to be taken for improvement:</p>	<p>The remedial measures proposed to be taken to improve the performance of the Company are:  a. Reduction in operating cost  b. Sales Productivities  c. Product Improvement  d. Compressing Cash  e. People and Processes  The Company has taken steps for reducing the 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>
<p>(3) Expected Increase in productivity &amp; profits in measurable terms:</p>	<p>The Central Government has largely allocated funds for the development of infrastructure. The cascading effect of this allocation will surely increase the demand for the products of the company and promote the profits through increased production up to or even above the break even point. The introduction of GST had also helped expand the geographical market share of Company's products.</p>

**For and on behalf of the Board**

**Sd/-  
(RUPINDER SINGH AHLUWALIA)  
CHAIRMAN  
(DIN: 01239483)**

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

Place: RAJPURA  
Date: 21-08-2020

## DIRECTORS' REPORT

**Dear Members,**

Your Directors present their 33<sup>rd</sup> Annual Report together with the Audited Statement of Accounts of your Company for the Financial Year ended 31<sup>st</sup> March, 2020.

### **FINANCIAL RESULTS:**

<b>Particulars</b>	<b>Current year (2019-20) (Rs. in lacs)</b>	<b>Previous Year (2018-19) (Rs. in lacs)</b>
Sales (Including Excise)	447.71	796.84
Other Income from operations	38.86	47.68
Total	486.57	844.52
Profit/(Loss) before Interest, Depreciation & Tax	21.17	(7.85)
Less: Interest	12.78	13.83
Less: Depreciation	13.21	12.95
Profit/(Loss) before Tax	(4.82)	(34.63)
Taxation (Earlier Years) Prior period Adjustment (Income/(Expenses):	NIL	NIL
Extra-ordinary/Exceptional Items Income/ (Expenditure)	NIL	NIL
Profit after Tax	(4.82)	(34.63)
Tax for Earlier year/Others	NIL	NIL
Balance of Profit/(Loss) brought forward	(1603.12)	(1568.49)
Balance of Profit/(Loss) carried to Balance Sheet	(1607.94)	(1603.12)

The company is engaged in job work. The figures for sales is not the correct indicator for the performance of the copy. The accounting of job work do not reflect the cost of raw material consumed. The company operated its production at below break even point. There is a under utilization of installed capacity of production due to sluggish demand for the product of the company. There is a still challenge for profitable production and financial results need more improvement. The financial health of the company is not at the desired levels due to continuous losses over the year.

### **DIVIDEND:**

In view of losses during the year and accumulated losses, the Board decided not to recommend any dividend for the year underreview.

### **AMOUNT CARRIED TO RESERVES:**

During the year under review, your Company did not transfer any amount to the Reserves.

### **OPERATION:**

The annual production of the Company is 2370.584 MT. Out of this 1838.191MT is by way of Job work. The Company is operating just below breakeven point.

### **FUTURE OUTLOOK:**

There is a weak aggregate demand in the Indian Economy. The demand for our products is also not adequate to utilize the full installed capacity of the unit. The product of the company is an intermediary



good and is used in water circulation projects like mini hydro power plants, thermal power plants and other water circulatory projects. The demand for product of the company is derived by State and Central Govt. expenditure allotted for the above said projects. The Covid-19 has very badly impacted the fiscal resources of the State & Central Governments. However, the monetary policy of the Government /RBI is very supportive for the said projects. We can hope a good demand for our products in the financial year 2020-2021 due to monetary support.

The spread of Covid-19 has severely impacted the economy world over. The Impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature, the company has taken suitable measures to tackle this challenge.

### EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed as **Annexure 1** to this report. The same is placed on Company's website at <http://www.mukatpipes.com>.

### NUMBER OF MEETINGS OF THE BOARD:

During the year, 5 (FIVE) Board Meetings were convened and held. These were held on 23-05-2019, 13-06-2019, 07-08-2019, 05-11-2019 & 06-02-2020. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Names of the Directors	Number of Board Meetings Attended
Mr. Rupinder Singh Ahluwalia	4
Mrs. Sandeep Kaur Ahluwalia	5
Mrs. Mandeep Ahluwalia Pahwa	5
Mr. Raj Kumar Bali	4
Mr. Kamal Jain	4
Mr. Amrik Singh Grewal	4

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management Personnel and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 relating to the remuneration for the Directors, key managerial personnel, and other employees. As required by Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the prescribed details are annexed as **Annexure - 2** to this report.

**INFORMATION IN TERMS OF RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

During the year under review, no employee was employed who was in receipt of aggregate remuneration exceeding Rupees One Crore and two Lakh for the year or exceeding Rupees Eight Lakhs and Fifty thousand per month for any part of the year.

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and other details in terms of Sub-Section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this Report and is annexed as "**Annexure 3**" to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

During the year, the Company has not given any loans or guarantees or has made any investments u/s 186 of the Companies Act, 2013.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All the Transactions entered with Related Parties for the year under review are strictly done on arm's length basis and in the ordinary course of business. The Company presents full details of transactions of all related party before the Audit Committee, Specifying the nature, value and terms & conditions of the transactions. Transactions with related parties are conducted in a transparent manner with the interest of the Company and stakeholders at utmost priority.

The details of transaction with related party in Form AOC-2 is annexed herewith as "**Annexure 4**"

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

In order to attain the corporate objectives, strict internal controls systems were implemented across the organization. The appointment of internal auditor is done as per norms of Company Act, 2013. The Audit Reports of the internal auditor on quarterly basis has been evaluated and assessed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations on regular basis. The audit function maintains its independence and objectivity while carrying out assignments. It evaluates on a continuous basis, the adequacy and effectiveness of internal control mechanism. The function also proactively recommends improvement in policies and processes, suggests streamlining of controls against various risks. Your Company has laid down set of standards, processes and structure, which enables it to implement internal

financial control across the Company and ensure that the same are adequate and operating effectively.

### **DETAILS ABOUT DIRECTORS AND KMPs WHO WERE APPOINTED/ RESIGNED DURING THE FINANCIAL YEAR:**

During the year under review, your company has appointed Company Secretary and CFO in order to comply with Provisions of the Companies Act, 2013. Further, none of the Directors resigned during the year.

### **CORPORATE GOVERNANCE:**

Pursuant to Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Provisions of Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V is not applicable to the Company, as the Company's Paid up share capital & Net worth is below the limits specified.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.'

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure "5"** to this report.

### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Board of Directors of the Company has not designed any Risk Management Policy. However, the Company has in place mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are deteriorating profitability, low scale production and sluggish demand for the products of the company. The company is continuously making efforts to address the said risk.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility Policy pursuant to the Provisions of Section 135 of the Companies Act 2013 and relevant Rules framed there under as the said provisions were not applicable to the Company as the Company had incurred losses during the relevant period.

### **PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### **ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE:**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration committee by filling a structured questionnaire.

### **SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Yogita, of

Yogita & Associates, Company Secretaries, Rajpura Town, Patiala to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as “Annexure 6” to this report.

**EXPLANATION ON REMARKS OR DISCLAIMER MADE BY SECRETARIAL AUDITOR IN HER REPORT:**

The Statutory Auditor has informed the company that they have already applied peer review certificate to ICAI.

As per B (3) para the company has yet to transfer Rs. 11.41 Lacs on account of unpaid dividend to Investor Education and Protection Fund under section 124 of the Company Act, 2013. Out of 11.41 Lacs and amount of Rs. 8.80 Lacs has already been transferred to deaf account of RBI by Punjab National Bank. An amount of Rs. 333450/- is outstanding in Dividend Account No. 111511001114 with Dena Bank Branch (DP-ID – IN 300386, Capital Market Branch, 17, Horniman Circle, Mumbai -23 (Now Bank of Baroda).

The company does not have record of share holders to whom the unpaid dividend amount belongs to. The company has several times approached Investor Education Protection Fund (IEPF) through emails to know the procedure to transfer the above said unpaid dividend amount to IEPF in the absence of names of share holders and other concerned records needed in the matter. We have not received any response from the IEPF authority. The company will pursue the matter with the IEPF authority to expedite the matter.

**DIRECTORS:**

Pursuant to the Provisions of the Companies Act, 2013, Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454) retires by rotation and being eligible offers herself for re-appointment.

The Board of Directors at its Meeting held on 21.08.2020 approved the re-appointment of Mrs. Sandeep Kaur Ahluwalia (DIN: 01355454) as a Whole Time Director for a further period of three years w.e.f. 01.10.2020, till 30.09.2023 subject to approval of Members. Accordingly, approval of Members is being sought for her appointment at the ensuing AGM by way of a Special Resolution.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The familiarization program seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The Company has framed a policy on familiarization program for Independent Directors.

