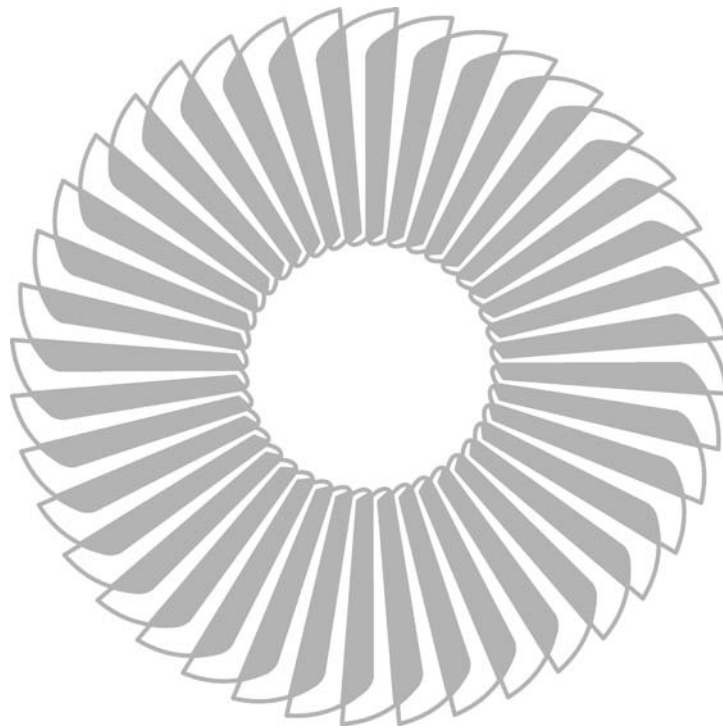




An ISO 9001:2008 Certified Company



FLUIDOMAT LIMITED

35th 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

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 :
CENTRAL BANK OF INDIA

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.
 Plot No. 60,
 Electronic Complex
 Pardeshipura, Indore (M.P.) -452010
 Tel. : 91-731-3198601, 3198602
 Fax : 91-731-4065798
 E-mail : ankit_4321@yahoo.com

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

35th Annual General Meeting

Date : 26th September, 2011
 Day : Monday
 Time : 2.00 p.m.
 Place : 117, 1st Floor
 'Navneet Darshan'
 16/2, Old Palasia,
 Indore - 452 018 (M.P.)
 Book Closure : 24.09.2011 to 26.09.2011
 (Both days inclusive)

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**NOTICE**

NOTICE is hereby given that 35th 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.) 452018 on 26th September, 2011 at 2.00 P.M. to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account of the Company for the year ended 31st March 2011 and the report of the Directors and Auditors thereon.
2. To declare dividend on equity share capital of the Company.
3. To appoint a Director in place of Shri Narendra Kathed who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Deepak Kemkar who retires by rotation and did not seek re-appointment.
5. To appoint the Auditors and to fix their remuneration and in this regard to pass with or without modification the following resolution as an **Ordinary Resolution:**

RESOLVED THAT M/s J.P.Saraf & Co., Chartered Accountants (Firm Registration No. 006430C) be and is hereby appointed as Auditors of the Company, to hold office from conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company on such remuneration as shall be fixed by the Board of Directors.

II. SPECIAL BUSINESS BY SPECIAL RESOLUTION:

6. To consider and if thought fit, to pass with or without modification(s) if any, the following **SPECIAL RESOLUTION:**
RESOLVED THAT pursuant to the provisions of the section 198, 199, 268, 302, 309 read with the provisions of Schedule XIII of Companies Act, 1956 and other applicable provisions, if any, including any statutory modifications or re-enactment thereof for the time being enforced. The approval of the members of the Company be and is hereby granted for the re-appointment of Shri Kunal Jain, as a Whole-time Director and be designated as the Executive Director of the Company for a period of 3 years w.e.f. 1st May, 2012 on the following terms conditions and remunerations.

(a) Salary in the scale of Rs.1,00,000/- per month with a annual increment of Rs. 10,000/- per year.

(b) Allowances/perquisites : as under

CATEGORY:A

1. The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent.
Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
2. Re-imbursment of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
4. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
5. Personal accident insurance premium not exceeding Rs. 12,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY B:

1. Employers Contribution: to the Provident Fund as per the Rules of the Company.
2. Gratuity: As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. Leave encashment: up to 15 days salary for every one year completed service as per the rules of the Company.
Provided that the above said perquisites shall not be counted for the purpose of Calculation of the remuneration payable to the Executive Director.

CATEGORY C:

1. Car: The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
2. Telephone & Cell: Free use of telephone at his residence and Cell phone, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Kunal Jain shall be the minimum remuneration payable by the Company.

FURTHER RESOLVED THAT there shall be clear relation of the Company with Shri Kunal Jain as "the Employer-Employee" and each party may cancel the above said appointment with the six months notice in writing or salary in lieu thereof.

RESOLVED FURTHER THAT Shri Kunal Jain, Executive Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to hold the increments, decide break up of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

7. To consider and if thought fit, to pass with or without modification(s) if any, the following **SPECIAL RESOLUTION:**
RESOLVED THAT pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, the approval of members of the Company be and is hereby accorded for the appointment of Mrs. Sunaina Jain as the Manager (Cost & Accounts) of the Company on a total remuneration not exceeding Rs.50,000/- p.m., w.e.f. 16.08.2011, who is a relative of Directors of the Company and that she will also be entitled for the reimbursement of traveling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for attending the works/assignments of the Company.



