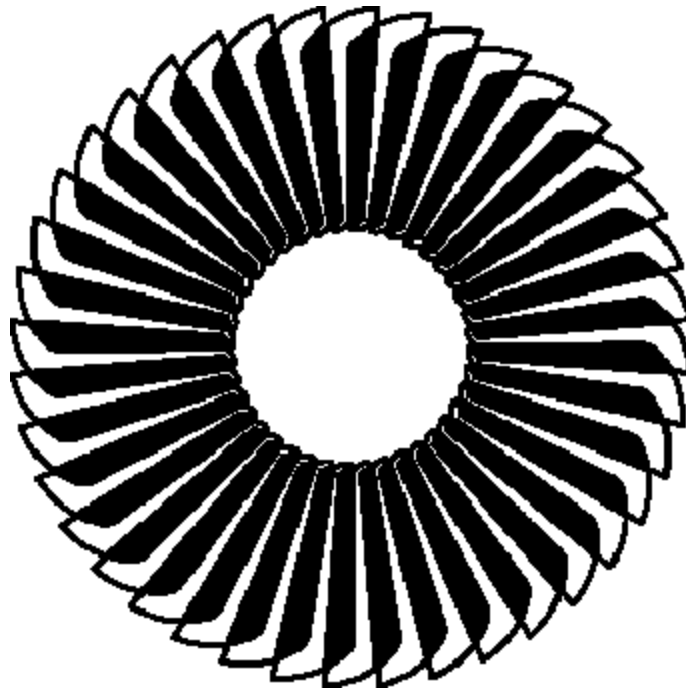


An ISO 9001:2008 Certified Company



FLUIDOMAT LIMITED

34th Annual Report

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Board of Directors :
ASHOK JAIN *Chairman and Managing Director*
KUNAL JAIN *Executive Director*
D.K. KEMKAR
M.K. SHAH
K.C. JAIN
NARENDRA KATHED
PRAFUL R. TURAKHIA
JAGDISH GARWAL *(Nominee of IFCI)*

Dy. Vice President and Compliance officer :
PRAMOD JAIN

Company Secretary :
SURABHI PAWAR

Auditors :
J.P. SARAF & CO.
 Chartered Accountants

Corporate Law Advisor :
D.K. JAIN & COMPANY
 Company Secretaries

Bankers/ Financial Institution :
CENTRAL BANK OF INDIA
IFCI LTD.

Registered Office :
 117, 1st Floor, 'Navneet Darshan',
 16/2, Old Palasia, INDORE-452 018 (M.P.)
 Tel.: 0731-2564820

Registrar and Transfer Agents :
 Ankit Consultancy Pvt. Ltd.
 Alankar Point, Geeta Bhawan Chouraha,
 A.B. Road, Indore
 Tel. : 91-731-2491298
 Fax : 91-731-4065798

Works & Head Office :
 7C-8J, I.S. Gajra Industrial Area,
 Agra-Bombay Road,
 DEWAS-455 001 (M.P.)
 Tel.: 07272-258582, 258583, 268100
 Fax : 07272-258581
 e-mail : fludomat@sancharnet.in
 info@fluidomat.com
 Website : www.fluidomat.com

34th Annual General Meeting

Date : 24th September, 2010
 Day : Friday
 Time : 2.00 p.m.
 Place : 117, 1st Floor
 'Navneet Darshan'
 16/2, Old Palasia,
 Indore - 452 018 (M.P.)
 Book Closure : 20.09.2010 to 24.09.2010
 (Both days inclusive)

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**NOTICE**

NOTICE is hereby given that 34th Annual General Meeting of the Members of FLUIDOMAT LIMITED will be held at the Registered Office of the Company at 117, 1st Floor, "NAVNEET DARSHAN", 16/2 Old Palasia, Indore (M.P.) on Friday the 24th day of September, 2010 at 2.00 P.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account of the Company for the year ended 31st March 2010 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Khushal Chandra Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Mahendra Kumar Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Kunal Jain who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

BY ORDER OF THE BOARD

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: Indore

Date: 30th July, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. Register of Members and Share Transfer Book shall remain closed from 20th September, 2010 to 24th September, 2010 (both days inclusive).
 - a) Members are requested to notify immediately any change of address;
 - i) To their Depository Participants (DPs) in respect of their electronic share accounts; and
 - ii) To the Company to its Share Transfer Agents in respect of their physical share folios, if any.
 - b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
3. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - a) Change in the residential status on return to India for permanent settlement.
 - b) The particulars of NRE Account with Bank in India, if not furnished earlier.
4. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
6. Members desires of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may



also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. The ISIN No. for the Equity Shares of the Company is INE459C01016. In case of any query/difficulty in any matter relating there to may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore (M.P.).

8. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the

Company. The Nomination Form-2B prescribed by the Government can be obtained from the share Transfer Agent or may be down load from the website of the Ministry of Company affairs.

9. Pursuant to the Clause No.49 of the Listing Agreement, profile of the directors proposed for appointment/re-appointment being given in a statement containing details of the concerned directors is attached hereto.

10. The Company is not having unpaid/unclaimed dividend upto the financial year 2009-10.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

Name and Designation	Age/ Years	Qualification	Expertise/Experience	Date of Appointment	Other Directorships
Mr. K. C. Jain Independent/NED	67 years	M.Com. DIT	46 years Corporate experience in the field of Accounts, Finance Taxation and Industrial Management	01.02.2004	-
Mr. M. K. Shah Independent/NED	52 years	Chartered Accountant	More than 25 years experience in Auditing and Taxation	26.09.2000	Aawas Finance Ltd.
Mr. Kunal Jain (WTD) Promoters	28 years	B.Com	8 years in commercial matters	01.05.2007	Red Wood Packaging Pvt. Ltd.

BY ORDER OF THE BOARD

Place: Indore
Date: 30th July, 2010

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR



**DIRECTORS' REPORT
AND
MANAGEMENT DISCUSSION AND ANALYSIS**

Dear Members,

Your Directors are pleased to present the 34th Annual Report of the company alongwith the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS	(Rupees in Lacs)	
<u>Particulars</u>	<u>2009-10</u>	<u>2008-09</u>
Net Sales	1812.77	1431.77
Other income	11.86	7.48
Total income	1824.63	1439.25
Total Expenses	1481.81	1167.17
Operating Profit (PBIDT)	342.82	272.08
Interest	14.17	22.65
Depreciation	33.99	30.62
Profit before Taxation	294.66	218.81
(a) Current Tax	102.42	80.33
(b) Deferred Tax	0.10	(1.55)
(c) Fringe Benefit Tax	0.00	2.64
Extra Ordinary/ Exceptional Items (Net)	(0.19)	(2.26)
Net Profit after Interest,	192.33	139.65
Depreciation & Tax		
Paid up Equity Share Capital	492.70	494.95
Reserves	365.24	171.78
Earning per share - Basic	3.90	2.83
Diluted	3.53	2.58

DIVIDEND :

Your Company continued to demonstrate improved business and profitability performance in the year 2009-10 too, but considering the need to conserve resources for capital investment in fixed assets and working capital requirement to meet the envisaged business growth, your Directors do not recommend dividend on equity shares for the year.

OPERATING RESULTS AND BUSINESS:

Despite global financial crisis in last two three years, India's Economic growth is steadily gaining momentum, led by encouraging sustained growth in Industrial activity during the year under report.

In these challenging times, your Company's performances reflects continuous substantial growth year after year.

Your company has achieved an over all turnover growth of 26.6% while the operating profit and profit before taxes recorded growth of 26.1% & 34.7% respectively during the year under report over the previous year. To meet the increasing demand of Co.'s product, the company has increased skilled manpower in all section, besides various steps taken for vendors development.

During the first quarter of the current year (2010-11), the company has secured orders worth Rs. 793 Lacs as against Rs. 476 Lacs during the previous year. Dispatches during the 1st quarter is Rs. 433 lacs against Rs. 202 lacs during the previous year. The pending orders as on 01.07.2010 under execution is Rs. 1442 lacs with 9 months remaining of the financial year for further order bookings.

The company has track record of growth during last five years.

CORPORATE GOVERNANCE:

Your Company firmly believes and adopts the highest standard of practice under Corporate Governance. A separate section on corporate governance and a certificate from Auditors of the company regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchanges form part of this annual report.

DIRECTORS:

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

In terms of Articles of Association of the Company Shri K.C. Jain, Shri M.K. Shah and Shri Kunal Jain, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

Your Directors proposes for the approval of the members at the forthcoming Annual General meeting and recommends to pass necessary resolution to that effect as set out in the notice of the annual general meeting.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of section of 217(2AA) of the Companies Act, 1956, your directors state that:

- ✍ In the preparation of accounts, the applicable accounting standards have been followed.
- ✍ Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2010 and the profit of the company for the year ended on that date.
- ✍ Proper and sufficient care has been taken for the



maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.