**AUDITORS:**

The Company's Auditors M/s.Gurpreet Kaur & Associates, Chartered Accountants, Patiala, FRN (01538N), were appointed as Statutory Auditors at 30<sup>th</sup> AGM for a period 5 (Five) years i.e. from the conclusion of 30<sup>th</sup> Annual General Meeting until the conclusion of 35<sup>th</sup> Annual General Meeting subject to ratification of Members at every subsequent Annual General Meeting. M/s. Gurpreet Kaur & Associates (FRN 01538N) have provided their consent and eligibility pursuant to Section 141 of the Company Act, 2013 to act as Auditors of the Company. Your Directors recommend ratification of their appointment to enable them to continue as Statutory Auditors of the company for the Financial Year2020-2021.

**RESERVATION AND QUALIFICATION ON AUDITOR REPORT:**

The qualification/ remarks made by the Statutory Auditors in their Report under the head Key audit matters and the management response thereto have been fully clarified/ explained in the Auditors Report and does not require any further explanation/ clarification

Save and except above, there is no qualification and reservation pointed out by the Auditor.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS PURSUANT TO SECTION 143(12) OF THE COMPANIESACT, 2013:**

During the year under review there were no incidences of fraud reported by Auditors.

**SECRETARIAL STANDARDS:**

The Company has complied with the applicable Secretarial Standards viz. SS-1 and SS-2 during the year.

**COMMITTEES**

**I) Audit Committee:**

Being a listed Company, the Company had already constituted its Audit Committee consisting of Mr. Kamal Jain (DIN: 02229015), Mr. Amrik Singh Grewal (DIN: 01239180) and Mr. Rupinder Singh Ahluwalia (DIN: 01239483).

During the year under review Four (4) Meetings were held of Audit committee.

<b>Names</b>	<b>Number of Audit Committee Meetings Attended</b>
Mr. Amrik Singh Grewal	4
Mr. Rupinder Singh Ahluwalia	4
Mr. Kamal Jain	4

**II) Nomination and Remuneration Committee:**

Being a listed Company, the Company had already constituted its Nomination and Remuneration Committee consisting of Mr. Kamal Jain (DIN: 02229015), Mr. Amrik Singh Grewal (DIN: 01239180) and Raj Kumar Bali (DIN: 02227210)

During the year under review One (1) Meeting was held of Nomination and Remuneration Committee.

<b>Names</b>	<b>Number of Nomination and Remuneration Committee Meetings Attended</b>
Mr. Amrik Singh Grewal	1
Mr. Raj Kumar Bali	0
Mr. Kamal Jain	1

**III) Stakeholders Relationship Committee:**

Being a listed Company, the Company had already constituted its Stakeholders Relationship Committee consisting of Mr. Kamal Jain (DIN: 02229015), Mr. Amrik Singh Grewal (DIN: 01239180) and Mr. Rupinder Singh Ahluwalia (DIN: 01239483).

During the year under review one (1) Meeting was held of Stakeholder Relationship Committee.

<b>Names</b>	<b>Number of Stakeholder Relationship Committee Meetings Attended</b>
Mr. Amrik Singh Grewal	1
Mr. Kamal Jain	1
Mr. Rupinder Singh Ahluwalia	1

**IV) Independent Directors Meeting:**

Being a listed Company, the Meeting of Independent Directors of the Company was duly held and report thereof was submitted to the Chairman.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has adopted the code of conduct for employees and directors for the highest degree of

transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company. The Company also has Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report as required under Companies Act, 2013, Regulation 34(2)(e) read with Schedule-V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) is given in this Annual Report for the year under review and is annexed as **“Annexure 7”** to this report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:.**

The Company had filed two appeals in suit of M/s. Modern Construction Co. v/s Mukat Pipes Limited against the Order passed by the Civil Court, Gujarat in the Hon'ble Gujarat High Court. Both the appeals are pending for decision. The company has filed appeal against order of Commissioner Excise before CSTAT and the same is pending for decision. The Income Tax department has passed an order to re-assess the return of income for the A.Y. 2012-2013. The company has applied rectification proceedings in the matter which is still under process.

**MAINTENANCE OF COST RECORDS:**

During the year under review the Company was not required to maintain the Cost records as specified by the Central Government under Section 148 of the Companies Act, 2013.

**COMPANY'S POLICY FOR PREVENTION OF SEXUAL HARASSMENT:**

The Company has zero tolerance for sexual harassment at workplace and accordingly due care is always taken in respect of prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

No complaints were received during the year.

Further, necessary steps are being taken by the Board for complying with provisions of the said Act including constitution of Internal Complaints Committee as referred in the said Act.

**APPRECIATION**

Your Directors place on record their appreciation for the co-operation of all the Staff and Officers, Shareholders of the Company, Bankers and look forward to their continued co-operation in future.

**For MUKAT PIPES LIMITED**

**Sd/-**  
**(RUPINDER SINGH AHLUWALIA)**  
**Chairman**  
**(DIN:01239483)**

**Registered Office:**  
Flat No. 39, Parag Apartments,  
7th Floor, J.P. Road, Versova,  
Andheri (West), Mumbai 400 061

Place: Rajpura  
Date: 21-08-2020

## EXTRACT OF ANNUAL RETURN FORM MGT – 9

### MUKAT PIPES LIMITED

**As on the financial year ended on March 31, 2020**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN: - L27200MH1987PLC044407
- ii) Registration Date- 18-08-1987
- iii) Name of the Company: Mukat Pipes Limited
- iv) **CATEGORY OF THE COMPANY:** - [PL. TICK]
  - (1) Public Company– ✓
  - (2) Private company–

#### **SUB CATEGORY OF THE COMPANY:** -[PLEASE TICK WHICHEVER ARE APPLICABLE]

- 1) Government Company-
- 2) Small Company-
- 3) One Person Company-
- 4) Subsidiary of Foreign Company-
- 5) NBFC-
- 6) Guarantee Company-
- 7) Limited by shares - ✓
- 8) Unlimited Company-
- 9) Company having share capital-✓
- 10) Company not having share capital-
- 11) Company Registered under Section 8-

#### v) **Address of the Registered Office and contact details:**

Address :,	Flat No. 39, Parag Apartments, 7th Floor, J.P. Road, Versova, Andheri (West), Mumbai 400 061
Town / City :	MUMBAI
District :	MUMBAI
State :	MAHARASHTRA
Telephone : (With STD Area Code Number)	022-26364013
Pin Code	400061
Fax Number :	01762-222390
Email Address :	mukatpipes@gmail.com
Website (if any)	www.mukatpipes.com

#### vi) **Whether Shares Listed on Recognized Stock Exchange(S) – Yes**

**Name of the Stock Exchange/s :-** 1) BSE Limited

#### vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any**

<b>Name of Registrar &amp; Transfer Agents: M/s. Link Intime India Pvt. Ltd.</b>	
Address :	C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
Town / City :	Mumbai
District :	Mumbai
State :	Maharashtra
Telephone : (With STD Area Code Number)	022- 49186000
Pin Code	400083
Fax Number :	022- 49186060
Email Address :	rnt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-**

Manufacturers for large diameter Helical Submerged Arc Welded (HSAW or Spiral) and Longitudinal Submerged Arc Welded (SAW) M.S. Pipes as per IS: 3589.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NA**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
-	-	-	-	-	-

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8707700	11700	8719400	73.7058	8719400	0	8719400	73.7058	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	8707700	11700	8719400	73.7058	8719400	0	8719400	73.7058	0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	8707700	11700	8719400	73.7058	8707700	0	8719400	73.7058	0.0000



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(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	300	0	300	0.0025	300	0	300	0.0025	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Foreign Financial Institution	0	100	100	0.0008	0	100	100	0.0008	0.0000
	Sub Total (B)(1)	300	100	400	0.0034	300	100	400	0.0034	0.0000
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1876498	685105	2561603	21.6534	1899632	677805	2577437	21.7873	0.1339
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	261012	0	261012	2.2064	260872	0	260872	2.2052	- 0.0012
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	1	0	1	0.0000	1	0	1	0.0000	0.0000
	Hindu Undivided Family	125780	0	125780	1.0632	127017	0	127017	1.0737	0.0105
	Non Resident Indians (Non Repat)	7600	0	7600	0.0642	7600	0	7600	0.0642	0.0000
	Non Resident Indians (Repat)	13785	97200	110785	0.9365	13585	97000	110585	0.9348	- 0.0017
	Clearing Member	6537	0	6537	0.0553	41	0	41	0.0003	- 0.0550
	Bodies Corporate	30282	6600	36882	0.3118	20047	6600	26647	0.2252	- 0.0866
	Sub Total (B)(3)	2321495	788705	3110200	26.2908	2328795	781405	3110200	26.2908	0.0000
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2321795	788805	3110600	26.2942	2329095	781505	3110600	26.2942	0.0000
	Total (A)+(B)	11029495	800505	11830000	100.0000	11048495	781505	11830000	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	11029495	800505	11830000	100.0000	11048495	781505	11830000	100.0000	0.0000