8. To consider and if thought fit, to pass with or without modification(s) if any, the following **SPECIAL RESOLUTION:**
RESOLVED THAT Pursuant to the provisions of section 31 of the Companies Act, 1956 and subject to all the relevant rules and regulations, guidelines as may be issued by the Central Government and/or SEBI, under the listing agreement, the Articles of Association of the Company be and is hereby amended by substitution of the existing Article No. 61, 63, 71, 73, 74, 76 to 81, 83, 86, 87, 88, 103 and 104 of the existing Articles of Association of the Company be replaced by the following new Articles in their places.
RESOLVED THAT Pursuant to the provisions of section 31 of the Companies Act, 1956 and subject to all the relevant rules and regulations, guidelines as may be issued by the Central Government and/or SEBI, under the listing agreement, the Articles of Association of the Company be and is hereby amended by inclusion of the following new Clauses 88A, 88B and 104A after the relevant existing Clause No. 88 and 104 of the Articles of Association of the Company.
- 61. Notice of meeting**
Save as permitted under Section 171 (2) of the Act, a General Meeting of the Company may be called by giving not less than twenty-one days notice in writing and or by way of electronic communication/email as may be prescribed by the Central Government.
- 63. Quorum of General Meeting**
At least five members entitled to vote and present in person shall be a Quorum for a general meeting. No business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of a business. The members participating through the video conferencing/Audio-Visual electronic communication shall not be counted for the purpose of determining quorum for the meeting.
- 71. Resolution how Decided**
At any General Meeting provisions of Section 177 to 185 of the Act shall applied provided that in case of equality of votes, Whether a show of hands or on a poll, or through the voting by video conferencing/or electronic vote, the Chairman of the meeting at which the show of hands take place at the meeting or by the members by show of hands through the video conferencing/ Audio-Visual electronic communication/ electronic vote/poll at which the poll of demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.
- 73. Reports, statements and registers to be laid on the table**
At every Annual General Meeting of the Company there shall be laid on the table, the Directors report and audited statement of accounts, auditor's report, the proxy register with the proxies and the Register of Director's holding mentioned under section 307 of the Act. Further that the Company may also place the same at the website of the Company for providing facilities for inspection of the members participated through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible. The Auditor Report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.
- 74. Minutes of General Meetings and of Board Meetings**
The Board shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its Board of Directors or of every committee of the Board to be kept in accordance with section 193 of the Act.
- 76. Votes may be given by proxy**
Subject to the provision of the Act and these Articles, votes may be given either personally/ through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible or by proxy or in the case of body corporate also by representative duly authorized under section 187 of the Act. However no one other than the concerned shareholder or proxy to the shareholder is allow to attend the meeting and vote through the video conferencing/Audio-Visual electronic communication or electronic mode.
- 77. Voting right**
Subject to the provision of the Act (and particularly of section 87, 89 and 92 (2) thereof) and of these Article a member or proxyholder of the member may participate and vote at the general meeting through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible:
- 1) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including an attorney or a representative of a body corporate as mentioned in Article 79) shall have one vote.
 - 2) Upon a poll the voting right of every member holding equity shares and entitled vote and present in person (including a body corporate present as aforesaid) or by proxy shall be in proportion to his share in the paid up equity capital of the company
 - 3) The voting right of every member holding Preference shares if any shall upon a show of hands or upon a poll be subjected to the provisions, limitation and restrictions laid down in Section 87 of the Act.
- 78. No voting by proxy on show of hands**
No member not personally present or participating through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible shall be entitled to vote on a show of hands unless such member is a body corporate present by attorney or by representative duly authorized under Section 187 of the Act in which case such attorney or Representative may vote on show of hands as if he were an Individual member of the Company.
- 79. Restriction on Exercise of voting Rights**
Subject to the provisions of the Act no member shall be entitled to voting right in the meeting or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible in respect of any shares registered in his name on which any call or other sums payable by him, have not been paid or in regard to which the Company has and has exercised any right of lien.
- A. Save as otherwise provided in Article 79 above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of Securities held by it.
 - B. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owners of Securities shall be entitled to all rights and benefits and be subject to all the Liabilities in respect of their Securities which are held by the Depository.

**80. Voters in respect of shares of deceased Insolvent members**

Any person entitled under the transmission clause (Article 44 hereof) to transfer any shares, may vote at any general meeting or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible in respect thereof as if he was the registered holder of such shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote he shall satisfy the Board or his right to transfer such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

81. Right of member of use his votes Differently

On a poll taken at a meeting of the Company or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him as the case may be need not, if he votes, use all his Votes or cast in the same way all the votes he uses.

83. Instruments appointing a proxy to be deposited at the office

The instrument appointing a proxy and the power of attorney or other authority if any under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Registered office or mailed the scanned copy thereof at the notified email ID by the Company not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

86. Validity of votes given by proxy notwithstanding death etc. of members

A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous insanity or lunacy or death of the principal for revocation of the proxy as the case may be, or power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the insanity, lunacy, death, revocation or transfer shall have been received at the office or by email as may be permissible before the meeting.

87. Time for objection to vote

Subject to the provision of the Act and these Articles no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be entered and every vote, whether given personally or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible or by proxy or by an means hereby authorized and not dissolved at such meeting or poll, shall be deemed valid for all purpose of meeting or poll whatsoever.

88. Chairman of any Meeting to be the Judge of validity of any vote

Subject to the provision of the Act and these Article the Chairman of any meeting shall be the sole judge of validity of every vote tendered at such meeting or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible. Subject as aforesaid the Chairman present at the meeting and at the time of taking of a poll shall be the sole judge of the Validity of every vote tendered at such poll.

88A. Providing facility to the members for participating in the General Meetings by way of Video Conference/Audio-Video electronic communication:

Subject to the provisions of the Companies Act 1956 the Company shall provide platform to the members and proxy holders for participating in the general meetings by way of video conferencing, audio-video electronic mode as may be applicable from time to time. For this purpose, the company shall also comply with the following requirements and procedures, in addition to the normal procedures required under the Companies Act,1956 for holding general meeting. Electronic mode means video conference facility i.e. audio-visual electronic Communication facility employed which enables all the persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

- (a) The notice of the meeting must inform shareholders regarding availability of participation through video conference, and provide necessary information to enable shareholders to access the available facility of videoconferencing.
- (b) The chairman of the meeting and Secretary shall assume the responsibilities:
 - (i) To safeguard the integrity of the meeting via videoconferencing
 - (ii) To ensure proper video conference equipment/facilities.
 - (iii) To prepare the minutes of the meeting.
 - (iv) To ensure that no one other than the concerned shareholder or proxy to the shareholders is attending the meeting through electronic mode.
 - (v) If a statement of a participant in the meeting, via videoconferencing is interrupted or garbled. The Chairman of the meeting or Secretary shall request for a repeat or reiteration, and if need be, the Chairman or Secretary shall repeat what he heard the participant was saying for confirmation or correction.
- (c) As per provisions of section 166 of the Companies Act,1956 practically the place of the Annual General Meeting shall either at the registered office of the company or at place within the city, town or the village in which registered office of the company is situated.
- (d) As per provisions of section 174 of the Companies Act,1956 there shall be at least five members have to be personally present and shall be the quorum for the general meeting.
- (e) In a general meeting, where shareholders are allowed to participate through electronic mode, the quorum as required under section 174 of the Companies Act,1956 as well as chairman of the meeting shall have to be physically present at the place of the meeting.
- (f) To provide larger participation and for curbing the cost borne by the shareholders to attend general meetings, the company may provide video conferencing connectivity during such meetings at least five places in India, these places would be situated all over India in such a way that it covers top five states/UTs based on maximum number of members or at least 1000 members, whichever is more, residing as per the address registered with the depositories.