✎ The annual accounts of the company have been prepared on a going concern basis.

AUDITORS:

M/s J. P. Saraf & Co., Chartered Accountants Indore, the statutory Auditors of the company retires at the close of this Annual General Meeting and is eligible for re-appointment. The Company has received confirmation from the Auditors that their re-appointment will be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their re-appointment. The necessary resolution is being placed before the shareholders for approval.

AUDITORS' REPORT:

The report of the auditors of the company and notes to the accounts are self explanatory and therefore do not call for any further comments and may be treated as adequate compliance of section 217(3) of the Companies Act, 1956.

INSURANCE:

The Company has taken adequate insurance cover for all movable & immovable assets for various types of risks.

FIXED DEPOSITS:

Your Company has not accepted any public deposit within the meaning of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 and as such no amount of principal or interest was outstanding as of the balance sheet date.

INDUSTRIAL RELATIONS:

Company's Industrial relations continued to be healthy, cordial and harmonious during the period under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, PARTICULAR OF EMPLOYEES AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 have been annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**A. Business overview and future outlook.**

Indian economy is now world's second fastest growing economy and has managed to pass through the Global crises, mainly due to following reasons viz it was not at the centre of the crises and its growth was well balanced and controlled and reliant

on domestic drivers. Government fiscal policies, stimulus packages to various Industrial Sectors and reduction in Taxes and Duties, wherever necessary, alongwith increased Government Expenditure on infrastructure and social sector created domestic demand-consumption, which resulted in increased production and GDP Growth.

At the beginning of the year 2009-10, there was a great deal of uncertainty about the world-economy due to financial crises in USA and European Countries together with one of the deepest downturns and severe recessionary trends being faced by these countries since past 2-3 years. The events however turned out to be better than expected for developing economies, more particularly in India and China and other Asian countries. Developed nation shall continue to thrive more on Government stimulus packages rather than on domestic consumption driven demands.

For the country, recent trends, worth mentioning are acceleration in GDP Growth, turnaround in Export, strong recovery in industrial production, revival of stock market activities, revival in capital inflows and indications of better corporate results. As per RBI's Annual monetary and credit policies our economy is expected to grow by 8.50% in 2010-11, having grown by over 7.2% in the year 2009-10. This is a commendable achievement in the present Global scenario. However, failure to control rising inflation in all sectors is great set back and a major concern for the Government and industry. This may affect the demand and hence market adversely.

The challenge before nation is to strike a balance between controlling rising inflation and maintaining growth and stability. Increasing costs of inputs and inflationary trend is a challenge before the company. Company is taking all possible steps to meet the challenge.

Our Government has taken various steps towards development of infrastructure sector, which is the back bone of growth. Financing has grown four fold in recent years, by various special infrastructure Financing companies under Public-Private Partnership. Power Sector is accounted for major share in growth because of huge energy deficit in the country. Capacity addition in 2009-10 was 9585 MW, which is the highest in one year, so far. The private sector is now playing a major role. The mid-term appraisal of the 11th plan indicates that as against a target of 15000MW, the private sector will be adding close to 20000MW. The Government



modified the Mega Power policy which makes available various fiscal benefits to large power projects (For thermal projects above 700 - 1000 MW.) They are our major customers hence our growth is associated with their growth, besides, growth in Transportation, ports, Road etc. will also increase the demand of core Industries like Cement, Steel and Engineering products. All these sectoral growth, offer opportunity to your company for continuous business growth.

Our efforts for exports is focused more towards Pacific countries including Australia and Newzeland. These regions offer great opportunities of business with several new mining projects and power plants. With our continuous efforts in these markets Fluidomat is now a known brand and our efforts are expected to yield good sales in coming years.

As already reported in earlier years the Company Scoop Control Fluid Couplings have earned high reputation with proven performance. The power sector and sea port handling has huge requirement of these SC Couplings and thus offer great opportunity of business.

Fluidomat brand is well established in Indian market with good service backup, technical excellence and good customer relationship. We are thus better placed to achieve continuous growth. Large population of Fluidomat products offers increased sales of spares thus adding to business growth.

To meet the growing demand of Company products your Company has to make heavy investments in plant and machinery by way of CNC Machines, testing facilities and other infrastructure needs.

Company's product quality, own developed indigenous technology, continuous R&D efforts, has earned accreditation and appreciation from our clients and actual users and consultants world wide which is in line of our strategic policies to grow our business competitively, profitably and sustainably.

B. Industry structure and developments:

Your company deals only in the one segment i.e. manufacturing and sale of the hi-tech products "Fluid Couplings" which are mainly used in various sector of industries including Thermal Power Plants, Steel, Metal, Cement, Paper, Chemical, Fertilizers, Coal and Ore-mining and Port handling facilities etc. New projects in these sectors have important contribution towards growth and profitability of the company.

C. Quality Management System:

The company continued to be certified under ISO 9001:2008 by British Standard Institution- BSI

Management System for the Company's Quality System. The Quality Management System in the Company is well defined and is well in place.

D. Internal control system:

The Company has adequate internal control system commensurate with its size and business. The internal control systems are supplemented by internal audits. The company has appointed independent outside Internal Auditors to further strengthening of the system. The audit system carries on a continuous basis, the entire gamut of operations, business and functions. The reports of internal auditors are submitted to the audit committee, which further review the adequacy of the internal control system.

E. Risk and Concerns:

Since your company is catering the needs of almost all sector of Industries, if there is recession in any one sector, the other sector industry will continue to generate the revenue for the company. Apart from the normal risk, demand-supply conditions, raw material prices, changes in government regulations, tax regimes, economic developments within the country and globally, no major risks are foreseen.

F. Cautionary statement:

Statement made in the management discussion and analysis report as regards the expectations or predictions are forward looking statements within the meaning of applicable Laws and Regulations. Actual performance may deviate from the explicit or implicit expectations.

G. ACKNOWLEDGEMENTS:

Your Directors place on record their gratitude to the Central Government, State Governments and company's Bankers and IFCI for the assistance, co-operation and encouragement they extended to the company. Your directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Investors, Customers, Vendors and Employees in ensuring an excellent all around operational performance.

For & On Behalf of the Board

**ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR**

Place: INDORE

Dated: 30th July 2010

**Annexure to the Directors' Report:**

[Information as per the Companies (Disclosure of particular in Report of Board of Directors) Rules, 1988]

A. CONSERVATION OF ENERGY:

The Company has taken many steps for the Conservation of Energy.

	Current Year 2009-10	Previous Year 2008-09
POWER & FUEL CONSUMPTION:		
1. Electricity (Purchased) Units	695454	639318
Total Amount (Rs.)	3968551	3554401
Rate per Unit (Rs.)	5.71	5.56
2. Electricity (Generated) units	2608	4675
Total Amount (Rs.)	39757	66211
Rate per Unit (Rs.)	15.24	14.16

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

R & D activities are an integral part of operations and all the expenses relating to R & D debited to Profit and Loss Account.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Information in respect of Foreign Exchange Earning & Outgo is:

	Current Year	Previous Year
Earning :	Rs. 91,12,658	Rs.1,01,01,506
Outgo :	Rs. 1,22,145	Rs. 2,53,235

D PARTICULARS OF THE EMPLOYEES:

As required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975, are not applicable since, none of the employee of the company is drawing more than Rs.24,00,000/- p.a. or Rs.2,00,000/- p.m. for the part of the year, during the year under review.

For & On Behalf of the Board

PLACE: INDORE

Dated: 30th July, 2010

**ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR**

**REPORT ON CORPORATE GOVERNANCE**

Under Clause 49 of the Listing Agreement

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Our corporate governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including customers, investors, employees and the regulatory authorities and to demonstrate that the shareholders are the cause of and ultimate beneficiaries of our economic activities. The functions of the Board and the Executive Management are well defined and are distinct from one another. We have taken a series of steps including the setting up of sub-committees of the Board to oversee the functions of Executive Management. These sub-committees of the Board, which mainly consists of Non-Executive Directors, meet regularly to discharge their objectives.