## i) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in Shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered To total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	SANDEEPAKUR AHLUWALIA	8707700	'73.6069	'0.0000	8707700	'73.6069	'0.0000	'0.0000
2	TAPINDER KAUR	11700	'0.0989	'0.0000	11700	'0.0989	'0.0000	'0.0989
	<b>Total</b>	<b>8719400</b>	<b>'73.7058</b>	<b>'0.0000</b>	<b>8719400</b>	<b>'73.7058</b>	<b>'0.0000</b>	<b>'0.0000</b>

## iii) Change in Promoters' Shareholding : NIL

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SANDEEP KAUR AHLUWALIA	8707700	73.6069	-	-	8707700	73.6069
	AT THE END OF THE YEAR					8707700	73.6069
2	TAPINDER KAUR J/W WITH RUPINDER SINGH AHLUWALIA	11700	0.0989	-	-	11700	0.0989
	AT THE END OF THE YEAR					11700	0.0989

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 11830000 Shares.  
2. The details of holding has been clubbed based on PAN.  
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

## iv) Shareholding pattern of top 10 shareholders (other than Directors, Promoters and holders of ADRs and GDRs)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	NARINDER JIT SINGH	132340	1.1187	-	-	132340	1.1187
	AT THE END OF THE YEAR					132340	1.1187
2	DEEPA SINGHAL	51288	0.4335	-	-	51288	0.4335
	AT THE END OF THE YEAR					51288	0.4335
3	HEMANG NALIN SHAH	30018	0.2537	-	-	30018	0.2537
	AT THE END OF THE YEAR					30018	0.2537
4	GULZAR SINGH	26166	0.2212	-	-	26166	0.2212
	Transfer			27 Sep 2019	(40)	26126	0.2208
	Transfer			13 Dec 2019	(100)	26026	0.2200
	AT THE END OF THE YEAR					26026	0.2200
5	PARESH RAMANLAL SHAH	25145	0.2126	-	-	25145	0.2126
	AT THE END OF THE YEAR					25145	0.2126

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6	DHARMESH CHINUBHAI SHAH	21200	0.1792	-	-	21200	0.1792
	AT THE END OF THE YEAR					21200	0.1792
7	HARSHAD SHAMJI DHAROD	18041	0.1525	-	-	18041	0.1525
	AT THE END OF THE YEAR					18041	0.1525
8	K L P RAO	14848	0.1255	-	-	14848	0.1255
	Transfer			10 Jan 2020	2000	16848	0.1424
	AT THE END OF THE YEAR					16848	0.1424
9	KULDIP SINGH	16400	0.1386	-	-	16400	0.1386
	AT THE END OF THE YEAR					16400	0.1386
10	MONIKA TERHOON	15937	0.1347	-	-	15937	0.1347
	AT THE END OF THE YEAR					15937	0.1347
11	SAROJ CHANDAK	15720	0.1329	-	-	15720	0.1329
	AT THE END OF THE YEAR					15720	0.1329

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 11830000 Shares.  
 2. The details of holding has been clubbed based on PAN.  
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

#### v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mrs. Sandeep Kaur Ahluwalia	Whole Time Director	8707700	73.61	-	-	-	8707700	73.61
2	Mr. Rupinder Singh Ahluwalia	Chairman	0	0.00	-	-	-	0	0.00
3	Mrs. Mandeep Ahluwalia Pahwa	Director	0	0.00	-	-	-	0	0.00
4	Mr. Kamal Jain	Director	100	0.00	-	-	-	100	0.00
5	Mr. Raj Kumar Bali	Director	400	0.00	-	-	-	400	0.00
6	Mr. Amrik Singh Grewal	Director	100	0.00	-	-	-	100	0.00

**VI. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment :  
(In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	159.57	177.42	-	336.99
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	159.57	177.42	-	336.99
<b>Change in Indebtedness during the financial year</b>				
• Addition	11.48	-	-	11.48
• Reduction				
<b>Net Change</b>	11.48	-	-	11.48
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	159.57	177.42	-	336.99
ii) Interest due but not paid	11.48	-	-	11.48
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	171.05	177.42	-	348.47

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

1. Remuneration paid to Managing Director, Whole-time Director and / or Manager

Sr.No.	Particulars	Designation	Amount
1.	Salary of Mrs. Sandeep Kaur Ahluwalia	Whole-time Director	18,00,000/-
2.	Remuneration to Mr. Rupinder Singh Ahluwalia	Chairman and Executive Director	4,68,260/-
	<b>Total</b>		<b>22,68,260/-</b>

2. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/Whole-Time Director:-**Not Applicable**

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): NIL**

For MUKAT PIPES LIMITED

Sd/-  
(RUPINDER SINGH AHLUWALIA)  
Chairman  
(DIN:01239483)

**COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

**APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The Nomination and Remuneration Committee identifies persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management.

The Committee ascertains the qualifications, expertise and experience of the persons to be appointed as Directors, Key Managerial Personnel and Senior Management and recommends their appointment to the Board of Directors.

The Board then takes the final decision based on the said recommendation.

The Committee evaluates the performance of Directors, Key Managerial Personnel and Senior Management on a yearly basis and recommends their removal, if required.

**REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES**

The remuneration payable to the Managing Director shall be as per the provisions of the Companies Act, 2013 and other relevant provisions.

The remuneration payable to Key Managerial Personnel and Senior Management shall be approved by the Committee on case to case basis.

**The increments to the existing remuneration structure:**

- A) In relation to Board of Directors shall be based on the evaluation of performance.
- B) In relation to Key Managerial Personnel and Senior Management the same shall be Approved by the Committee based on the recommendation of the Whole-time Director.
- C) In relation to others the same shall be approved by the Whole-time Director based on the market conditions, performance of the Company and other relevant factors from time to time.

**REMUNERATION TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS**

The Non-Executive and Independent Directors of the Company shall only be paid sitting fees (as determined by the Board from time to time) for attending Board/ Committee meetings apart from reimbursement of expenses incurred for attending the meetings.

**For MUKAT PIPES LIMITED**

Sd/-  
(RUPINDER SINGH AHLUWALIA)  
Chairman  
(DIN:01239483)

## ANNEXURE 3

**INFORMATION IN TERMS OF RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014)**

The information relating to managerial remuneration in terms of Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are detailed as under: –

(i) The ratio of the remuneration of each director of the Company to the median remuneration of the employees of the Company for the financial year 2019-20 is as follow;

Name of the Director	Category	Remuneration Received during the year	Median remuneration of the employees	Ratio of Median Remuneration to Director's Remuneration
Mrs. Sandeep Kaur Ahluwalia	Whole Time Director	1800000	219545	1:8.20
Mr. Rupinder Singh Ahluwalia	Chairman and Executive Director	468260	219545	1:2.13
Mrs. Mandeep Ahluwalia Pahwa	Director	NIL	NIL	NIL
Mr. Kamal Jain	Independent Director	NIL	NIL	NIL
Mr. Raj Kumar Bali	Independent Director	NIL	NIL	NIL
Mr. Amrik Singh Grewal	Independent Director	NIL	NIL	NIL

- (ii) There is no percentage increase in remuneration of each whole time director of the Company, during the financial year 2019-20.
- (iii) There is percentage increase in the median remuneration of employees of the Company during the financial year due to annual increments of employees.
- (iv) There are 48 permanent employees on the rolls of the Company; -
- (v) There is no variable component of remuneration availed by the Whole Time Directors of the company;
- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.

We affirm that the remuneration paid is as per the said Remuneration Policy of the company.