88B. Passing of resolutions through Postal Ballot:

The Company shall pass the resolution through the process of the postal ballot as may be required under section 192A of the Companies Act, 1956 read with the Companies (passing of the resolution by postal ballot) Rules, 2011 as under.

- (a) "Postal Ballot" includes voting by share holders by postal or electronic mode instead of voting personally by presenting for transacting business in a general meeting of the company;



- (b) "Requisite majority" with regard to Special Resolution means votes cast in favour of the business is three times more than the votes cast against, with regard to ordinary resolution, votes cast in favour is more than the votes cast against.
- (c) "Voting by electronic mode" means a process for recording votes by the members using a computer based machine to display an electronic ballot and to record the vote and also the number of votes polled in favour or against such that the entire voting gets registered and counted in a electronic registry in a centralized server;
- (d) Words and expression used herein but not defined shall, unless the context otherwise requires, bear the meaning, if any, as assigned to them under the Act and Information Technology Act, 2000.
- (e) The company may issue notices either,-
 - (i) under registered Post Acknowledgement Due; or
 - (ii) through any other secured mode of posting provided by Department of Post; or
 - (iii) through electronic mail provided the company has obtained e-mail address of its member for sending the notices through e-mail, after giving an advance opportunity to the member to register his e-mail address and changes therein from time to time with the concerned depository; and
- (f) The notice shall clearly mention that whether the company is providing voting through postal ballot or by electronic mode. If the company is opting for providing voting by electronic mode, then the notice shall clearly indicate the process and manner for voting by electronic mode provided by the agency.
- (g) The company shall cause an advertisement to be published in a leading English Newspaper and in one vernacular Newspaper circulating in the State in which the registered office of the company is situated, about having dispatched the ballot papers duly specifying therein, inter alia, the following matters:
 - (i) The date of completion of dispatch of notices;
 - (ii) The date of commencement of voting through postal ballot or by electronic mode;
 - (iii) The date of end of voting through postal ballot or by electronic mode;
 - (iv) The notice shall further state that any postal ballot received from member beyond the said date will not be valid.
 - (v) That member, who have not received postal ballot forms may apply to the company and obtain a duplicate thereof.
- (h) The following businesses/ resolution shall be passed through postal ballot.
 - 1. Alteration in the object clause of memorandum;
 - 2. Alteration of Articles of association in relation to insertion of provision defining private company;
 - 3. Buy-back of own shares by the company under sub-section (1) of section 77A;
 - 4. Issue of shares with differential voting right as to voting or dividend or other wise under sub-clause (ii) of clause (a) of section 86;
 - 5. Change in place of registered office out side local limits of any city, town or village as specified in sub-section (2) of section 146;
 - 6. Sale of whole or substantially the whole of undertaking of a company as specified under sub-clause (a) of sub-section (1) of section 293;
 - 7. Giving loans or extending guarantee or providing security in excess of the limit prescribed under sub-section (1) of section 372A;
 - 8. Election of a director under proviso to sub-section (1) of section 252 of the Act;
 - 9. Variation in the right attached to a class of shares or debentures or other securities as specified under section 106.
- (i) Procedure to be followed for conducting business through Postal Ballot:-
 - 1. The company may make a note below the notice of General Meeting for understanding of member that the transaction(s) at Sl. No. requires consent of shareholders through postal ballot;
 - 2. The board of director shall appoint one scrutinizer, who is not in employment of the company, may be a retired judge or any person of repute who, in the opinion of the board can conduct the postal ballot voting process in a fair and transparent manner;
 - 3. The scrutinizer shall submit his report as soon as possible after the last date of receipt of postal ballots;
 - 4. The scrutinizer will be willing to be appointed and he is available at the Registered office of the company for the purpose of ascertaining the requisite majority.
 - 5. The scrutinizer shall maintain a register to record the consent or otherwise received, including electronic media, mentioning the particular of name, address, folio number, number of shares, nominal value of shares, whether the shares have voting, differential voting or non-voting right and the scrutinizer shall also maintained record for postal ballot which are received in defaced or mutilated form. The Postal ballot and all other papers relating to postal ballot will be under the safe custody of the scrutinizer till the Chairman considers, approves and sign the minutes of the meeting. Thereafter, the scrutinizer shall return the ballot papers and other related papers/ Register to the company so as such ballot papers and other related papers/register safely till the resolution is given effect to;
 - 6. The consent or otherwise received after thirty days from the completion of dispatch of notice shall be treated as if reply from the member has not been received;

103. Meeting of directors.

The Directors shall meet together at least once in every three months and at least four such meetings shall be held in every calendar year for the dispatch of business and may adjourn and otherwise regulate their meetings and proceedings as they think fit. Notice of every meeting to the directors together with the agenda of the business to be transacted there at shall be given in writing or by email or electronic communication at such addresses as may be provided by the director to the Company for that purposes by the Company Secretary/Managing Director or such other officer of the company duly authorized in this behalf to every director whether within or outside India. Such notice shall be sent by registered air mail post or by cable or email or fax so as to reach the addressee thereof in the normal course atleast seven days before the date of the Meeting unless all the directors agree by prior consent accorded in writing or by email or by fax or by a cable of such meeting being held on shorter notice. Provided that where an alternate director has been appointed at it shall be sufficient for purposes of this article to sent notice to or obtain the consent of or such alternate director only.