2. BOARD OF DIRECTORS AND THEIR MEETINGS:

Name of the Directors	Category	Designation	No. of Board meetings held during the financial Year 2009-10	No. of Board meetings attended during the Financial Year 2009-10	Whether attended last AGM held on September 25, 2009	No. of other Director-ship	No. of Committee Chairmanship/ membership in other Companies
Shri Ashok Jain	Promoter & Executive Chairman	Chairman & Managing Director	5	5	Yes	1	Nil
Shri Kunal Jain	Promoter & Executive Director	Whole- Time Director	5	4	Yes	1	Nil
CA M.K. Shah	Independent/ NED	Director	5	5	Yes	1	Nil
Shri K.C.Jain	Independent/ NED	Director	5	4	Yes	0	Nil
Shri Narendra Kathed	NED	Director	5	1	No	0	Nil
Shri D.K. Kemkar	Promoter/ NED	Director	5	3	No	4	Nil
Shri Jagdish Garwal	Independent/ NED	Nominee Of IFCI	5	5	No	0	Nil
Shri Praful R. Turakhia	Independent / NED	Director	5	5	Yes	1	Nil

3. INFORMATION AVAILABLE TO THE BOARD :

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed.

Among others, information regularly supplied to the Board includes:

- ✍ Annual operating plans and updates.
- ✍ Periodical Financial Statements.
- ✍ Minutes of meetings of audit, compensation and investor grievance committee of the Company.
- ✍ General notices of interest.
- ✍ Information on recruitment and remuneration of senior officers just below the Board level, including appointment or

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Shri Ashok Jain, the Chairman & Managing Director is also assisted by Shri Kunal Jain, the Whole-time Director of the Company is overall incharge for the affairs of the Company who exercise his powers and discharge his duties under the superintendence and control of the Board of directors of the company from time to time. The Board of directors of the company comprises of Six non-executive directors out of them four directors are independent.

During the financial year 2009-10 the Board of directors met 5 (Five) times on, **28th April 2009; 27th June 2009; 31st July 2009; 31st October 2009 & 29th Jan. 2010.**

The composition of the Board of Directors and their attendance at the meetings during the year were as follows;

- ✍ removal of Chief Financial Officer and Company Secretary.
- ✍ Materially important litigations, show cause, demand, prosecution and penalty notices, if any.
- ✍ Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any.
- ✍ Any materially relevant default in financial obligations to and by us.
- ✍ Significant development on the human resources front.
- ✍ Sale of material which are not in the normal course of business.
- ✍ Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement.
- ✍ Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.



The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

4. CODE OF CONDUCT:

The Board of directors of the Company has laid down a Code of Conduct for all Board members and members of senior management of the company. The Board Members and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2010.

5. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only independent directors. The Audit Committee inter-alia has the following mandate in terms of the Clause 49 of the Listing Agreement:

1. Overview of company's financial reporting process and the disclosure of the financial information in the annual accounts.
2. To review and discuss with management, internal audit team and external auditors regarding any significant finding of material nature.
3. To consider and review the adequacy of management control system and internal audit function and frequency of internal audit process.
4. To review with Management the quarterly and annual financial statements before submission to the Board focusing primarily on any change in accounting policies and compliance with accounting standards, requirements of stock exchanges and other legal compliance.
5. To review Balance Sheet & Profit and Loss Accounts to be placed before the Board.
6. To consider and review the financial and risk management policy of the Company.
7. To consider and review the defaults, if any in payment to the creditors, financial institutions and reasons thereof.
8. To consider the directors responsibility statement to be given by the Board in the Directors Report.
9. To consider the matter relating to the recommendation for appointment of the external auditors and fixation of their audit fee and also approval for payment of any other services.

a) Composition of the Audit Committee:

The Audit Committee of the company comprises of the following independent directors:

- CA M.K.Shah : Chairman
- Shri Jagdish Garwal (Nominee IFCl) : Member
- Shri D.K.Kemkar : Member
- Shri K.C. Jain : Member

Shri Pramod Jain, Dy. Vice President & the Compliance officer is also functioning as the Secretary to the Committee.

b) Meetings of the Audit Committee:

During the financial year 2009-10 the Audit Committee met 4 (Four) times on the 27th June, 2009, 31st July, 2009, 31st Oct., 2009 and 29th January, 2010 under the Chairmanship of Shri M.K.Shah, in which proper quorum was present.

The Committee considered the draft Annual Accounts for the year 2009-10. The Committee also reviewed financial and risk management policy of the Company and defaults, if any in payment to the creditors, financial institutions and reasons thereof.

6. SHAREHOLDERS GRIEVANCE COMMITTEE:

The shareholders Grievances Committee facilitate prompt and effective redressal of the complaints of the shareholders and reporting the same to the Board periodically. The Shareholders Grievance Committee of the company was constituted comprising of the following independent directors:

- CA M.K.Shah (Independent/NED) : Chairman
- Shri D.K.Kemkar (Independent/NED) : Member
- Shri K.C.Jain (Independent/NED) : Member
- Shri Pramod Jain, Dy. Vice President & the Compliance officer also acting as the Secretary to the Committee.

As no reference was given to the Committee, no meeting of the committee was required to be held during the year 2009-10.

7. REMUNERATION COMMITTEE:

a) Composition of the Remuneration Committee:

Composition of the Remuneration Committee is as under:

- CA M.K. Shah (Independent/NED) : Chairman
- Shri D.K.Kemkar (Independent/NED) : Member
- Shri K.C.Jain (Independent/NED) : Member
- Shri Jagdish Garwal (Nominee) : Member
- Shri Pramod Jain, Dy. Vice President the Compliance officer also acting as the Secretary to the Committee.

b) Meeting and recommendation of the remuneration committee during the year:

During the financial year 2009-10 the Remuneration Committee met 1(one) time on the 31st July 2009 under the Chairmanship of Shri M.K. Shah, in which the proper quorum was present.

The Committee considered the revision in the remuneration of Shri Ashok Jain and Shri Kunal Jain. The Committee also considered revision in the sitting fees given to the Directors for attending the Board Meetings and further approved the re-appointment of Shri Ashok Jain as the Chairman and Managing Director of the Company.

c) Payment of non-executive directors and composition of the Committee:

The Company is not paying any remuneration to the non-executive/independent Directors except, sitting fees for the attending of the Board or the committee meetings.

d) Remuneration paid to directors during the year:

S. No.	Name of Directors	Status	Sitting fee (Rs.)	Salary/Remuneration (Rs.)
1	Shri Ashok Jain	Director/ CMD	Nil	22,31,084
2	Shri Kunal Jain	Director/ WTD	Nil	10,18,306
3	Shri K. C. Jain	Director/NED	8,000	0
4	Shri D. K. Kemkar	Director/NED	5,000	0
5	CA M. K. Shah	Director/NED	9,000	0
6	Shri Narendra Kathed	Director/NED	1,000	0
7	Shri Jagdish Garwal	NED Nominee IFCl	7,000	0
8	Shri Prafull R. Turakhia	Director/NED	9,000	0



8. WHISTLE BLOWER POLICY:

Though there is no formal Whistle Blower Policy, the Company takes cognizance of the complaints made and suggestions given by the employees and others. Complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

9. VENUE AND TIME OF THE LAST THREE ANNUAL GENERAL MEETINGS:

Date of AGM	Venue	Time	No. of resolutions passed other than ordinary businesses	No. of resolution passed by Postal Ballot
20.09.2007	117,1st floor Navneet Darshan, 16/2 Old, Palasia Indore	2.00 P.M.	Four	Nil
26.09.2008	---do---	----do----	One	Nil
25.09.2009	---do---	----do----	Four	Nil

The Resolutions were passed by show of hands with requisite majority. The venue of the AGM of the company has been chosen for its central location, prominence and capacity. Chairman of the Audit Committee and Remuneration Committee, CA M.K.Shah has also attended the Annual General Meetings. No extra ordinary general meetings were held during the previous three years.

10. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

Full disclosure of related party transactions as per Accounting Standard-18 issued by the Institute of Chartered Accountants of India are given under Note No.15 of Notes on Annual Accounts.

There has not been any non-compliance by the company and no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

11. MEANS OF COMMUNICATION:

The information about the operations and financial performance of the company is disseminated on a regular basis by communicating to the Stock Exchange immediately after these are taken on record by the Board. These financial results are normally published in the Free Press Journal (English) and in Chautha Sansar (Hindi), the vernacular newspaper.