**For MUKAT PIPES LIMITED**

Sd/-  
**(RUPINDER SINGH AHLUWALIA)**  
 Chairman  
 (DIN:01239483)

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

## 1. Details of material contracts or arrangement or transaction at arm's length basis

Particulars	Details
Name(s) of the related party and nature of relationship	Mukat Educational Trust -Associate
Nature of contracts/arrangements/transactions	Lease Deed dtd.12-10-2017
Duration of the contracts / arrangements/transactions	35 Years
Salient terms of the contracts or arrangements or transactions including the value, if any	Parcel of Property measuring 2.27 Acres Leased for 35 Years @ Rs. 3 Lacs Per Month rent.
Justification for entering into such contracts or arrangements or transactions	As per BIFR Scheme envisaged under para 11.3 under the head Production & Revenue strategy.
date(s) of approval by the Board	30-03-2017
Amount paid as advances, if any	Rs. 4 Crores refundable security without interest

## 2. Details of material contracts or arrangement or transactions at arm's length basis

Particulars	Particulars	Particulars
Name(s) of the related party and nature of relationship	Mrs. Sandeep Kaur Ahluwalia	Mr. Rupinder Singh Ahluwalia
Nature of contracts/ arrangements/ transactions	Remuneration to Whole Time Director	Remuneration to Chairman
Duration of the contracts / arrangements/ transactions	On going	On going
Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 18,00,000/-	Rs. 4,68,260/-
Date(s) of approval by the Board, if any	26.05.2017	30.09.1999
Amount paid as advances, if any	NIL	NIL

**For MUKAT PIPES LIMITED**

**Sd/-**  
**(RUPINDER SINGH AHLUWALIA)**  
**Chairman**  
**(DIN:01239483)**

## ANNEXURE - 5

**A. Power and Fuel consumption:**

	Current Year (2019-2020)	Current Year (2018-2019)
<b>1. Electricity</b>		
a) Purchased Units (KWH)	207133	282310
Total Amount (Rs.)	1649828	2598168
Rate/Unit (Rs.)	7.96	9.20
b) Own generation Through Diesel Generator		
Units Generated (KWH)	4012	7080
Total Amount (Rs.)	93024	176735
Cost/Unit (Rs.)	23.18	24.96
<b>2. Consumption per unit of production</b>		
Production :M.S.Pipes (Unit in MT) (Including Job Work)	2370.584	2712.345
Electricity Consumption/MT (KWH)	87.376	106.690

**B. TECHNOLOGY ABSORPTION:****FORM B**

Disclosure of particulars with regard to technology absorption

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

**Technology absorption, adaptation and innovation.**

i) Continuous efforts are made towards technology absorption, adoption and innovation. Plant operation and maintenance personnel are regularly imparted training (in house and outside) through study of technical literature and seminars.

ii) Benefits derived as a result of the above efforts

- \* improvement in productivity, cost reduction, product development etc.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particular	2019-2020 (Rs.in lacs)	2018-2019 (Rs.in lacs)
- Earning	Nil	Nil
- Outgo	Nil	Nil

For MUKAT PIPES LIMITED

Sd/-  
RUPINDER SINGH AHLUWALIA)  
Chairman  
(DIN:01239483)



**CS Yogita**  
**M.Com, FCS, LL. B**  
**Mobile: 097797-11292**  
**Email: yogita84.cs@gmail.com**

**Yogita & Associates**  
**COMPANY SECRETARIES**

ANNEXURE – 6

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2020**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the**  
**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**UDIN: F008511B000562119**

To,  
**The Members,**  
**Mukat Pipes Limited,**  
**Flat No.39,Parag Apartments,**  
**7<sup>th</sup> Floor , J.P. Road,Versova,**  
**Andheri West, Mumbai.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MUKAT PIPES LIMITED** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(A) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):—
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/SEBI (Prohibition of Insider Trading) Regulations 2015.

Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (h) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- v) I have given to understand that based on the nature of the business activities of the Company, there are specific regulation/law applicable to the company.

I further report that the applicable financial laws, such as the Direct and the Indirect Tax laws have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

(B) I have also examined compliance with the applicable clauses of the following : (i) Listing Agreement entered into by the Company with Stock Exchange (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

**During the period** under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following :

1. ***The Statutory Chartered Accountant of the Company is in the process of taking peer review certificate from the ICAI.***
2. ***The Company has yet to transfer Rs. 11.41 Lacs on account of unpaid dividend to investor education and protection fund under section 124 of the Companies Act, 2013.***
3. ***The Company has filed Annual Return pursuant to section 159/161 of the Companies Act, 1956 for the Financial Year 2005-2006 on dated 04.05.2019 due to family dispute and paid the penalty as per the authorities prescribed.***

**During the period** under review provisions of the following Regulations (as enumerated with the prescribed format of Form MR 3) were not applicable to the Company :

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made there

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Reappointment of Independent Director for another term of five years made during the year. Appointment of Company Secretary and CFO is also made during the year.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further

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information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and there were no dissenting views by any member of the Board of Directors during the period under review and was accordingly captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** the Company has not involved in specific event having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc

### **For Yogita & Associates**

**Sd/-  
(Yogita)  
Proprietor**

Company Secretary in whole time practice  
FCS No. 8511  
C.P. No. 8478

Place: Patiala  
Dated: 08.08.2020

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**'ANNEXURE A'**

To,

**The Members,  
Mukat Pipes Limited,  
Flat No.39,Parag Apartments,  
7<sup>th</sup> Floor , J.P. Road,Versova,  
Andheri West, Mumbai.**

My report of even date is to be read along with this letter.

1. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I have followed, provide a reasonable basis for my opinion.
2. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
3. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Yogita & Associates**

**Sd/-  
(Yogita)  
Proprietor**  
Company Secretary in whole time practice  
FCS No. 8511  
C.P. No. 8478

Place: Patiala  
Dated: 08.08.2020

## MANAGEMENTDISCUSSION AND ANALYSIS:

### (a) Industry Structure and Developments:

The market segment for the products of the company is supply of M.S. Pipes, Longitudinal & Spiral Pipes to mini hydro projects, thermal plants and other water circulatory projects. The Central & State Govts. are promoting the said projects. The private Entrepreneurs are the major investors in such projects. The monetary policy of the RBI is supporting through easy credit to the such projects. The scale of projects by the private entrepreneurs is not large and thus generate a separate segment for the products of the company and facilitate cost competitiveness.

### (b) Opportunities and Threats:

The Solar, thermal and nuclear energy are substitutes for minor hydro energy. There is a great threat of cost Competitiveness from the said substitute to the Hydro Energy. The Central & State Governments are promoting undervarious development schemes to promote solar energy sources for environmental safety. However, thecompany has a potential for demand of its products from new mini hydro projects to be installed in hilly statesof this region.

### (c) Segment-wiseor product wise Performance:

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

### (d) Outlook:

The Company is hopeful to get orders from the existing customers and the new customers going to emerge from the infrastructure growth of the country. The infrastructure development is the engine of the economic growth of the Indian economy.

### (e) Risk and Concerns:

The company is not having any credit facility from banks & financial institutions. The risk management for the repayment obligations is minimum.

### (f) Internal Control Systems and their adequacy:

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.

### (g) Discussion on financial performance with respect to operational performance:

The company is still performing at below breakeven point although there is little improvement from the previous year. The demand for the products of the company is inadequate to operationalize the production to the level of installed capacity. The company is doing job work due to shortage of working capital. The impact of Covid-19 for the year 2020-2021 is also regressive.

### (h) Material developments in Human Resources / Industrial Relations front, including number of people employed. :

The industrial relations continued to be harmonious and cordial providing an atmosphere conducive to sustenance the present trajectory of the production. Adequate safety measures have been taken at all

the Places of Businesses. Highest standard of hygiene is maintained. Our permanent employees as on 1<sup>st</sup> April, 2019, were 51 and as on 31<sup>st</sup> March, 2020 were 48.

**(i) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios,** There were no significant changes in key financial ratios

**(j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:**

The company has been under losses due to below breakeven production due to sluggish demand.

**(k) 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.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MUKAT PIPES LIMITED  
Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Mukat Pipes Limited, ("The Company") which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss, the statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statement in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standaloned financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

**1. Description of Key Audit Matter**

The company has not provided for Income Tax, Central Excise & Service Tax liabilities aggregating to Rs. 1163.56 Lacs. This is a Key audit matter since it will adversely effect the current ratio.

**How our audit addressed the key audit matter**

- a) Discussed the matter with the management and obtained an understanding of the matter.
- b) The company has preferred appeals against the outstanding demand and they have been advised by their counsel that the demands will be dropped.

As a result of the above audit procedure the Managements assessment of not providing was considered to be reasonable.

**2. Description of Key Audit Matter**

The company has yet to transfer Rs. 11.41 Lac on account of unpaid dividend to Investor Education and Protection Fund.

**How our audit addressed the key audit matter**

- a) Discussed the matter with the management and obtained an understanding of the matter.
- b) The company does not have record of share holders to whom the unpaid dividend amount belongs to. The company has several times approached Investor Education Protection Fund (IEPF) through emails to know the procedure to transfer the above said unpaid dividend amount to IEPF in the absence of names of share holders and other concerned records needed in the matter. We have not received any response from the IEPF. The company will pursue the matter with the IEPF to expedite the matter.

As a result of the above audit procedure the Managements plea of not remitting the amount be considered appropriate.