**104. Quorum**

The quorum for a meeting of the board of directors shall be one-Third of their total number (any fraction in such one-third being Rounded of as one) or two directors whichever is higher subject however to section 287 of the Act. The participation of director through the video conferencing/Audio-Visual electronic communication or electronic mode shall not be counted for the purpose of quorum.

104A. Meeting of the Board of Directors and committees thereof through the Video Conferencing or Audio Visual mode:

The Meeting of the Board of directors and/or Committee of the directors may be called and hold through the video conferencing and/or Audio Visual communication from time to time as per the rules and regulation as may be provided by the Central Government from time to time. For this purpose, the company shall also comply with the following requirements and procedures, in addition to the normal procedures required under the Companies Act, 1956 for holding meeting of Board / committee of directors:-

- (a) Electronic mode means video conference facility i.e. audio-visual electronic communication facility employed which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- (b) Every director of the company must attend the meeting of Board/Committee of director personally at least one meeting a financial year of the company.
- (c) The Chairman of the meeting and secretary shall assume the following responsibilities:
 - (i) To safeguard the integrity of the meeting via videoconferencing.
 - (ii) To ensure proper videoconferencing equipment/facilities.
 - (iii) To prepare the minute of the meeting.
 - (iv) To ensure that no one other than the concerned director or other authorized participants are attending the meeting through electronic mode.
 - (v) If a statement of a participant in the meeting via videoconferencing is interrupted or garbled, the Chairman or Secretary shall repeat or reiteration, and if need be, the Chairman or Secretary repeat what he heard the participant was saying for confirmation or correction.
- (d) The notice of the meeting must inform directors regarding availability of participation through video conference, and provide necessary information to enable directors to access the available facility of videoconferencing.
- (e) The notice of the meeting shall also seek confirmation from the director as to whether he will attend the meeting physically or through electronic mode and shall also contain the contact number(s) / e-mail addresses of the secretary / designated officer to whom the director shall confirm in this regard.
- (f) In the absence of any confirmation from the Director, it will be presumed that he will physically attend the Board meeting.
- (g) At the start of the scheduled meeting through electronic mode, a roll call shall be made by the Chairman/ Secretary. Every director and authorized participant shall state, for the record, the following:-
 - (i) Full Name
 - (ii) Location
 - (iii) That he can completely and clearly see and communicate with each of other participants.
 - (iv) And will ensure that no one other than concerned director or authorized participant is attending the meeting through electronic mode.
- (h) Thereafter, the Chairman/ Secretary shall confirm the participant of the directors in the meeting who are not physically present. After the roll call, the Chairman or Secretary may certify the existence of a quorum. It is clarified that a director participating in a meeting through use of video conferencing shall be counted for the purpose of quorum. A roll call should also be made at the conclusion of the meeting or at re-commencement of the meeting after every break to ensure presence of quorum throughout the meeting.
- (i) The place where the Chairman or Secretary is sitting during the Board meeting shall be taken as place of meeting in terms of section 288 of the Act, and all recordings will be made at this place. The other statutory registers, which are required to be placed in the Board meeting as per the provision of the Act, shall be placed before the Chairman for compliance of the Act. The statutory registers required to be signed by the other director shall be deemed to have been signed by directors participating through electronic mode if they have given their consent to this effect in that meeting.
- (j) If a motion is objected to and there is a need to vote, the Chairman / Secretary should call the roll and the vote of each director who should identify himself.
- (k) In the end of the meeting, Chairman of the meeting shall announce the summary of the decisions taken in that meeting in respect of each agenda item and names of the directors who have consented or dissented to those decision. Video recording of that part of the meeting shall be preserved by the company for one year from the conclusion of that meeting.
- (l) In the minutes, Chairman shall also confirm the mode of attendance of every director of the company during last three meeting whether personally or through electronic mode.
- (m) Draft minutes of the meeting shall be circulated in soft copy not later than 7 days of the meeting for comments/ confirmation to the directors who attended the meeting to dispel all doubts on matters taken up during the meeting. Thereafter, the minutes shall be entered in the minutes books as prescribed under section 193 of the Act, the minutes shall also disclose the particulars of the directors who attended the meeting through electronic mode.

BY ORDER OF THE BOARD

Place: Indore
Date: 8th August, 2011

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

**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 COMMENCEMENT OF THE MEETING.
2. The Company has already notified closure of Register of Members and Share Transfer Books from 24th Sept., 2011 to 26th Sept., 2011 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting.
 - (a) The Dividend on equity shares if declared at the meeting, will be credited/dispatched to those members whose names shall appear on the Company's Register of Members on 26th Sept., 2011 in respect of the shares held in dematerialised form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.
4.
 - (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.
 - (c) Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - i) Change in the residential status on return to India for permanent settlement.
 - ii) The particulars of NRE Account with Bank in India, if not furnished earlier.
5. 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..
6. 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.
7. Members desiring 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.
8. 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 thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010.
9. 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.
10. Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, the Company is not having unpaid/unclaimed dividend upto the financial year 2010-11. Further that there is no instances which require to transfer of undelivered shares to the separate escrow account as required under the Listing Agreement.
11. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd.
12. 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.
13. **GREEN INITIATIVE :**

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to please promptly provide their details (name, folio no., e-mail id) to the Registrar and Transfer Agent of the company. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

The annual report and other communications/documents sent electronically would also be displayed on the Company's website: www.fluidomat.com. As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, in the interest of the environment.

**STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT**

Name and Designation	Age/ Years	Qualification	Expertise/Experience	Date of Appointment	Other Directorships Hold	No. of Shares Held & %
Mr. Narendra Kathed Independent/NED	60 years	B.Com.	More than 36 years experience in Industry and trading activities	28.01.2006	Nil	Nil
Mr. Kunal Jain (WTD) Promoters	31 years	B.Com	Having more than 9 years experience in Commercial and Technical field.	01.05.2007	Red Wood Packaging Pvt. Ltd.	9.57.267 (19.43%)

ANNEXURE TO THE NOTICE**Explanatory Statement u/s 173(2) of the Companies Act, 1956.****ITEM NO.6:**

Shri Kunal Jain was appointed as the Whole-time Director of the Company w.e.f. 01.05.2007 for a period of five years, therefore his tenure shall be over on 30th April, 2012. Upon the recommendation of the Remuneration Committee, the Board of Directors at their meeting held on 28th May, 2011 has re-appointed him for a further period of 3 years w.e.f. 1st May, 2012 and seek approval of the members by way of special resolution for his re-appointment.