12. GENERAL SHAREHOLDERS' INFORMATION :

- (i) **Date, Time and Venue of Annual General Meeting** : 24th September, 2010 at 2.00 P.M. at Regd.Off. at 117,1st Floor, Navneet Darshan, 16/2, Old Palasia, Indore (M.P)
- (ii) **Financial Calendar** : April to March
- First Quarter Results** : On or Before August 14, 2010
- Second Quarter Results** : On or before November 14, 2010
- Third Quarter Results** : On or before February 14, 2011
- Last Quarter Results** : On or before May 30, 2011
- (iii) **Dates of Book Closure** : From 20.09.2010 to 24.09.2010
- (iv) **Board meeting for consideration of Annual Accounts** : 29th May, 2010
- (v) **Posting of Annual Report** : 29th August, 2010
- (vi) **Last date for receipt of Proxy** : 22.09.2010
- (vii) **No. of Shares holders as on 31.03.2010** : 5202
- (viii) **Listing on Stock Exchanges** : The BSE, Mumbai
The Company is regular in payment of annual listing fee and has also paid the same for the year 2010-11.
- (ix) **Scrip Code** : 522017
- (x) **Demat ISIN No. for CDSL & NSDL** : INE459C01016
- (xi) **Stock Market Data** : Bombay Stock Exchange, Mumbai:

High and low during each month in the financial year 2009-10

Month	High (Rs.)	Low (Rs.)	Total volume of shares
April, 2009	14.00	9.44	72264
May, 2009	20.37	12.10	318783
June, 2009	20.45	12.55	89446
July, 2009	13.21	10.55	36301
August, 2009	13.67	11.00	52286
September, 2009	16.64	12.49	90157
October, 2009	19.50	13.70	72431
November, 2009	19.75	14.30	90216
December, 2009	18.65	15.90	58308
January, 2010	22.35	16.00	168428
February, 2010	19.60	16.00	70482
March, 2010	21.75	15.10	159072

(xii) Share Transfer System:

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. The Company's Share Transfers Agent, Ankit Consultancy Pvt. Ltd. process these transfers. Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. In cases where shares are transferred after sending notice to the transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.

**(xiii) Status of the investors/shareholders complaints:**

- (i) Number of complaints received during the year : 5
(ii) Number of complaints solved during the year : 5
(iii) Number of complaints pending at the end of the year : NIL

(xiv) Dematerialisation/Rematerialisation:

The shares of the company are traded in dematerialised form. As on 31st March, 2010, the Company's 39,98,256 shares are held by shareowners in dematerialised form, aggregating 81.15% of the Equity Share Capital.

No. of shares in physical, NSDL and CDSL as on 31st March, 2010:

- (a) In physical Form : 9,28,744
(b) In CDSL : 8,82,639
(c) in NSDL : 31,15,617

(xv) Distribution of Share owning as on 31st March, 2010

Number of Shares	No. of Owners	% of Share holders	Share Amount (Rs.)	% to Total
Upto 1000	2937	56.46	2793500	5.67
1001 -2000	630	12.11	1227800	2.49
2001 -3000	263	5.05	756710	1.54
3001 -4000	128	2.46	498630	1.01
4001 -5000	499	9.59	2486480	5.05
5001 -10000	392	7.54	3354340	6.81
10001-20000	152	2.92	2409980	4.89
20001-30000	76	1.46	2004610	4.07
30001-40000	25	0.48	902290	1.83
40001-50000	28	0.54	1341480	2.72
50001-100000	30	0.58	2106570	4.27
100001- Above	42	0.81	29387610	59.65
Total	5202	100.00	49270000	100.00

(xvi) Shareholders pattern as on 31st March, 2010

Sr.	Category	No. of Shares held	Holding % of shares
A	Promoters Holding		
1	Promoters		
	Indian Promoters	2083050	42.28%
	Foreign Promoters	0	0.00
2	Persons Acting in Concert	0	0.00
	Sub Total	2083050	42.28%
B	Non Promoters Holding		
3.	Institutional investors		
(a)	Mutual Funds and UTI	0	0.00
(b)	Bank, financial Institutions, companies (Central/State Govt./Non- Govt. Institutions)	0	0.00
(c)	FILs	0	0.00
	Sub Total	0	0.00
4	Others		
(a)	Private corporate Bodies	351589	7.14
(b)	Indian Public	2446753	49.66
(c)	NRI/OCBs	39558	0.80
(d)	Any other	6050	0.12
	Sub Total	2843950	57.72
	TOTAL	4927000	100.00

(xvii) Details of the promoter's shares Under pledge. : 734078 equity shares held by Shri Ashok Jain, CMD consisting of 35.24% of the promoters holding and 14.90% of the total paid up capital has been pledged with the IFCI in terms of the loan agreement.

(xviii) Details of shares credited in the suspense account : There were no instance for returning the undelivered shares therefore, no shares were credited in the escrow account as per Clause 5(a) of the Listing Agreement.

(xix) Address for Communication : Shareholders should address their correspondence to The Company's Share Transfer Agent Ankit Consultancy Pvt. Ltd., Alankar Point, Gita Bhawan Chouraha, A.B.Road, Indore (M.P.) and may also contact at the registered office of the Company.
Tel. No. 0731-2491298
Fax No. 0731-4065798

(xx) Name and Designation of the Compliance Officer : Shri Pramod Jain
Dy. Vice President

(xxi) Plant Location, Head Office & Address for correspondence : 7C-8J, I.S. Gajra Industrial Area, No.1 A.B.Road, Dewas (M.P.) 455001
Phone No. 0091 7272 258582, 258583, 268100
Fax No. 0091 7272 258581
Email fludomat@sancharnet.in

For & On Behalf of the Board

ASHOK JAIN

Place: INDORE **CHAIRMAN & MANAGING DIRECTOR**
Dated: 30th July, 2010

**MANAGEMENT RESPONSIBILITY STATEMENT**

The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls.

These financial statements have been audited by M/s J.P.Saraf & Co., Chartered Accountants, the Statutory Auditors of the Company.

For & On Behalf of the Board

PRAMOD JAIN
Dy. Vice President

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: INDORE
Date : 30th July, 2010

DECLARATION

This is to confirm that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March, 31, 2010.

For Fluidomat Limited

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: INDORE
Date : 30th July, 2010

AUDITORS' CERTIFICATE ON COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE TO THE MEMBERS OF FLUIDOMAT LIMITED

To,
**THE MEMBERS OF
FLUIDOMAT LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Fluidomat Limited** ("the Company"), for the financial year ended 31st March, 2010, as stipulated in Clause 49 of Listing Agreement of the Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is responsibility of the Company's Management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with in all material respect with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

For: **J.P. SARAF & CO.**
Chartered Accountants

Place : INDORE
Date : 30th July, 2010

J. P. SARAF
(PARTNER)
Membership No. : 075319
Firm No. 006430C

**AUDITORS' REPORT**

**TO
THE MEMBERS,
FLUIDOMAT LIMITED**

1. We have audited the attached Balance Sheet of **FLUIDOMAT LIMITED** ("the Company") as at 31st March, 2010 and the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes appearing in schedule of significant Accounting Policies and Notes on Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - (b) In case of the Profit & Loss Account, of the PROFIT for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For J.P. Saraf & Company
Chartered Accountants

Place : INDORE
Date : This 29th Day of May, 2010

(J.P. SARAF)
Partner
Membership No. : 075319
Firm No. : 006430C

**Annexure to the Auditors Report of Fluidomat Ltd. for the year ended 31.3.2010**

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of the company's fixed assets:
 - (a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and nature of its business. No material discrepancies were noticed on such verification as compared with the available records.
 - (c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal of fixed assets during the year and going concern status of the company is not affected.
- (ii) In respect of its inventories:
 - (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) According to the information and explanations given to us and on the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.
- (iii) According to the information and explanations given to us, the company has neither taken nor granted any loans, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of Audit we observed no continuing failure to correct major weaknesses in internal control.
- (v) (a) According to the information and explanations given to us, we observed the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.



(b) According to the information and explanations given to us, we observed that these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, though no such transaction was of the value exceeding Rupee Five Lakhs.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of the provisions of sections 58 and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

(vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business.

(viii) To the best of our knowledge and as per explanation given to us, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act for the products of the company;

(ix) According to the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities though there has been delay in a payment of Sales Tax. The extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, are in aggregate of Rs.11,34,790/- (Commercial Tax, Central Sales Tax & Entry Tax).

According to the records of the Company, there are no dues outstanding of custom tax / wealth tax / excise duty / cess etc. on account of any dispute except the following:

Nature of Dues	Period to which the amount relates	Forum where matter is pending	Amount (In Rupees)
Sales Tax	1996-97, 2005-06 & 2006-07	The Commissioner M.P. Com. Tax Appellate Board, Bhopal & Deputy Commissioner M.P. Com. Tax division III Indore	2,93,550

(x) The Company has no accumulated losses as at 31st March, 2010 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to Financial Institutions, Banks or Debenture holders as at the Balance Sheet date.

(xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanation given to us, the company is not a chit fund or a nidhi or mutual benefit societies. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order 2003 are not applicable to the company.



- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing in or trading in Shares, Securities, Debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Companies {Auditors' Report} Order 2003 are not applicable to the company;
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanation given to us and on an overall examination of the Balance Sheet and cash flow statement of the company, we report that no funds raised on short term basis have been used for long term investment and vice versa (excluding permanent working capital).
- (xvii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xviii) The Company has not issued any debenture during the year.
- (xix) No money has been raised through the Public Issue during the year under Audit.
- (xx) During the course of our examination of the books & records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the year, nor have we been informed of such case by the management.