#### **Information other than the Financial Statement and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Report on Corporate Governance and business responsibility report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (changes in equity) & cash flows of the Company in accordance with the (Ind. AS) and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements.**

Our objectives are to obtain reasonable assurance about whether the standalone financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the



aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statement including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the statement of Profit and loss, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reportings.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us.
  - i) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 24 to the financial statements.
  - ii) the Company does not have any material foreseeable losses on long-term contracts including derivative contracts, therefore no provision is required.
  - iii) there has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company Refer Note 32 of the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the order) issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the order.

**FOR GURPREET KAUR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 015358N**

Sd/-  
**GURPREET KAUR**  
**(PARTNER)**  
**M.No. 095722**  
**UDIN: 20095722AAAADK8054**

**Place : RAJPURA**  
**Dated : 26/06/2020**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of MUKAT PIPES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial Controls over financial reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use,

or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR GURPREET KAUR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 015358N**

Sd/-  
**GURPREET KAUR  
(PARTNER)  
M.No. 095722  
UDIN: 20095722AAAADK8054**

**Place : RAJPURA  
Dated : 26/06/2020**

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 2 under Report on other Legal and Regulatory Requirements section of our Report to the members of Mukat Pipes Limited on the financial statements for the year ended 31 March 2020, we report that:

- (i) In respect of the Company's Fixed Assets.

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the copies of registered sale deeds provided to us, we report that, the title deeds, comprising the immovable properties of land (freehold) and buildings, are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the .year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any unsecured loan during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and investments made.
- (v) As informed the company has not accepted deposits during the year. .
- (vi) The maintenance of cost records has been specified by the Central Government under section 148 (1) of the Companies Act, 2013 but since the Turnover of the company is below the specified limit, cost records has not been maintained in the prescribed format.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Service Tax and other material statutory dues applicable to it to with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income- tax, Excise Duty, Value Added Tax, Goods and Service Tax, cess, and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Service Tax and Excise Duty which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the Statute	Nature of the dues	Forum where pending	Total Amount involved (Rs. Lacs)	Amount paid under protest (Rs. Lacs)	Period to which the amount relates
Central Excise	Excise duty, Penalty and Interest	CESTAT	77.64	18.67	Earlier Years
Income Tax	Income Tax, Penalty, Interest	Income Tax Authorities	965.15	-	A.Y. 2012-2013
Income Tax	Income Tax, Penalty, Interest & TDS	Income Tax Authorities	119.24	-	Earlier Years
Income Tax	Income Tax, Penalty, Interest & TDS	Income Tax Authorities	1.53	-	Earlier Years

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and government and dues to debenture holder.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the terms of appointment approved by the Board of Directors and in A.G.M.
- (xii) The Company is not a Nidhi Company and hence reporting under clause XII is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. According to the information and explanations given to us. The company in order to implement the BIFR sanctioned scheme has leased out the excess land and building to Mukat Educational Trust related party. As informed the terms of lease are not prejudicial to the interest of the company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non- cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR GURPREET KAUR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 015358N**

**Sd/-  
GURPREET KAUR  
(PARTNER)  
M.No. 095722  
UDIN: 20095722AAAADK8054**

**Place : RAJPURA  
Dated : 26/06/2020**

**Mukat Pipes Limited**  
**Balance Sheet as on 31st March 2020**

Particulars	Note No.	(Amount in Rs.)	
		31.03.2020	31.03.2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	1,50,54,228.00	1,624,0,779.00
(b) Capital work-in-progress			
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible assets			
(f) Intangible assets under development			
(g) Biological Assets other than bearer plants			
(h) Financial Assets			
(i) Investments			
(ii) Trade receivables	3	96,71,923.93	1,06,73,030.89
(iii) Loans	4	1,07,62,378.92	1,08,46,370.76
(iv) Others (to be specified)		-	-
(i) Deferred tax assets (Net)		-	-
(j) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Inventories	5	63,97,431.00	1,31,57,945.00
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	3	2,83,698.00	6,94,714.00
(iii) Cash and cash equivalents	6-A	4,07,605.32	9,69,988.32
(iv) Bank balances other than (iii) above	6-B	16,74,717.34	12,92,566.20
(v) Loans	7	4,86,857.37	11,50,572.62
(vi) Others (to be specified)			
(c) Current Tax Assets (Net)			
(d) Other current assets			
<b>Total Assets</b>		<b>4,47,38,839.88</b>	<b>5,50,25,966.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	8	5,91,50,000.00	5,91,50,000.00
(b) Other Equity		(12,64,28,122.83)	(12,59,46,472.57)
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	3,48,48,093.00	3,36,99,207.00
(ii) Trade Payables	10	99,06,652.99	97,40,227.24
(iii) Other financial liabilities (other than those specified in item (b), to be specified)	11	4,00,00,000.00	4,00,00,000.00
(b) Provisions			
(c) Deferred Tax Liabilities (Net)	13	35,97,000.00	35,97,000.00
(d) Other non-current liabilities	12	1,05,64,097.02	1,02,87,934.02
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade Payables	10	8,27,642.00	9,28,114.00
(iii) Other financial liabilities (other than those specified in item (c))			
(b) Other current liabilities	12	1,22,73,477.70	2,35,69,957.10
(c) Provisions			
(d) Current tax liabilities (Net)			
<b>Total Equity and Liabilities</b>		<b>4,47,38,839.88</b>	<b>5,50,25,966.79</b>

Accompanying notes 1 to 35 form part of the Financial Statements.

**AUDITOR'S REPORT**

SUBJECT TO OUR REPORT OF EVEN DATE

FOR GURPREET KAUR &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 015358N

Sd/-

GURPREET KAUR

(PARTNER)

M.No. 095722

FOR MUKAT PIPES LIMITED

Sd/-  
RUPINDER SINGH AHLUWALIA  
CHAIRMANSd/-  
SANDEEP KAUR AHLUWALIA  
DIRECTOR

FOR MUKAT PIPES LIMITED

Place : RAJPURA

Dated : 26/06/2020

Sd/-  
JAGDISH PARSHAD AGGARWAL  
Chief Financial OfficerSd/-  
NAISHADH JAYANTILAL PUROHIT  
Company Secretary  
M.NO. ACS 7581

**Mukat Pipes Limited**  
**Profit and Loss Statement for the year ended 31st March 2020**

(Amount in Rs.)

	Particulars	Note No.	31.03.2020	31.03.2019
I	Revenue from operation	14	4,47,70,976.00	7,96,84,105.00
II	Other income	15	38,86,175.00	47,67,812.00
III	<b>Total Income (I+II)</b>		<b>4,86,57,151.00</b>	<b>8,44,51,917.00</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	16	1,96,69,575.00	5,88,09,300.00
	Changes in inventories of finished goods Work-in-Progress and Stock-in-Trade	17	56,15,442.00	2,80,630.00
	Employee benefit Expenses	18	1,05,38,146.20	1,25,79,360.00
	Finance cost	19	12,78,358.00	13,83,235.00
	Depreciation and Amortisation Expenses	20	13,20,969.00	12,95,206.00
	Other Expenses	21	1,07,16,311.06	1,35,67,625.99
	<b>Total Expenses</b>		<b>4,91,38,801.26</b>	<b>8,79,15,356.99</b>
V	<b>Profit/(Loss) before exceptional items and tax (I-IV)</b>		<b>(4,81,650.26)</b>	<b>(34,63,439.99)</b>
VI	Exceptional items	22	-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>		<b>(4,81,650.26)</b>	<b>(34,63,439.99)</b>
VIII	Tax expenses (1) Current tax (2) Deferred tax			
IX	<b>Profit (loss) for the period from continuing operations (VII-VIII)</b>		<b>(4,81,650.26)</b>	<b>(34,63,439.99)</b>
X	Profit/(loss) from discontinued operations			
XI	Tax expenses of discontinued operations			
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	<b>Profit/ (loss) for the period (IX+XII)</b>		<b>(4,81,650.26)</b>	<b>(34,63,439.99)</b>
XIV	Other comprehensive Income A (i) items that will not be reclassified to profit or loss (ii) Income tax relating to items that will not be reclassified to profit or loss B (i) Items that will be reclassified to profit or loss (ii) Income tax relating to items that will be reclassified to profit or loss		- - - -	- - - -
XV	<b>Total comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(4,81,650.26)</b>	<b>(34,63,439.99)</b>
XVI	Earnings per equity share (for continuing operation):	23		
	(1) Basic		(0.04)	(0.29)
	(2) Diluted		-	-
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operation):			
	(1) Basic		-	-
	(2) Diluted		-	-

Accompanying notes 1 to 35 form part of the Financial Statements.