Shri Kunal Jain is young and graduate in Commerce and attending commercial operations of the Company under the guidance and control of the CMD. He is proposed to be re-appointed on the terms and conditions including remuneration as set out in the draft agreement to be entered into by the Company with Shri Kunal Jain, submitted to the meeting.

The Board considered that the terms and conditions of the agreement, salary & perquisites as given in the notice of the meeting, which is commensurate with his sincere efforts and high responsibilities. The Board recommend to pass necessary resolution as set out in item no.6 of the notice.

This should be considered also the terms of the re-appointment of Shri Kunal Jain as, Whole-time Director of the Company and a memorandum as to the nature of the concern or interest of the Directors in the said re-appointment as required u/s 302 of the Companies Act, 1956.

Except, Shri Ashok Jain and Shri Kunal Jain none of the other Directors are concerned or interested in this Resolution.

ITEM NO.7:

Mrs. Sunaina Jain, is a Graduate in Commerce and MBA in Marketing was considered for appointment as the Manager (Cost & Accounts) of the Company on a monthly remuneration not exceeding Rs.50,000/- p.m. w.e.f. 16.08.2011. Mrs. Jain is a young and dynamic and having adequate knowledge to deal with the responsibilities.

Since Mrs. Sunaina Jain, is relative of Shri Ashok Jain, Chairman & Managing Director and Shri Kunal Jain, Whole-time Director of the Company, therefore any payment by way of salary/remuneration in excess of Rs.10,000/- p.m. requires approval of the Members in General Meeting by way of Special Resolution in terms of the provisions of section 314(1)(b) of the Companies Act, 1956. Looking into her qualification and experience, your Directors recommend to pass the special resolution as set out in Item No.7 of the notice.

Except, Shri Ashok Jain, Chairman & Managing Director and Shri Kunal Jain, Whole-time Director being relatives, no other Directors of the Company are concerned or interested in the Resolution.

ITEM NO.8:

In view of the latest amendments made by the Ministry of Corporate Affairs for providing facilities for participation of the members in the general meeting and directors in the Board and Committee Meeting through the Video Conferencing and audio visual electronic mode as well as provided opportunity to cast the votes in postal ballot through electronic notice, providing notice and the annual report to the members by way of electronic communication, i.e email etc., it is required to make suitable amendments in the Articles of Association of the Company to bring them with the provisions of the Companies Act 1956 and the rules made their under.

Your directors proposes to make suitable amendments in the certain clauses by replacement of the existing clauses as well as inclusion of new clause in the Articles of Association of the Company. As per provisions of section 31 of the Companies Act, 1956, the Articles can be altered with the approval of members by way of special resolution. Therefore the Board of Directors of your Company proposes to pass the suitable resolution as set out in Item No. 8 of the notice. A draft amended copy of the Articles of Association is available for inspection till the date of the Annual General Meeting.

None of the director of the Company is concerned or interested in the proposed resolution.

BY ORDER OF THE BOARD

Place: Indore
Date: 8th August, 2011

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR



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

Dear Members,

Your Directors are delighted to present the 35th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

<u>Particulars</u>	<u>F.Y. 2010-11</u>	<u>F.Y. 2009-10</u>
		(Rupees in Lacs)
Net Sales	2018.97	1772.00
Other income	21.11	11.68
Total income	2040.08	1783.68
Total Expenses	1647.14	1440.86
Profit before Interest, Depreciation & Tax	392.94	342.82
Interest	6.72	14.17
Depreciation	35.97	33.99
Profit before Tax	350.25	294.66
(a) Current Tax	118.16	102.42
(b) Deferred Tax	(4.62)	0.10
Extra Ordinary/ Exceptional Items (Net)	6.05	(0.19)
Profit After Tax	230.66	192.33
Surplus Brought from previous years	291.94	115.68
Total amount available for appropriation	522.60	308.01
Appropriation		
Amount transferred from Debenture redemption reserves	(32.15)	16.07
Proposed dividend on Equity Shares	49.27	0.00
Dividend Tax	7.99	0.00
Surplus carried to Balance Sheet	497.49	291.94
Paid up Equity Share Capital	492.70	523.60
Earning per share - Basic (Rs.)	4.68	3.90
Diluted (Rs.)	4.68	3.53

DIVIDEND :

Your Directors are pleased to recommend a dividend of Re. 1.00 per equity share (i.e.10%) (Previous year Nil) on the equity shares of the Company for the year ended March 31, 2011, for approval of shareholders of the Company. The Dividend payment is recommended in accordance with Company's policy linked to long term planning and keeping in view the needs of resources for Company's growth and its increased working capital requirement.

FINANCIAL STATUS:

Your Directors are pleased to inform that during the year under review, your Company has repaid its entire liabilities of IFCI, including premature redemption of 64300, 10% Optionally Fully Convertible Debenture (OFCD's) of Rs.100/- each and 30900, 10% Redeemable Preference Shares of Rs.100/- each issued to IFCI in terms of the restructuring of the loan liability. Thus now your Company is not having any Term Loan liability. After the payment to IFCI the Company has adequate liquidity to carry out routine business of the Company.

Due to redemption of the preference shares, the paid up capital of the Company stand only 492.70 Lacs comprising of 49,27,000 Equity Shares of Rs.10/- each.

OPERATING RESULTS AND BUSINESS :

The Financial Year March 2011 ended with steady economic growth of over 8.5% but due to persistent double digit domestic inflation, disturbances in Middle East African Countries and European economic/debts crises with increased and volatility of crude oil prices and increase in basic material, fuel and transport cost, all added pressure on the living standard of General Public of the country and performance of industry.

Your company met the above challenges successfully and achieved growth in turnover and profits. Your Directors continue their efforts towards achieving competitive edge and better margins alongwith deeper market penetration and customer focus.