For **J.P. Saraf & Company**
Chartered Accountants

(J.P. SARAF)
Partner

Membership No. : 075319
Firm No. : 006430C

Place : INDORE

Date : This 29th Day of May, 2010



BALANCE SHEET AS AT 31st MARCH, 2010

	SCHEDULE	AS AT 31.03.2010 RUPEES	AS AT 31.03.2009 RUPEES
SOURCES OF FUNDS :			
SHARE HOLDERS FUNDS			
Share Capital	1	5,23,60,000	5,24,72,500
Reserves & Surplus	2	<u>3,65,23,857</u>	<u>1,71,78,575</u>
		<u>8,88,83,857</u>	<u>6,96,51,075</u>
LOAN FUNDS			
Secured Loans	3	<u>1,24,26,253</u>	<u>1,60,55,210</u>
		<u>1,24,26,253</u>	<u>1,60,55,210</u>
DEFERRED TAX LIABILITY (NET)			
(Refer Note 10 on Schedule 20)		55,48,130	55,38,539
	TOTAL	<u>10,68,58,240</u>	<u>9,12,44,824</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	4	9,02,96,698	7,84,72,374
Less: Depreciation		<u>5,00,10,303</u>	<u>4,66,83,836</u>
NET BLOCK		4,02,86,395	3,17,88,538
Capital Work-in-progress		<u>0</u>	<u>89,80,622</u>
		<u>4,02,86,395</u>	<u>4,07,69,160</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	5	2,20,78,962	2,98,54,494
Sundry Debtors	6	5,06,69,927	4,01,00,455
Cash and Bank Balances	7	1,90,25,153	48,22,156
Loans and Advances	8	<u>62,89,088</u>	<u>45,66,754</u>
		<u>9,80,63,130</u>	<u>7,93,43,859</u>
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	9	2,52,64,762	2,39,38,377
Provisions	10	<u>62,26,523</u>	<u>49,29,818</u>
		<u>3,14,91,285</u>	<u>2,88,68,195</u>
Net Current Assets		<u>6,65,71,845</u>	<u>5,04,75,664</u>
	TOTAL	<u>10,68,58,240</u>	<u>9,12,44,824</u>
SIGNIFICANT ACCOUNTING POLICIES			
	19		
NOTES TO ACCOUNTS			
	20		

As per our report of even date

For and on behalf of the Board

for J.P.SARAF & CO.
Chartered Accountants(ASHOK JAIN)
Chairman & Managing Director(JAI PRAKASH SARAF)
Partner
M. No. 075319
Firm No. 006430C(Kunal Jain)
Executive Director(K.C. Jain)
Director(M.K. Shah)
DirectorPlace : Indore
Date : This 29th Day of May, 2010(Surabhi Pawar)
Company Secretary(Pramod Jain)
Dy. Vice President



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	SCHEDULE	Year Ended 31.03.2010 RUPEES	Year Ended 31.03.2009 RUPEES
INCOME			
Sales	11	19,27,11,389	15,84,93,757
Less : Excise Duty		<u>1,14,34,781</u>	<u>1,53,17,269</u>
Net Sales		18,12,76,608	14,31,76,488
Other Income	12	<u>11,85,742</u>	<u>7,48,146</u>
		18,24,62,350	14,39,24,634
LESS : EXPENDITURE			
Manufacturing, Administrative, Selling and Other exp.	13	<u>14,81,81,098</u>	11,67,16,653
PROFIT BEFORE INTEREST AND DEPRECIATION			
Interest	14	<u>3,42,81,252</u>	2,72,07,981
PROFIT BEFORE DEPRECIATION		<u>14,16,569</u>	<u>22,65,096</u>
Depreciation		3,28,64,683	2,49,42,885
PROFIT BEFORE TAXATION		<u>33,98,719</u>	<u>30,62,186</u>
PROVISION FOR TAXES		2,94,65,964	2,18,80,699
a) Current Tax		<u>1,02,42,104</u>	80,32,762
b) Deferred Tax		<u>9,591</u>	-1,55,251
c) Fringe Benefit Tax		<u>0</u>	<u>2,64,281</u>
PROFIT AFTER TAX AND BEFORE PRIOR PERIOD ITEMS		<u>1,92,14,269</u>	1,37,38,907
Prior Period items		18,513	2,26,341
PROFIT AFTER TAX AND PRIOR PERIOD ITEMS		<u>1,92,32,782</u>	1,39,65,248
Balance as per last Account		<u>1,15,68,621</u>	<u>23,00,873</u>
PROFIT AVAILABLE FOR APPROPRIATION		<u>3,08,01,403</u>	<u>1,62,66,121</u>
APPROPRIATIONS			
a) Transfer to Preference Share Capital Redemption Reserve		<u>0</u>	30,90,000
b) Transfer to Debenture Redemption Reserve		<u>16,07,500</u>	16,07,500
c) Surplus carried to Balance Sheet		<u>2,91,93,903</u>	<u>1,15,68,621</u>
		3,08,01,403	<u>1,62,66,121</u>
EARNINGS PER EQUITY SHARE OF RS.10/- EACH (Rs.)			
Basic		3.90	2.83
Diluted		3.53	2.58

(Refer note No. 09 of schedule No. 20)

SIGNIFICANT ACCOUNTING POLICIES

19

NOTES TO ACCOUNTS

20

As per our report of even date

For and on behalf of the Board

for J.P.SARAF & CO.
Chartered Accountants(ASHOK JAIN)
Chairman & Managing Director(JAI PRAKASH SARAF)
Partner
M. No. 075319
Firm No. 006430C(Kunal Jain)
Executive Director(K.C. Jain)
Director(M.K. Shah)
DirectorPlace : Indore
Date : This 29th Day of May, 2010(Surabhi Pawar)
Company Secretary(Pramod Jain)
Dy. Vice President



SCHEDULES TO THE ACCOUNTS

	AS AT 31.03.2010 RUPEES	AS AT 31.03.2009 RUPEES
SHARE HOLDER'S FUNDS		
1. SHARE CAPITAL		
Authorised:		
5500000 (Previous year 5500000) Equity Shares of Rs.10/-each	5,50,00,000	5,50,00,000
50000 (Previous year 50000) 10% Redeemable Preference Shares of Rs. 100/- each	<u>50,00,000</u>	<u>50,00,000</u>
	6,00,00,000	6,00,00,000
Issued, Subscribed & Paid up		
A) 4927000 (Previous year 4949500) Equity Shares of Rs. 10/- each	4,92,70,000	4,94,95,000
Of the above shares		
(i) 4456000 (4478500) Equity Shares of Rs. 10/- each (fully paid-up-in cash)		
(ii) 471000 Equity Shares of Rs. 10/- each are allotted to IFCI Ltd. as fully paid up pursuant to the restructuring package for a consideration other than cash.		
Less: Calls in Arrears(Other than from Directors)	<u>0</u>	<u>-1,12,500</u>
	4,92,70,000	4,93,82,500
B) 30900 10% Redeemable Preference Share of Rs. 100/- each are allotted to IFCI Limited as fully paid up pursuant to the restructuring package for a consideration other than cash.	30,90,000	30,90,000
	<u>5,23,60,000</u>	<u>5,24,72,500</u>
2. RESERVES AND SURPLUS		
Capital Reserve		
(i) Capital Subsidy	8,43,504	8,43,504
(ii) Share Forfeiture Account	1,81,450	68,950
Preference Share Capital Redemption Reserve (Transferred from Profit and Loss Account)	30,90,000	30,90,000
Debenture Redemption Reserve (Transferred from Profit and Loss Account)	32,15,000	16,07,500
Surplus as per Profit & Loss Account	<u>2,91,93,903</u>	<u>1,15,68,621</u>
	3,65,23,857	1,71,78,575
LOAN FUNDS		
3 SECURED LOANS		
A) Working Capital Loans from Central Bank of India	54,40,388	33,78,268
B) Term Loan from IFCI Limited	0	52,30,000
C) Vehicle Loans from Banks	5,55,865	10,16,942
D) Debentures : 64300 Fully paid up 10% optionally fully convertible Debentures of Rs. 100/- each allotted to IFCI Ltd. (as fully paid up pursuant to the restructuring package for a consideration other than cash.)	64,30,000	64,30,000
	<u>1,24,26,253</u>	<u>1,60,55,210</u>

NOTES :

- (i) Optionally fully convertible Debentures of Rs.100/- each allotted to IFCI Limited are secured by way of first mortgage and charge on all present and future immovable assets and second charge on all movable assets.
- (ii) Various working capital facilities from Central Bank of India are secured by way of hypothication of inventories, book debts and other movable assets and further secured by second charge on the immovable assets of the company.
- (iii) Vehicle Loans are secured by hypothication of related vehicle.
- (iv) The above mentioned loans are also secured by personal guarantee of Mr. Ashok Jain, Chairman and Managing Director of the company (for working capital facility Smt. Pramila Jain has also extended her personal guarantee).