**AUDITOR'S REPORT**

SUBJECT TO OUR REPORT OF EVEN DATE

FOR GURPREET KAUR &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 015358N

Sd/-

GURPREET KAUR

(PARTNER)

M.No. 095722

FOR MUKAT PIPES LIMITED

Sd/-

RUPINDER SINGH AHLUWALIA

CHAIRMAN

Sd/-

SANDEEP KAUR AHLUWALIA

DIRECTOR

FOR MUKAT PIPES LIMITED

Sd/-

JAGDISH PARSHAD AGGARWAL

Chief Financial Officer

Sd/-

NAISHADH JAYANTILAL PUROHIT

Company Secretary

M.NO. ACS 7581

Place : RAJPURA

Dated : 26/06/2020



**Mukat Pipes Limited**  
Statement of changes in equity for the year ended 31st March, 2020

## A) Equity Share Capital

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2019	5,91,50,000.00		5,91,50,000.00
For the year ended 31st March, 2020	5,91,50,000.00	-	5,91,50,000.00

## B) Other Equity

Reserves and Surplus					
	State Subsidy	Revenue Reserve	G.Set Subsidy	P&L	Total
Balance as at 1st April, 2018	45,00,000.00	2,98,16,000.00	50,000.00	(15,68,49,032.58)	(12,24,83,032.58)
Profit for the year				(34,63,439.99)	(34,63,439.99)
<b>Total comprehensive Income for the year</b>				<b>(16,03,12,472.57)</b>	<b>(12,59,46,472.57)</b>
Balance as at 31st March, 2019	45,00,000.00	2,98,16,000.00	50,000.00	(1,603,12,472.57)	(12,59,46,472.57)
Profit for the year	-	-	-	(4,89,150.26)	(4,89,150.26)
<b>Total comprehensive Income for the year</b>	-	-	-	<b>(1,608,01,622.83)</b>	<b>(16,08,01,622.83)</b>
Balance as at 31st March, 2020	45,00,000.00	2,98,16,000.00	50,000.00	(1,608,01,622.83)	(12,64,35,622.83)

## AUDITOR'S REPORT

SUBJECT TO OUR REPORT OF EVEN DATE  
FOR GURPREET KAUR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 015358N

FOR MUKAT PIPES LIMITED

Sd/-  
GURPREET KAUR  
(PARTNER)  
M.No. 095722

Sd/-  
RUPINDER SINGH AHLUWALIA  
CHAIRMAN

Sd/-  
SANDEEP KAUR AHLUWALIA  
DIRECTOR

FOR MUKAT PIPES LIMITED

Sd/-  
JAGDISH PARSHAD AGGARWAL  
Chief Financial Officer

Sd/-  
NAISHADH JAYANTILAL PUROHIT  
Company Secretary  
M.NO. ACS 7581

Place : RAJPURA  
Dated : 26/06/2020

**Mukat Pipes Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2020**

	Year Ended 31/03/2020 ( Rs in Lacs )	Year Ended 31/03/2019 ( Rs in Lacs )
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	(4.82)	(34.63)
ADJUSTMENTS FOR:		
Depreciation and amortization expense	13.21	12.95
Share based payments to employees		
Finance costs	12.78	13.83
Interest Income	(0.98)	(0.15)
Dividend Income	-	
Loss on sale of property, plant and equipment - Net	-	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>20.20</b>	<b>(8.00)</b>
ADJUSTMENTS FOR:		
Trade receivables, loans, advances and other assets	20.76	208.90
Inventories	67.61	28.62
Trade payables, other liabilities and provisions	(109.54)	(207.84)
<b>CASH GENERATED FROM OPERATIONS</b>		
Income Tax paid		-
Exceptional Items		-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(0.98)</b>	<b>21.16</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment Intangibles etc.	(1.34)	(1.77)
Sale of Property, plant and equipment	-	
Purchase of current investments	-	
Sale/redemption of current investments	-	
Purchase of non-current investments		
Sale of non-current investments to subsidiary		
Proceeds on disposal of subsidiary		
Return of capital by subsidiary		
Redemption proceeds of non-current investments		
Dividend Income		
Interest received	0.98	0.15
Loans given		
Loans realised	0.84	(12.52)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>0.48</b>	<b>(14.14)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	11.49	1.39
Proceeds from issue of share capital		
Repayment of non-current borrowings		
Interest Paid	(12.78)	(13.83)
Net increase in statutory restricted accounts balances		
Dividend paid		
Income tax on dividend paid		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1.29)</b>	<b>(12.44)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1.80)</b>	<b>(5.42)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>22.63</b>	<b>28.05</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>20.83</b>	<b>22.63</b>

*Notes:*

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statements of Cash Flow".

**AUDITOR'S REPORT**

SUBJECT TO OUR REPORT OF EVEN DATE  
FOR GURPREET KAUR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 015358N

Sd/-  
GURPREET KAUR  
(PARTNER)  
M.No. 095722

FOR MUKAT PIPES LIMITED

Sd/-  
RUPINDER SINGH AHLUWALIA  
CHAIRMAN

Sd/-  
SANDEEP KAUR AHLUWALIA  
DIRECTOR

FOR MUKAT PIPES LIMITED

Sd/-  
JAGDISH PARSHAD AGGARWAL  
Chief Financial Officer

Sd/-  
NAISHADH JAYANTILAL PUROHIT  
Company Secretary  
M.NO. ACS 7581

Place : RAJPURA  
Dated : 26/06/2020

## Mukat Pipes Limited

### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st March,2020

#### 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 II of the Companies Act.2013 with effect from 1st, April, 2014.

##### 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) Excise duty/Gst 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

## Mukat Pipes Limited

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st March,2020

Particulars	As at <u>31.03.2020</u> Rs	As at <u>31.03.2019</u> Rs
<b>2 <u>Non Current Assets</u></b>		
Property,Plant and Equipments	1,50,54,228.00	1,62,40,779.00
	<b>1,50,54,228.00</b>	<b>1,62,40,779.00</b>
<b>3 <u>Trade receivables</u></b>		
Unsecured- Considered good	99,55,621.93	1,13,67,744.89
- Considered not good	78,90,715.00	78,90,715.00
	<b>1,78,46,336.93</b>	<b>1,92,58,459.89</b>
<b>Less:</b> Provision for doubtful debts	78,90,715.00	78,90,715.00
	<b>99,55,621.93</b>	<b>1,13,67,744.89</b>
<b>Others</b>		
Other Trade Receivables		
Unsecured Considered Good	-	-
<b>Total(Current+Non Current)</b>	<b>99,55,621.93</b>	<b>1,13,67,744.89</b>
<b>Non Current</b>	96,71,923.93	1,06,73,030.89
<b>Current</b>	2,83,698.00	6,94,714.00
	<b>99,55,621.93</b>	<b>1,13,67,744.89</b>
<b>4 <u>Long-terms loans advances</u></b>		
(unsecured, considered good unless otherwise stated)		
Security deposits	13,70,249.00	14,05,249.00
Loans and advances to related Parties	-	-
Other loans and advances		
-T.D.S	12,80,222.00	11,72,983.00
-To employees	4,10,607.90	3,71,160.00
Advances to Supplier & Others	18,04,063.00	17,51,622.00
Balances with Excise Authorities	4,64,046.00	4,64,681.00
Amount Recoverable	4,56,895.76	4,56,895.76
Advances Recoverable in Cash or kind	49,76,295.26	52,23,780.00
	<b>1,07,62,378.92</b>	<b>1,08,46,370.76</b>
<b>5 <u>Inventories</u></b>		
Raw Material	2,20,064.00	13,87,636.00
Stores & Spares	12,08,225.00	11,85,725.00
Work in Progress	34,33,038.00	72,47,296.00
Scrap	5,22,144.00	58,608.00
Finished Goods	10,13,960.00	32,78,680.00
Unutilised Portion of Modvat	-	-
	<b>63,97,431.00</b>	<b>1,31,57,945.00</b>
<b>6 <u>Cash and Cash Equivalents</u></b>		
<b>Balance with banks</b>		
A Cash on hand	4,07,605.32	9,69,988.32
B Current accounts	16,74,717.34	12,92,566.20
	<b>20,82,322.66</b>	<b>22,62,554.52</b>
<b>7 <u>Short- term loans and advances</u></b>		
(Unsecured considered good unless otherwise stated)		
<b>Other loans and advances</b>		
Balances with Excise Authorities	1,64,486.62	9,47,822.62
Advances Recoverable in Cash or kind	-	-
Advances to Supplier & Others	3,22,370.75	2,02,750.00
Amount Recoverable	-	-
	<b>4,86,857.37</b>	<b>11,50,572.62</b>
<b>8 <u>Share Capital</u></b>		
<b><u>Authorised</u></b>		
20000000 (2018-19 - 20000000) Equity Shares of Rs 5/- Each ( Rs.5/- each 2018-19)	10,00,00,000.00	10,00,00,000.00
<b><u>Issued, Subscribed and fully paid up</u></b>		
11830000 (2018-19 - 11830000) Equity shares of Rs. 5/- Each( Rs.5/- each )	5,91,50,000.00	5,91,50,000.00
	<b>5,91,50,000.00</b>	<b>5,91,50,000.00</b>
(i) There has been no movement in the equity shares in the current year.		
(ii) There is no change in issued, subscribed and paid up capital during the current year.		
(iii) The company has only one class of Equity Shares having a per value of Rs. 5/- per share		
(iv) Each holder of equity share is entitled to one vote per share		
Shareholders holding more than 5% shares		