During the year under review your company has achieved an overall turnover growth of 14%. The profit before tax for the year increased by 18.86%, the order booking during the year was to the tune of Rs. 3173 lacs as compared to the order booking of Rs. 1885 lacs of the previous year, thus showing an increase of 68%. The order booking trend during the current year 2011-12 continues with improvement over the past year. EPS has increased to Rs. 4.68 as compared to Rs. 3.90 in the previous year. To meet the requirements of increased production your company is adding to its factory shed & building, new machines, testing facilities and other resources.

Taking overall view of above performance, your directors envisage steady growth of your company in near future.

**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 Narendra Kathed & Shri Deepak Kemkar retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment. Shri Deepak Kemkar did not seek re-appointment at the annual general meeting. Resulting, his office of the director shall be vacated on the conclusion of the annual general meeting. The Board placed on record the valuable guidance and contribution made by Shri Deepak Kemkar through his long time association with the Company.

The office of the nominee Director held by Shri Jagdish Garwal has ceased w.e.f. 31st March, 2011 due to withdrawal of nomination by IFCI. Your Board appreciates the valuable support and contribution made by Shri Jagdish Garwal.

The tenure of the whole-time director, Shri Kunal Jain is ending on 30th April, 2012, your Directors propose for his re-appointment for a further period of three years. Your Directors propose for approval of the members at the forthcoming Annual General meeting and recommends to pass necessary resolutions 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, 2011 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.

SECRETARIAL COMPLIANCE CERTIFICATE:

In terms of the redemption of the Preferential Shares during the year under review, the Company's paid up capital has been reduced to Rs.492.70 Lacs. However, as the Company is having full time company secretary in employment as at 31st March, 2011, it is not required to obtain compliance certificate pursuant to the provisions of section 383A of the Companies Act, 1956 as per the clarification issued by the Ministry of Corporate Affairs by Circular No.35/2003 dated 11th Dec., 2003.

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.**

Your Company has always believed in providing technology and product quality upgradation and continuous R&D resulting in increased product reliability and customer trust and confidence.

Fluidomat brand enjoys high reputation amongst its customers including EPC contractors and users and various Indian and foreign consultants operating in India. With the reliability confidence earned alongwith company strong technical capabilities many clients and consultants are ready to work with your company to get higher power range and new type of couplings including for critical applications. Towards this joint effort your company has been able to win order for the largest size of scoop control fluid coupling model SC 1330 and is making continuous efforts to get orders for other critical applications.

The Indian Economy continues to offer high business potential for company products with number of new projects coming up in Power, Steel, Mining and Port Trust Sectors. This trend is expected to continue despite all current political and social disturbances. Further with large population of already installed couplings, your company has high business potential in the spare parts and spare coupling supplies which will add to company business with increased margin.

However at the same time your company has to meet strong challenges posed by inflationary trends and increase in costs of materials, transport, fuel and labour and employee cost. Your company continues to invest in new plant and machinery, testing facilities and other resources from internal accruals. During the current year your company envisages investment from internal accruals to the tune of Rs. 200 lacs in building and new plant and machinery and towards product and quality upgradation.

Your company is on strong footing with pending orders surpassing the previous year turnover and being a debt free company alongwith necessary internal accruals of funds to carry the company routine business and new investment without need of any external borrowings.

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, Customer, Vendors and Employees in ensuring an excellent all around operational performance.

For & On Behalf of the Board

Place: INDORE
Dated: 8th August, 2011

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR



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 undertaken several initiatives to reduce energy consumptions at different levels. Your Company believes in sustainable consumption of natural resources and the conservation of energy remain a key focus area at all times. The Company gives utmost importance to the conservation of energy as a part of its Corporate Social Responsibility and adopt eco-friendly practices in all areas of operations.

	Current Year 2010-11	Previous Year 2009-10
POWER & FUEL CONSUMPTION:		
1. Electricity (Purchased) Units	753348	695454
Total Amount (Rs.)	4793850	3968551
Rate per Unit (Rs.)	6.36	5.71
2. Electricity (Generated) units	3533	2608
Total Amount (Rs.)	67972	39757
Rate per Unit (Rs.)	19.24	15.24

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 as under :

	Current Year	Previous Year
Earning :	Rs. 56,18,529	Rs.91,12,658
Outgo :	Rs. 1,65,004	Rs. 1,22,145

D PARTICULARS OF THE EMPLOYEES:

The Company does not have any employee whose particulars are required to be furnished under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time

For & On Behalf of the Board

PLACE: INDORE
Dated: 8th August, 2011

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR



CORPORATE GOVERNANCE REPORT

As required under clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report forms part of the Annual Report. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics.

The Corporate Governance Policy of the company is based on principles of equity and ensures the following:

- ◆ Proper composition of the Board of Directors;
- ◆ Timely dissemination of material information to the stakeholders concerning their interests;
- ◆ Adequate Internal Checks and Balances;
- ◆ Transparency and Accountability ; and

- ◆ Compliance with the applicable laws and regulations.

2. BOARD OF DIRECTORS AND THEIR MEETINGS:

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 & the 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 2010-11 the Board of directors met 5 (Five) times on, **29th May 2010; 30th July 2010; 24th September 2010; 30th October 2010 and 12th Feb. 2011.**

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

Name of the Directors	Category	Designation	No. of Board meetings held during the financial Year 2010-11	No. of Board meetings attended during the Financial Year 2010-11	Whether attended last AGM held on September 24, 2010	No. of other Directorship	No. of Committee Chairmanship/ membership in other Companies
Shri Ashok Jain	Promoter & Executive Chairman	Chairman & MD	5	5	Yes	1	Nil
Shri Kunal Jain	Promoter & Executive Director	WTD	5	5	Yes	1	Nil
CA M.K. Shah	Independent/ NED	Director	5	5	Yes	1	Nil
Shri K.C.Jain	Independent/ NED	Director	5	5	Yes	0	Nil
Shri Narendra Kathed	NED	Director	5	4	Yes	0	Nil
Shri D.K. Kemkar	Promoter/ NED	Director	5	4	Yes	4	Nil
Shri Jagdish Garwal*	Independent/ NED	Nominee Of IFCI	5	4	No	0	Nil
Shri Praful R. Turakhia	Independent / NED	Director	5	5	Yes	1	Nil

* Shri Jagdish Garwal ceased to be director w.e.f. 31st March, 2011 due to withdrawal of nomination by IFCI.