Schedule to the Accounts (Continued..)

4. FIXED ASSETS :

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 01.04.2009	ADDITION 01.04.2009- 31.03.2010	SALES/ ADJUST- MENTS	COST AS AT 31.03.2010	UPTO 31.03.2009	PERIOD 01.04.2009- 31.03.2010	WRITTEN BACK/ADJ- USTMENT	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
LAND (LEASE HOLD)	296093	0	20622	275471	0	0	0	0	275471	296093
SITE DEVELOPMENT	861080	0	0	861080	202461	14036	0	216497	644583	658619
BUILDING	13238547	7175572	0	20414119	6040413	527194	0	6567607	13846512	7198134
PLANT & MACHINERY	54350838	4608453	85810	58873481	35991055	2115970	57527	38049498	20823983	18359783
COMPUTERS	2038260	162231	15500	2184991	1007239	237496	14725	1230010	954981	1031021
FURNITURE	3053902	0	0	3053902	2285407	148240	0	2433647	620255	768495
VEHICLES	4633654	0	0	4633654	1157261	355783	0	1513044	3120610	3476393
TOTAL	78472374	11946256	121932	90296698	46683836	3398719	72252	50010303	40286395	31788538
CAPITAL WORK IN PROGRESS									0	8980622
GRAND TOTAL	78472374	11946256	121932	90296698	46683836	3398719	72252	50010303	40286395	40769160
PREVIOUS YEAR	77339270	3273885	2140781	78472374	43965014	3062186	343364	46683836	40769160	-

AS AT
31.03.2010
RUPEES

AS AT
31.03.2009
RUPEES

5. INVENTORIES

(As valued and certified by the Management)

Stores and Spares	14,64,056	12,86,449
Raw Materials & Components	1,35,21,005	1,36,36,712
Stock in Process	28,64,934	1,12,50,166
Finished Goods	41,78,351	36,35,099
Scrap	<u>50,616</u>	<u>46,068</u>
	<u>2,20,78,962</u>	<u>2,98,54,494</u>

6. SUNDRY DEBTORS

(Unsecured & Considered good)

Debts exceeding six months	35,89,654	19,81,318
Other Debts	<u>4,70,80,273</u>	<u>3,81,19,137</u>
	<u>5,06,69,927</u>	<u>4,01,00,455</u>

7. CASH AND BANK BALANCES

Cash in hand	1,67,644	89,275
Balances with scheduled Banks :		
i) In Current Account	12,09,023	6,94,395
ii) In Fixed Deposit	<u>1,76,48,486</u>	<u>40,38,486</u>
(Rs.1638486/- against Margin Money Account with Central Bank of India)	<u>1,90,25,153</u>	<u>48,22,156</u>



Schedule to the Accounts (Continued ...)

	AS AT 31.03.2010 RUPEES	AS AT 31.03.2009 RUPEES
8. LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise specified)		
Advances Recoverable in cash or in kind or for value to be received	28,81,430	9,94,020
Accrued Interest	6,23,307	1,54,715
Balance with Central Excise	14,48,592	17,90,335
Tax Deducted at Source	15,829	15,829
Deposit with Government Department	4,61,922	4,31,192
Other Deposits	<u>8,58,008</u>	<u>11,80,663</u>
	<u>62,89,088</u>	<u>45,66,754</u>
9. CURRENT LIABILITIES		
Sundry Creditors	1,60,67,186	1,59,30,208
Other liabilities	91,97,576	78,72,046
Interest Accrued but not Due	0	1,36,123
	<u>2,52,64,762</u>	<u>2,39,38,377</u>
10. PROVISIONS		
For Current Income Tax (Net)	12,53,045	8,51,705
For Bonus	16,37,384	14,83,572
For Gratuity to Chairman & Managing Director	3,50,000	3,50,000
For Leave Encashment	<u>29,86,094</u>	<u>22,44,541</u>
	<u>62,26,523</u>	<u>49,29,818</u>
11. SALES & SERVICES		
Sales of finished goods	19,23,65,303	15,82,09,662
(including spares & components)		
Miscellaneous Sales (Scrap)	<u>3,46,086</u>	<u>2,84,095</u>
	19,27,11,389	15,84,93,757
Less : Excise Duty	<u>1,14,34,781</u>	<u>1,53,17,269</u>
Net Sales	<u>18,12,76,608</u>	<u>14,31,76,488</u>
12. OTHER INCOME		
Miscellaneous receipt	11,85,742	7,48,146
(Tax deducted at source Rs. 72,349/- (43157/-))	<u>11,85,742</u>	<u>7,48,146</u>



Schedule to the Accounts (Continued ...)

	Year Ended 31.03.2010 RUPEES	Year Ended 31.03.2009 RUPEES
13. MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Raw Material & Components Consumed :		
(a) Aluminium & Others (Schedule '16')	3,79,34,444	3,80,02,190
(b) Boughtout Components (Schedule '17')	3,55,57,390	2,26,19,858
Stores and Spares Consumed (Schedule '18')	54,65,327	41,12,827
Cartage & Freight Inward	14,76,819	12,63,142
Power & Fuel	50,22,458	46,08,444
Machining charges	34,60,343	28,71,095
Salaries & Wages	2,93,34,012	2,37,38,491
Contribution to Provident & Other Funds	23,58,614	20,66,538
Employees Welfare	2,99,115	2,05,165
Rent	3,82,324	3,75,000
Lease Rent	26,355	26,355
Rates and Taxes	1,71,988	1,68,366
Insurance	2,20,414	2,14,847
Postage Telephone & Courier Expenses	6,45,676	6,45,833
Bank Charges (including Bank Guarantee Commission Rs.113366/- (158425/-)	5,47,850	7,05,191
Travelling & Conveyance	27,95,031	29,65,885
Vehicle Running & Maintenance Expenses	3,56,245	3,43,234
Factory Expenses	6,87,973	7,42,829
Subscription & Membership	1,05,645	81,194
Advertisement & publicity	62,081	99,204
Printing & Stationery	3,35,946	3,89,947
Legal & Professional Charges	5,29,041	4,77,880
Miscellaneous expenses	3,88,886	3,38,793
<u>REPAIRS :</u>		
to Building	1,96,154	93,468
to Plant & Machinery	8,03,677	6,99,183
to Other Assets	2,80,827	2,66,370
<u>AUDITORS REMUNERATION :</u>		
Audit Fees	50,000	50,000
Taxation Matters	5,000	6,000
Out of pocket expenses	10,404	12,196
<u>SELLING AND DISTRIBUTION:</u>		
Selling & Distribution expenses	21,17,351	13,37,133
Commissions to Selling Agents	36,89,392	27,70,010
<u>OTHER EXPENSES :</u>		
Sales Tax	48,56,246	45,77,102
Loss on sale/write off of Fixed Assets	9,758	6,737
Bad Debts	1,60,880	2,89,972
	<u>14,03,43,666</u>	<u>11,71,70,479</u>
Add : Decrease/(Increase) in Stock (Schedule '15)	<u>78,37,432</u>	<u>-4,53,826</u>
	<u>14,81,81,098</u>	<u>11,67,16,653</u>



Schedule to the Accounts (Continued ...)