## Mukat Pipes Limited

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st March,2020

Particulars	As at <u>31.03.2020</u> Rs	As at <u>31.03.2019</u> Rs
<b><u>Name of the Shareholder</u></b>	<b>No. of Shares</b>	No. of Shares
a) Smt. Sandeep Kaur Ahluwalia - 73.61%	87,07,700	87,07,700
<b><u>Reserves and Surplus</u></b>		
a) <b>Capital Reserve</b>		
Subsidy	45,50,000.00	45,50,000.00
b) <b>Revenue Reserve</b>		
Deferred Tax adjustment on initial adjustments	2,98,16,000.00	2,98,16,000.00
<b>(c) Surplus/Deficit in Statement of Profit &amp; Loss</b>		
Opening Balance	(16,03,12,472.57)	(15,68,49,032.58)
Add: Profit for the year	(481,650.26)	(34,63,439.99)
Add : Income Tax refunds	-	-
Add :Reduction in Share Capital	-	-
Less: Tax payments & others	-	-
Closing Balance	<b>(16,07,94,122.83)</b>	<b>(16,03,12,472.57)</b>
<b>TOTAL</b>	<b>(12,64,28,122.83)</b>	<b>(12,59,46,472.57)</b>
<b>9 <u>Long Term borrowings</u></b>		
<b><u>SECURED</u></b>		
Term loans		
- from banks / financial institutions	-	-
- from others	1,71,05,641.00	1,59,56,755.00
	<b>1,71,05,641.00</b>	<b>1,59,56,755.00</b>
<b><u>UNSECURED</u></b>		
From Directors/Relatives	1,77,42,452.00	1,77,42,452.00
Less : Current maturities of long term borrowings	-	-
	<b>3,48,48,093.00</b>	<b>3,36,99,207.00</b>
Detail of Current maturities of long term borrowings		
<b><u>SECURED</u></b>		
Term loans		
- from banks / financial institutions	-	-
- from others	-	-
<b><u>UNSECURED</u></b>		
<b>1. Banks/Financial Institutions</b>	-	-
<b>2. Others</b>		
i) 171.06 Lacs (2018-19 - 159.57 lac ) secured by first charge on immovable properties and movable assets of the company.		
<b>10 <u>Trade Payables</u></b>		
Acceptances	-	-
Trade payables	-	-
- Micro and small enterprises (Note -1)	-	-
- Others Considered as Current	8,27,642.00	9,28,114.00
- Others Considered as Non-Current	99,06,652.99	97,40,227.24
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 III of the Companies Act Could not be provided.		
	<b>1,07,34,294.99</b>	<b>10,668,341.24</b>
<b>11 <u>Other long term liabilities</u></b>		
Security Deposits	4,00,00,000.00	4,00,00,000.00
	<b>4,00,00,000.00</b>	<b>4,00,00,000.00</b>
<b>12 <u>Other current liabilities</u></b>		
<b>(A)Current</b>		
Advances from customers	33,88,463.50	1,59,11,590.00
Expenses Payable	19,72,774.00	22,52,434.00
Securities Refundable	1,810.00	-
Unpaid Dividend	-	-
Other Liabilities -	69,10,430.20	54,05,933.10
Installment falling due within one year		
<b>Sub Total(A)</b>	<b>1,22,73,477.70</b>	<b>2,35,69,957.10</b>

## Mukat Pipes Limited

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st March,2020

Particulars	As at <u>31.03.2020</u> Rs	As at <u>31.03.2019</u> Rs
<b>(B)Non Current</b>		
Advances from customers	64,99,150.02	61,47,642.02
Expenses Payable	5,78,147.00	6,60,492.00
Securities Refundable	13,77,202.00	13,77,202.00
Unpaid Dividend	11,40,955.00	11,40,955.00
Other Liabilities -	9,68,643.00	9,61,643.00
<b>Sub Total(B)</b>	<b>1,05,64,097.02</b>	<b>1,02,87,934.02</b>
	<b>2,28,37,574.72</b>	<b>3,38,57,891.12</b>
<b>13 Deferred Tax liabilities (Net)</b>		
(a) <b>Deferred tax liabilities</b>	2,88,04,000.00	2,88,04,000.00
Less: <b>Deferred tax assets</b>	2,52,07,000.00	2,52,07,000.00
<b>Net</b>	<b>35,97,000.00</b>	<b>35,97,000.00</b>
<b>14 Revenue from operations</b>		
Sale of products & Job Work	4,47,70,976.00	7,96,84,105.00
Labour Charges	-	-
	4,47,70,976.00	7,96,84,105.00
Less:- Excise Duty	-	-
<b>Total</b>	<b>4,47,70,976.00</b>	<b>7,96,84,105.00</b>
<b>15 Other income</b>		
Interest income	97,877.00	15,008.00
Amount Written back	-	63,542.00
Lease Rent Received	36,00,000.00	36,00,000.00
Miscellaneous Receipt	1,88,298.00	10,89,262.00
	<b>38,86,175.00</b>	<b>47,67,812.00</b>
<b>16 Cost of Material Consumed</b>		
opening stock - Material	13,87,636.00	38,50,246.00
Unutilised Portion of Modvat	-	-
Add : Purchases	1,85,02,003.00	5,63,46,690.00
Less Closing Stock Material	2,20,064.00	13,87,636.00
Unutilised Portion of Modvat	-	-
<b>Total</b>	<b>1,96,69,575.00</b>	<b>5,88,09,300.00</b>
<b>17 Accretion/Depletion of Stock</b>		
Opening Stock		
Finished Goods	32,78,680.00	32,78,680.00
Work in Progress	72,47,296.00	75,77,543.00
Realisable Scrap	58,608.00	8,991.00
<b>Total</b>	<b>1,05,84,584.00</b>	<b>1,08,65,214.00</b>
Closing Stock		
Finished Goods	10,13,960.00	32,78,680.00
Work in Progress	34,33,038.00	72,47,296.00
Realisable Scrap	5,22,144.00	58,608.00
<b>Total</b>	<b>49,69,142.00</b>	<b>1,05,84,584.00</b>
<i>(Accretion)/Depletion</i>	<b>56,15,442.00</b>	<b>2,80,630.00</b>
<b>18 Employee benefits expenses</b>		
Salaries, wages, incentives	96,78,513.20	1,15,00,656.00
Contribution to provident fund and other funds	4,89,636.00	5,16,704.00
Staff welfare and employee training expenses	3,69,997.00	5,62,000.00
	<b>1,05,38,146.20</b>	<b>1,25,79,360.00</b>
<b>19 Finance cost</b>		
Interest expenses	12,78,358.00	13,83,235.00
	<b>12,78,358.00</b>	<b>13,83,235.00</b>
<b>20 Depreciation &amp; Amortisation</b>		
Depreciation	13,20,969.00	12,95,206.00
	<b>13,20,969.00</b>	<b>12,95,206.00</b>
<b>21 Other expenses</b>		
Testing charges	80,742.00	1,17,981.00
Consumable Stores	20,04,611.00	37,42,256.00
Labour Charges	1,09,055.00	4,35,902.00
Power & Fuel	21,28,222.00	34,04,153.00