3. INFORMATION PLACES BEFORE 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 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 the Board members and members of senior management team of the company. The Board Members and Senior Management of the company have affirmed compliance with the "Code of Conduct" for the year ended March 31, 2011. The code of conduct is posted on the website of the company.

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 K.C. Jain	: Member
Shri D.K.Kemkar	: Member
Shri Jagdish Garwal (Nominee of IFCI)*	: Member

*Shri Jagdish Garwal ceased to be a member of the Committee w.e.f. 31st March, 2011 due to withdrawal of nomination by IFCI.

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

b) Meetings of the Audit Committee:

During the financial year 2010-11 the Audit Committee met 4 (Four) times on, 29th May 2010; 30th July 2010; 30th October 2010; 12th Feb. 2011 under the Chairmanship of CA M.K.Shah, in which proper quorum was present.

The Committee considered the Annual Accounts for the year 2010-11. 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 Jagdish Garwal (Nominee of IFCI)*	: Member

* Shri Jagdish Garwal ceased to be a member of the Committee w.e.f. 31st March, 2011 due to withdrawal of nomination by IFCI.

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

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 of IFCI)*	: Member

*Shri Jagdish Garwal ceased to be a member of the Committee w.e.f. 31st March, 2011 due to withdrawal of nomination by IFCI.

Shri Pramod Jain, Dy. Vice President and the Compliance officer also acting as the Secretary to the Committee. During the year 2010-11, there was no requirement for holding of the meeting of the remuneration committee.

b) 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.

c) 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	0	28,52,911
2	Shri Kunal Jain	Director/ WTD	0	14,04,830
3	Shri K. C. Jain	Director/NED	10,000	0
4	Shri D. K. Kemkar	Director/NED	8,000	0
5	CA M. K. Shah	Director/NED	10,000	0
6	Shri Narendra Kathed	Director/NED	8,000	0
7	Shri Jagdish Garwal	NED/Nominee IFCI	8,000	0
8	Shri Praful R. Turakhia	Director/NED	10,000	0

8. WHISTLE BLOWER POLICY:

The company encourages an open door policy where employees have access to the Head of the Business/ Function. 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
26.09.2008	117,1st floor Navneet Darshan, 16/2 Old, Palasia Indore	2.00 P.M.	One	Nil
25.09.2009	---do---	----do----	Four	Nil
24.09.2010	---do---	----do----	None	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 company regularly intimates its Un-Audited as well as Audited Financial Results to the Stock Exchange immediately after these are taken on record/approved by the Board. These financial results are published in the Free Press Journal (English) and in Chautha Sansar (Hindi), the vernacular newspaper. The results of the company are also available on the website of the company, at www.fluidomat.com.

12. GENERAL INFORMATION FOR SHARE HOLDERS

- (i) **Date, Time and Venue of Annual General Meeting** : 26th September, 2011 at 2.00 P.M. at Regd.Off. at 117,1st Floor, Navneet Darshan, 16/2, Old Palasia, Indore (M.P)
- (ii) **Financial Calendar** : 2011-12
 - First Quarter Results** : Before 14th August, 2011
 - Second Quarter Results** : Before 14th Nov., 2011
 - Third Quarter Results** : Before 14th Feb., 2012
 - Last Quarter Results** : Before 30th May, 2012
- (iii) **Date of Book Closure** : 24th Sept., 2011 to 26th Sept., 2011
- (iv) **Date of Dividend Payment** : With in 7 working days from the date of AGM
- (v) **Board meeting for consideration of Annual Accounts** : 28th May, 2011
- (vi) **Posting of Annual Report** : Before 1st Sept., 2011
- (vii) **Last date for receipt of Proxy** : 24th Sept., 2011
- (viii) **No. of Share holders as on 31.03.2011** : 4961
- (ix) **Listing on Stock Exchanges** : The equity shares of your company are listed on Bombay Stock Exchange Limited, Mumbai. The company has paid listing Fee for the year 2011-12.
- (x) **Scrip Code** : 522017
- (xi) **Demat ISIN No. for CDSL & NSDL** : INE459C01016
- (xii) **Stock Market Data** : Bombay Stock Exchange, Mumbai

High and low during each month in the financial year 2010-11

Month	High (Rs.)	Low (Rs.)	Total volume of shares
April, 2010	33.60	18.85	605924
May, 2010	32.05	25.00	153878
June, 2010	35.65	25.05	304827
July, 2010	33.00	27.50	154600
August, 2010	35.00	28.10	303873
September, 2010	33.80	28.00	138115
October, 2010	39.30	29.60	342205
November, 2010	53.70	34.00	696379
December, 2010	41.50	31.00	132333
January, 2011	35.40	28.00	62765
February, 2011	31.50	22.00	84336
March, 2011	26.35	22.50	46191



(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, 2011, the Company's 4018056 shares are held by shareowners in dematerialised form, aggregating 81.55% of the Equity Share Capital.

No. of shares in physical, NSDL and CDSL as on 31st March, 2011:

- (a) In physical Form : 9,08,944
- (b) In CDSL : 9,42,481
- (c) in NSDL : 30,75,575

(xv) Distribution of Share owning as on 31st March, 2011

Number of Shares	No. of Owners	% of Share holders	Share Amount (Rs.)	% to Total
Upto 1000	2951	59.48	2744160	5.57
1001 -2000	578	11.65	1117940	2.27
2001 -3000	228	4.60	649460	1.32
3001 -4000	118	2.38	458490	0.93
4001 -5000	410	8.26	2040040	4.14
5001 -10000	347	6.99	2930360	5.95
10001-20000	155	3.12	2455360	4.98
20001-30000	49	0.99	1302850	2.64
30001-40000	23	0.46	814940	1.65
40001-50000	29	0.59	1401510	2.85
50001-100000	34	0.69	2389250	4.85
100001- Above	39	0.79	30965640	62.85
Total	4961	100.00	49270000	100.00

(xvi) Shareholders pattern as on 31st March, 2011

Sr.	Category	No. of Shares held	Holding % of shares
A	Promoters Holding		
1	Promoters		
	Indian Promoters	2325781	47.20
	Foreign Promoters	0	0.00
2	Persons Acting in Concert	0	0.00
	Sub Total	2325781	47.20
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)	FII's	0	0.00
	Sub Total	0	0.00
4	Others		
(a)	Private Corporate Bodies	274106	5.56
(b)	Indian Public	2286311	46.41
(c)	NRI/OCBs	40400	0.82
(d)	Any other	402	0.01
	Sub Total	2601219	52.80
	TOTAL	4927000	100.00

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

(xviii) Registrar and Transfer Agents : Ankit Consultancy Pvt. Ltd., Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010
Tel : 0731- 3198601,602
Fax : 0731- 4065798
Email: ankit_4321@yahoo.com

(xix) Share Transfer System : Application for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. All valid transfer are processed within 15 days from the date of receipt.