	Year Ended 31.03.2010 RUPEES	Year Ended 31.03.2009 RUPEES
14. INTEREST		
On Term Loans	3,00,903	986,228
On Debenturs to IFCI	6,43,000	6,43,000
To Bank & Others	<u>4,72,666</u>	<u>6,35,868</u>
	<u>14,16,569</u>	<u>22,65,096</u>
15. DECREASE/(INCREASE) IN STOCK		
OPENING STOCK:		
Stock in Process	1,12,50,166	91,58,674
Finished goods	36,35,099	52,95,472
Scrap	<u>46,068</u>	<u>23,361</u>
	<u>1,49,31,333</u>	<u>1,44,77,507</u>
Less : CLOSING STOCK:		
Stock in Process	28,64,934	1,12,50,166
Finished goods	41,78,351	36,35,099
Scrap	<u>50,616</u>	<u>46,068</u>
	<u>70,93,901</u>	<u>1,49,31,333</u>
Decrease/Increase in stock	<u>78,37,432</u>	<u>-4,53,826</u>
16. RAW MATERIAL CONSUMED (Aluminium & Others)		
Opening Stock	48,78,169	36,77,224
Add : Purchase	<u>4,11,42,530</u>	<u>4,21,73,198</u>
	<u>4,60,20,699</u>	<u>4,58,50,422</u>
Less: Excise Duty (CENVAT)	<u>19,47,711</u>	<u>29,70,063</u>
	<u>4,40,72,988</u>	<u>4,28,80,359</u>
Less: Closing Stock	<u>61,38,544</u>	<u>48,78,169</u>
	<u>3,79,34,444</u>	<u>3,80,02,190</u>
17. BOUGHTOUT COMPONENTS CONSUMED		
Opening Stock	87,58,543	65,02,562
Add : Purchase	<u>3,66,43,350</u>	<u>2,67,79,936</u>
	<u>4,54,01,893</u>	<u>3,32,82,498</u>
Less: Excise Duty (CENVAT)	<u>24,62,042</u>	<u>19,04,097</u>
	<u>4,29,39,851</u>	<u>3,13,78,401</u>
Less: Closing Stock	<u>73,82,461</u>	<u>87,58,543</u>
	<u>3,55,57,390</u>	<u>2,26,19,858</u>
18. STORES & SPARES		
Opening Stock	8,65,852	7,82,235
Add : Purchase	<u>58,62,844</u>	<u>44,03,545</u>
	<u>67,28,696</u>	<u>51,85,780</u>
Less: Excise Duty (CENVAT)	<u>1,56,782</u>	<u>2,07,101</u>
	<u>65,71,914</u>	<u>49,78,679</u>
Less: Closing Stock	<u>11,06,587</u>	<u>8,65,852</u>
	<u>54,65,327</u>	<u>41,12,827</u>



Schedule to the Accounts (*Continued ...*)

SCHEDULE '19'

(1) SIGNIFICANT ACCOUNTING POLICIES :

- (A) **BASIS FOR PREPARATION OF FINANCIAL STATEMENT** : The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956 except where otherwise stated, the accounting principals have been consistently applied.
- (B) **USE OF ESTIMATES** : The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions and estimates, which it believes are reasonable under the circumstances that affect the reported amounts of assets, liabilities and contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.
- (C) **FIXED ASSETS & DEPRECIATION** : Fixed assets are stated at cost net of Cenvat. Depreciation is being accounted for in the books on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
Lease hold land is being amortized in equal installments over the period of lease.
- (D) **INVENTORIES** : Stock of Raw Materials, Stores & Spares are valued at weighted average cost and Finished Goods and Stock in Process are valued at lower of cost or net realizable value. Scrap is valued at net realizable value.
- (E) **EXCISE DUTY** : Excise Duty on goods produced is accounted for at the time of clearance of goods.
- (F) **EMPLOYEE BENEFITS** :
- (i) Short term employee benefits are recognized as expenses in the profit and loss account of the year in which service is rendered.
 - (ii) Contribution to defined contribution scheme such as Provident Fund, Family Pension Fund and ESI Fund are charged to the Profit & Loss account.
 - (iii) The company has an employees' gratuity fund managed by the Life Insurance Corporation of India (LIC). The company accounts for gratuity liability as expenses in the profit & loss account of the year equivalent to the premium amount payable as per the actuarial valuation made by LIC of India.
 - (iv) Leave encashment is charged to revenue on accrual basis.
- (G) **CONTINGENT LIABILITIES** : Contingent liabilities, which are considered significant and material by the company, are disclosed in the Notes to Accounts.
- (H) **REVENUE RECOGNITION** : Sales are recognized on dispatch to customers and are inclusive of Excise duty, Sales Tax and Packing charges.
- (I) **GOVERNMENT GRANTS** : Capital Subsidy shown under Capital Reserves.
- (J) **FOREIGN CURRENCY TRANSACTIONS** : Transactions in Foreign currency are recorded at the exchange rates prevailing on the date of Transaction and exchange difference arising from Foreign Currency Transactions are dealt with in Profit and Loss Account. Current Assets and Current Liabilities at the year-end are being translated at Closing Rates and exchange difference dealt with in the Profit & Loss Account.
- (K) **BORROWING COST** : Borrowing cost that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the Assets is ready for its intended use. Other borrowing costs are recognized as an expense in the period for which it is incurred.
- (L) **TAXES ON INCOME** : Current Tax is determined in accordance with the relevant tax regulations applicable to the company.
Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is a virtual certainty of its realization.
- (M) **IMPAIRMENT OF ASSETS** : The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to profit and loss account.



Notes to the Accounts (Continued ...)

SCHEDULE '20'

	AS AT 31.03.2010 RUPEES	AS AT 31.03.2009 RUPEES
NOTES TO THE ACCOUNTS:		
01) Estimated amount of contracts remaining to be executed On capital account and not provided for	3,86,861	19,91,333
02) (i) Contingent liabilities not provided for in respect of: (As certified by the Management) Counter Guarantees given to the Bank in respect of Guarantees given by them on behalf of the company. Margin money Rs. 16,00,000/- (40,00,000/-)	1,50,70,009	1,27,34,760
(ii) Demands against the Company being disputed not acknowledged as debt and not provided for in respect of which the Company is in appeal :		
(a) Income Tax Demands	59,354	59,354
(b) Sales Tax Demands	84,682	49,033
(c) Labour payment	35,007	24,567
03) Fixed deposit receipt pledged with : (a) Bankers	16,38,486	40,38,486
04) Advance includes : (a) Due from the Director of the company Maximum Balance outstanding during the year 51237/- (107182/-)	Nil	Nil
05) Miscellaneous Expenses include : Charity and Donation	12,101	23,401
06) Auditor's Remuneration: (a) Audit Fee	50,000	50,000
(b) Taxation Matters	5,000	6,000
(c) Out of Pocket Expenses	10,404	12,196
07) Expenditure on employee drawing remuneration which in the aggregate is not less than Rs. 24,00,000/- per annum where employed throughout the year or not less than Rs. 200,000/- per month where employed for a part of the year. (a) Employed throughout the year :		
No. of employees	None	None
Remuneration	Nil	Nil
(b) Employed for a part of the year :	None	None
08) The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore, it is not possible to give the information required under the Act.		
09) Earning Per Share (EPS) As per Accounting Standard-20 Basic Earning per share is Rs. 3.90 whereas the diluted earning per share is Rs.3.53. The following is a reconciliation of the equity shares used in computation of basic & diluted earning per equity share :		

**Notes to the Accounts (Continued ...)**

	<u>31.03.2010</u>	<u>31.03.2009</u>
Basic Equity Shares (Nos.)	49,27,000	49,27,000
Weighted average of Equity Shares (Nos.) for EPS calculation	49,27,000	49,27,000
ADD : Effect of dilutive common equity share :		
Optionally fully convertible Debentures (OFCD) (Nos.)	<u>6,43,000</u>	<u>6,43,000</u>
Dilutive equity share (Nos.)	<u>55,70,000</u>	<u>55,70,000</u>
A Net Profit/(Loss) for the year for basic earning per share	1,92,32,782	1,39,65,248
Add : Forgo of interest on OFCD on its dilution	6,43,000	6,43,000
Less : Tax benefit on forgo of interest on OFCDs	<u>(2,18,556)</u>	<u>(2,18,556)</u>
B Net Profit/(Loss) for the year for diluted earning per share	<u>1,96,57,226</u>	<u>1,43,89,692</u>
Earnings for Dilutive EPS	3.53	2.58
Earnings for Basic EPS	3.90	2.83

10) Deferred Tax :

Deferred Tax Liability/Assets have been determined on the basis of Accounting Standard 22 "Accounting for Taxes on Income " and the details thereof are as follows :

Deferred tax liability on :	<u>31.03.2010</u>	<u>31.03.2009</u>
Difference of book and tax Depreciation	68,48,526	66,56,317
Less : Deferred tax assets on :		
Expenses allowable u/s 43-B for tax purposes when paid	<u>13,00,396</u>	<u>11,17,778</u>
	<u>13,00,396</u>	<u>11,17,778</u>
Deferred Tax Liability (Net)	55,48,130	55,38,539
Deferred Tax charge for the year	9591	-155251

11) Segment Reporting :

Since the Company operates in one segment only, segment reporting as required under Accounting standard 17 issued by the Institute of Chartered Accountants of India is not applicable. There is no reportable geographical Segment either.

12) The figures have been rounded off to the nearest rupees.

13) Previous year figures have been regrouped and/or rearranged wherever considered necessary.

14) Additional information pursuant to Part II & III of Schedule VI of the Companies Act, 1956.

A. CAPACITY & PRODUCTION

Class of Goods	Unit	Capacity	* Installed	Production
Fluid Coupling	Nos.	1500	1500	1471
		(1500)	(1500)	(1704)

* As certified by the Management.