## Mukat Pipes Limited

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st March,2020

Particulars	As at <u>31.03.2020</u> Rs	As at <u>31.03.2019</u> Rs
Repairs to Plant & Machinery	16,985.00	5,090.00
Repairs to Building	3,17,920.00	2,87,623.00
Repairs Others	2,58,208.00	3,83,916.00
Insurance Charges	66,976.00	88,555.00
Vehicle Expenses	2,57,747.00	2,91,209.00
Legal & Professional Charges	6,37,963.00	6,52,555.00
Telephone & Telex Charges	1,57,937.00	69,256.28
Printing & Stationery	1,61,679.00	4,63,681.74
Travelling Expenses	82,697.00	66,512.00
Rent, Rates & Taxes	5,07,194.00	4,23,027.00
Bank Charges & Commission	5,525.50	2,828.70
Postage & Telegram	65,068.00	40,690.00
Directors Remuneration & Other Benefits	22,68,260.00	22,68,507.00
Auditors Remuneration	50,000.00	50,000.00
Selling Expenses	4,000.00	100.00
Sales Promotion & Advertising	1,45,030.00	3,56,581.00
Freight & Forwarding Charges	-	300.00
Donations	-	500.00
General Expenses	49,662.60	1,43,902.27
Service Tax Paid	-	-
Bad & Doubtfull Debts	10,10,943.96	-
Directors Travelling Exp.	29,885.00	-
Listing fee	3,00,000.00	2,72,500.00
	-	-
	<b>1,07,16,311.06</b>	<b>1,35,67,625.99</b>
<b>22</b> <u>Exceptional Item</u>		
Prior Period Expenses	-	-
Amount written Back	-	-
	-	-
<b>23</b> <u>Earning Per share</u>	<b>This Year</b>	Previous Year
Profit/ (Loss) after tax as per statement of Profit and loss	(4,81,650.26)	(34,63,439.99)
Number of equity shares outstanding	1,18,30,000.00	1,18,30,000.00
Earning per share- basic/ diluted	(0.04)	(0.29)
Face value- Rs. 5 per share	-	-
<b>24</b> <u>Contingent liabilities not provided for:</u>		
a) Counter guarantee given by Bank	-	-
b) Claims not acknowledged as debts	-	-
i) Excise Duty demand (against which the company has preferred appeals)	77,64,426.00	77,64,426.00
ii) Income Tax demand	10,85,92,001.00	1,20,77,321.00
v) Dues of Municipal Corporation Rajpura	-	-
vi) Service Tax	-	79,85,152.00
<b>25</b> <b>No Provision has been made for Income Tax</b>		
<b>26</b> <b>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.</b>		
<b>27</b> <b>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>		
<b>28</b> <b>Auditors Remuneration</b>		
<b>Statutory Auditor</b>	-	-
i) Audit fee	50,000.00	50,000.00
ii) Tax Audit Fee	-	-
	<b>50,000.00</b>	<b>50,000.00</b>
<b>29</b> <b>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	-	-

## Mukat Pipes Limited

### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st March,2020

Particulars	As at <u>31.03.2020</u> Rs	As at <u>31.03.2019</u> Rs
30 Earning in Foreign Exchange FOB Value of exports		
31 <b><u>Related Party Disclosure Under Accounting Standard (AS)18</u></b>		
<b>A. <u>Key management personnel and their relatives</u></b>		
i) Mr. Rupinder Singh Ahluwalia, Chairman		
ii) Mrs. Sandeep Kaur Ahluwalia, Director (Administration)		
iii) Mrs. Mandeep Ahluwalia Pahwa, Director		
iv) Ms. Manpreet Kaur Ahluwalia, relative		
<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) Mukat Educational Trust		
<b>Details of Transactions are as follows:</b>		
<b>1. Remuneration</b>		
Key management personnel	22,68,260.00	22,68,507.00
<b>2. Rent, Interest and other expenses paid</b>	12,76,540.00	12,65,430.00
<b>3. Loan Received</b>		
Balance as at close of the year		
i) Entities over which key management personnel have significant influence:-	5,87,40,170.00	5,57,76,265.00
ii) Directors and their relatives	1,77,42,452.00	1,77,42,452.00
32 The Company has yet to transfer Rs 11.41 Lacs on account of unpaid dividend to investor Education and Protection Fund.		
33 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosures.		
34 The maintenance of cost records has been specified by the Central Government under section 148 (1) of the Companies Act, 2013 but since the Turnover of the company is below the specified limit and being a BIFR company, cost records have not been maintained in the prescribed format.		
35 The company in order to implement the BIFR sanctioned scheme has leased out the excess land and building to Mukat Educational Trust related party. The terms of lease are not prejudicial to the interest of the company.		

**AUDITOR'S REPORT**

SUBJECT TO OUR REPORT OF EVEN DATE

FOR GURPREET KAUR &amp; ASSOCIATES

FOR MUKAT PIPES LIMITED

CHARTERED ACCOUNTANTS

Firm Registration No. 015358N

Sd/-  
GURPREET KAUR  
(PARTNER)  
M.No. 095722

Sd/-  
RUPINDER SINGH AHLUWALIA  
CHAIRMAN

Sd/-  
SANDEEP KAUR AHLUWALIA  
DIRECTOR

FOR MUKAT PIPES LIMITED

Place : RAJPURA  
Dated : 26/06/2020

Sd/-  
JAGDISH PARSHAD AGGARWAL  
Chief Financial Officer

Sd/-  
NAISHADH JAYANTILAL PUROHIT  
Company Secretary  
M.NO. ACS 7581



**MUKAT PIPES LIMITED**  
**DETAILS OF FIXED ASSETS FORMING PART OF BALANCE SHEET FOR THE PERIOD ENDING March 31,2020**

**FIXED ASSETS - 2**

S. NO	PARTICULARS	RATE OF DEP	COST			SALES/Adjustment DURING THE YEAR	AS ON 31.03.2020	UPTO 31-03-19	DEPRECIATION ON ITEMS SOLD DURING THE YEAR	FOR THE PERIOD ENDED 31.03.20	Amount charged to retained earning	UP TO 31.03.20	WRITTEN DOWN VALUE	
			AS ON 01.04.19	ADDITION DURING THE YEAR	AS ON 31.03.20								AS ON 31.03.20	AS ON 31.03.2019
1	LAND	0.00	5,51,900.00				5,51,900.00		-		0.00	5,51,900.00	5,51,900.00	
2	BUILDING													
	A) FACTORY	3.17%	2,66,07,323.34			2,66,07,323.34	2,01,58,663.34		8,43,452.00		2,10,02,115.34	56,05,208.00	64,48,660.00	
	B) OFFICE	1.58%	43,50,609.51			43,50,609.51	17,36,276.51		68,740.00		18,05,016.51	25,45,593.00	26,14,333.00	
	C) RESIDENTIAL	3.17%	0.00			0.00	-	0.00	-		0.00	0.00	0.00	
3	PLANT & MACHINERY	6.33%	17,60,59,922.11			17,60,59,922.11	17,04,33,397.11		2,42,530.00		17,06,76,527.11	53,83,395.00	56,25,925.00	
4	FURNITURE & FIXTURE	9.50%	24,69,204.33	7400		24,76,604.33	21,61,604.33		45,432.00		22,07,036.33	2,69,568.00	3,07,600.00	
5	OFFICE EQUIPMENT	19.00%	14,94,156.81	2,500.00		14,96,656.81	13,07,425.81		20,189.00		13,27,214.81	1,69,442.00	1,87,131.00	
6	COMPUTERS	31.67%	9,98,982.00	68,644.00		10,67,626.00	9,50,045.00		45,581.00		9,95,626.00	72,000.00	48,937.00	
7	VEHICLES	11.89%	41,84,898.81			41,84,898.81	39,24,734.81	0.00	45,982.00		39,70,726.81	2,14,172.00	2,60,164.00	
8	AIR-CONDITIONER	9.50%	11,38,925.05	55,874.00		11,94,799.05	10,23,214.05		9,063.00		10,32,267.05	1,62,532.00	1,15,711.00	
9	TOOLS & EQUIPMENTS	6.33%	8,13,226.09			8,13,226.09	7,32,809.09		-		7,32,809.09	80,417.00	80,417.00	
10	DESIGN & DRAWINGS	6.33%	73,06,197.76			73,06,197.76	73,06,196.76		-		73,06,196.76	1.00	1.00	
	<b>TOTAL</b>		<b>22,59,75,345.81</b>	<b>1,34,418.00</b>		<b>22,61,09,763.81</b>	<b>20,97,34,566.81</b>	<b>0.00</b>	<b>13,20,969.00</b>	<b>0.00</b>	<b>21,10,55,535.81</b>	<b>1,50,54,228.00</b>	<b>1,62,40,779.00</b>	
	<b>CAPITAL W.I.P.</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
	<b>GRAND TOTAL</b>		<b>22,59,75,345.81</b>	<b>1,34,418.00</b>		<b>22,61,09,763.81</b>	<b>20,97,34,566.81</b>	<b>0.00</b>	<b>13,20,969.00</b>	<b>0.00</b>	<b>21,10,55,535.81</b>	<b>1,50,54,228.00</b>	<b>1,62,40,779.00</b>	
	<b>PREVIOUS YEAR</b>		<b>22,58,20,880.81</b>	<b>1,94,212.00</b>		<b>22,59,75,945.81</b>	<b>20,94,62,165.81</b>	<b>22,805.00</b>	<b>12,95,206.00</b>	<b>-</b>	<b>20,97,34,566.81</b>	<b>1,62,40,779.00</b>	<b>1,73,58,725.00</b>	

If undelivered please return to:

**LINK INTIME**  
INDIA PVT LTD



**LINK INTIME INDIA PRIVATE LIMITED**

Unit : **MUKAT PIPES LIMITED**

C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai- 400083