B. SALES & STOCKS :

Class of Goods	SALES		OPENING STOCK		CLOSING STOCK	
	Nos.	Rupees	Nos.	Rupees	Nos.	Rupees
Fluid Couplings	1469	150087858	107	3282944	*111	3936119
	(1760)	(121603806)	(162)	(4634342)	(*107)	(3282944)

*Including 02 (01) Nos. Coupling returned during the year.

Note : Closing stock includes 03 (02) Nos. Fluid Couplings sent to South Africa & Brazil Trade Fare for display.

Spares & Components	42277445	352155	242232
(Including Flexible Coupling)	(36605856)	(661130)	(352155)

**Notes to the Accounts (Continued ...)****C. RAW MATERIAL & COMPONENTS CONSUMED :**

Material	Unit	Quantity	Rupees
Aluminum	KG	99353	10661511
		(94077)	(11235529)
Other			27272933
			(26766661)
Boughtout Components			35557390
			(22619858)

* As the individual value of each item of components and other does not exceed 10% of total consumption, the quantity there of has not been given.

Figures in brackets related to previous year ended as at 31.03.2009

D. VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED :

	<u>31.03.2010</u>	<u>%</u>	<u>31.03.2009</u>	<u>%</u>
Raw Material Imported	236383	0.32	308432	0.51
Indigenous	73255451	99.68	60313616	99.49
E VALUE OF IMPORTS ON CIF BASIS :	1363881		-	
F EXPENDITURE INCURRED IN FOREIGN CURRENCY :	122145		253235	
G EARNING IN FOREIGN CURRENCY ON FOB BASIS :				
Export Sales & Services	9112658		10101506	

15) Related Party disclosures: (As required under Accounting Standard 18)

Name of the person	Relation	Nature of Transactions	2009-10	2008-09
1 Mr. Ashok Jain	Chairman & Managing Director	Remuneration	2231084	1577849
		Balance Payable at year end	42500	76950
2 Mr. Kunal Jain	Executive Director	Remuneration	1018306	575325
		Rent of Registered Office	121324	114000
		Balance Payable at year end	37800	25950
3 Mr. Praful R.Turakhia	Director	Sitting Fee	9000	1000
4 Mr. D. K. Kemkar	Director	Sitting Fee	5000	3000
5 Mr. M. K. Shah	Director	Sitting Fee	9000	4000
6 Mr. K. C. Jain	Director	Sitting Fee	8000	5000
7 Mr. Narendra Kathed	Director	Sitting Fee	1000	3000
8 Mr. Jagdish Garwal	Nominee Director of M/s IFCI Ltd.	Sitting Fee	7000	3000
		Remuneration	410772	348186
9 Mrs. Pramila Jain	Relative of Director	Balance Payable at year end	10699	21271
		Remuneration	386258	355572
10 Mrs. Radhica Sharma	Relative of Director	Balance Payable at year end	24512	23442
		Remuneration	418478	355572
11 Mr. Sundeep Sharma	Relative of Director	Balance Payable at year end	23707	23400

16) Schedule 1 to 20 form an integral part of Balance Sheet and Profit and Loss Account and have been duly authenticated.



Notes to the Accounts (Continued ...)

17) Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No	001452	State Code 10
Balance Sheet Date	31.03.2010	

II. Capital Raised during the year :

Public Issue	Right Issue
Nil	Nil
Bonus issue	Private Placement
Nil	Nil

III. Position of Mobilisation and Deployment of Funds (amount in Rs. Thousands)

Total liabilities	Total Assets
10,68,58	10,68,58

Sources of Funds :

Paid-up capital	Reserves & Surplus
5,23,60	3,65,24
Secured loans	Unsecured loans
1,24,26	Nil
Deferred Tax Liability	
55,48	

Application of Funds :

Net Fixed Assets	Investments
4,02,86	Nil
Net current Assets	Misc. Expenditure
6,65,72	Nil

IV. Performance of Company (amount in Rs.Thousands)

* Turnover	Total Expenditure
18,24,62	15,29,96
Profit/Loss Before Tax	Profit/Loss After Tax
2,94,66	1,92,14
Earning Per Share	Dividend Rate %
3.90	Nil

* (Including Other Income)

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No.	
(ITC Code)	84833002
Product Description	FLUID COUPLING

Signature to the Schedules '1' to '20'

As per our report of even date

For and on behalf of the Board

for J.P.SARAF & CO.
Chartered Accountants

(ASHOK JAIN)
Chairman & Managing Director

(JAI PRAKASH SARAF)
Partner
M. No. 075319
Firm No. 006430C

(Kunal Jain)
Executive Director

(K.C. Jain)
Director

(M.K. Shah)
Director

Place : Indore

(Surabhi Pawar)
Company Secretary

(Pramod Jain)
Dy. Vice President

Date : This 29th Day of May, 2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	(Rs. in lacs)	
	2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	294.66	218.81
Adjustment for :		
Depreciation	33.99	30.62
Loss/ (Profit) on Sale/Discard of Fixed Assets	0.10	(1.20)
Interest (Net)	7.59	19.52
Lease rental net of lease equalisation	0.21	0.21
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	336.55	267.96
Adjustment for :		
(Increase) / Decrease in trade and other receivable	(122.92)	19.42
(Increase) / Decrease in Inventories	77.75	(38.50)
Increase / (Decrease) in Trade Payables & provisions	26.23	2.68
CASH GENERATED FROM OPERATIONS	317.61	251.56
Interest Paid	(3.92)	(5.22)
Income Tax Paid (including Fringe Benefit Tax)	(102.42)	(82.97)
Expenses / Payments related to earlier years	0.19	2.26
NET CASH FROM OPERATING ACTIVITIES	211.46	165.63
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(29.66)	(122.51)
Sale of Fixed Assets (Net)	0.19	18.98
Interest Received	6.58	1.99
NET CASH (USED IN) FROM INVESTING ACTIVITIES :	(22.89)	(101.54)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital	0.00	0.00
Proceeds from long term & other borrowings	(36.04)	(27.94)
Interest paid	(10.50)	(16.25)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(46.54)	(44.19)
NET INCREASE / (DECREASE) CASH & BANK BALANCES (A+B+C)	142.03	19.90
CASH & BANK BALANCE OPENING BALANCE	48.22	28.32
CASH & BANK BALANCE CLOSING BALANCE	190.25	48.22

Note :

The previous year's figures have been regrouped & rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board

for J.P.SARAF & CO.
Chartered Accountants

(ASHOK JAIN)
Chairman & Managing Director

(JAI PRAKASH SARAF)
Partner
M. No. 075319
Firm No. 006430C

(Kunal Jain)
Executive Director

(K.C. Jain)
Director

(M.K. Shah)
Director

Place : Indore

(Surabhi Pawar)

(Pramod Jain)

Date : This 29th Day of May, 2010

Company Secretary

Dy. Vice President



FLUIDOMAT LIMITED

Registered Office : 117, 1st Floor, 'Navneet Darshan', 16/2, Old Palasia, Indore - 452 018 (M.P.)

ATTENDANCE SLIP

Please fill ATTENDANCE SLIP and hand it over at the entrance of the meeting hall.
Joint shareholders may obtain additional attendance slip on request at the venue.

DP. Id*

Folio No.

Client Id*

No. of Share(s) held

Name and address of the shareholder

I hereby record my presence at the 34th Annual General Meeting of the Company held on Friday, 24th day of September, 2010 at 2.00 p.m. at the registered office of the Company.

Signature of the shareholder or proxy
* Applicable for investors holding shares in electronic form.

----- Please Tear Here -----

FLUIDOMAT LIMITED

Registered Office : 117, 1st Floor, 'Navneet Darshan', 16/2, Old Palasia, Indore - 452 018 (M.P.)

PROXY FORM

I/We _____ of _____

being a member of above - named Company, hereby appoint the following as my / our Proxy to attend and vote for me/ us and on my / our behalf at the 34th Annual General Meeting of the Company, to be held on Friday, 24th day of September, 2010 at 2.00 p.m. and at any adjournment thereof :

- 1. Mr./Ms. _____ (Signature), or failing him.
- 2. Mr./Ms. _____ (Signature), or failing him.
- 3. Mr./Ms. _____ (Signature)

Number of shares held

Signed _____ day of _____ 2010

Reference Folio No. / Signature(s) of Members(s)

DP ID & Client ID

- 1. _____
- 2. _____

Affix one
rupee
Revenue
Stamp

NOTE :

- 1. The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.
- 2. The Proxy need not be a member of the Company.
- 3. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



BOOK - POST

If undelivered please return to :

FLUIDOMAT LIMITED

117, 1st Floor, 'Navneet Darshan',
16/2, Old Palasia, Indore - 452 018 (M.P.)

Tel.: 0731-2564820

Website : www.fluidomat.com