(xx) Correspondence address for Shareholders in respect of their queries : Ankit Consultancy Pvt. Ltd., Plot No.60, Electronic Complex, Pardeshipura, Indore (M.P) 452010
Tel : 0731-3198601,602
Fax : 0731-4065798
Email: ankit_4321@yahoo.com

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

(xxii) Plant Location, Head Office: 7C-8J, I. S. Gajra Industrial & Address for communication : Area, No.1 A.B.Road, Dewas (M.P.) 455001
Phone No. 07272 258582, 258583, 268100
Fax No. 07272 258581
Email: fludomat@sancharnet.in

For & On Behalf of the Board

ASHOK JAIN

Place: INDORE **CHAIRMAN & MANAGING DIRECTOR**
Date: 8th August, 2011

**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

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: INDORE

Date : 8th August, 2011

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, 2011.

For Fluidomat Limited

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: INDORE

Date : 8th August, 2011

**COMPLIANCE CERTIFICATE ON
CORPORATE GOVERNANCE**

To,
THE MEMBERS
FLUIDOMAT LIMITED

We have examined the compliance of conditions of Corporate Governance by **Fluidomat Limited** ("the Company"), for the financial year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the 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 of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied in all material respects 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 the 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
(ICAI Reg.No.: 006430C)

Place : INDORE
Date : 28th May, 2011

J. P. SARAF
(PARTNER)
Membership No. : 075319

**AUDITORS' REPORT**

**TO
THE MEMBERS,
FLUIDOMAT LIMITED**

1. We have audited the attached Balance Sheet of **FLUIDOMAT LIMITED** ("the Company") as at 31st March, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31st March, 2011 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, 2011; 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 28th Day of May, 2011

(J.P. SARAF)

Partner

Membership No. : 075319

Firm No. : 006430C

**Annexure to the Auditors Report of Fluidomat Ltd. for the year ended 31.3.2011**

(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.13,61,136/- (Commercial Tax (Vat), 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 & 2007-08	The Commissioner M.P. Com. Tax Appellate Board, Bhopal & Deputy Commissioner M.P. Com. Tax division III Indore	2,81,882

- (x) The Company has no accumulated losses as at 31st March, 2011 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 debentures 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 28th Day of May, 2011



BALANCE SHEET AS AT 31st MARCH, 2011

	SCHEDULE	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SOURCES OF FUNDS :			
SHARE HOLDERS FUNDS			
Share Capital	1	4,92,70,000	5,23,60,000
Reserves & Surplus	2	<u>5,38,63,704</u>	<u>3,65,23,857</u>
		<u>10,31,33,704</u>	<u>8,88,83,857</u>
LOAN FUNDS			
Secured Loans	3	<u>97,335</u>	<u>1,24,26,253</u>
		<u>97,335</u>	<u>1,24,26,253</u>
DEFERRED TAX LIABILITY (NET)			
(Refer Note 10 on Schedule 20)		50,86,301	55,48,130
	TOTAL	<u>10,83,17,340</u>	<u>10,68,58,240</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	4	9,72,81,998	9,02,96,698
Less: Depreciation		<u>5,32,80,948</u>	<u>5,00,10,303</u>
NET BLOCK		4,40,01,050	4,02,86,395
Capital Work-in-progress		<u>83,337</u>	<u>0</u>
		<u>4,40,84,387</u>	<u>4,02,86,395</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	5	3,81,00,913	2,20,78,962
Sundry Debtors	6	5,35,30,746	5,06,69,927
Cash and Bank Balances	7	1,75,64,148	1,90,25,153
Loans and Advances	8	<u>49,76,588</u>	<u>62,89,088</u>
		<u>11,41,72,395</u>	<u>9,80,63,130</u>
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	9	3,68,25,366	2,52,64,762
Provisions	10	<u>1,31,14,076</u>	<u>62,26,523</u>
		<u>4,99,39,442</u>	<u>3,14,91,285</u>
Net Current Assets		<u>6,42,32,953</u>	<u>6,65,71,845</u>
	TOTAL	<u>10,83,17,340</u>	<u>10,68,58,240</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 28th Day of May, 2011(Surabhi Pawar)
Company Secretary(Pramod Jain)
Dy. Vice President



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE	Year Ended 31.03.2011 RUPEES	Year Ended 31.03.2010 RUPEES
INCOME			
Sales (Gross)	11	22,51,87,727	19,27,11,389
Less : Excise duties & taxes on sales		<u>2,32,90,568</u>	<u>1,55,11,370</u>
Sales (Net)		20,18,97,159	17,72,00,019
Other Income	12	<u>21,10,961</u>	<u>11,67,891</u>
		20,40,08,120	17,83,67,910
LESS : EXPENDITURE			
Manufacturing, Administrative, Selling and Other exp.	13	<u>16,47,14,417</u>	<u>14,40,86,658</u>
PROFIT BEFORE INTEREST AND DEPRECIATION		3,92,93,703	3,42,81,252
Interest	14	<u>6,71,442</u>	<u>14,16,569</u>
PROFIT BEFORE DEPRECIATION		3,86,22,261	3,28,64,683
Depreciation		<u>35,97,021</u>	<u>33,98,719</u>
PROFIT BEFORE TAXATION		3,50,25,240	2,94,65,964
PROVISION FOR TAXES			
a) Current Tax		1,18,15,539	1,02,42,104
b) Deferred Tax		<u>-4,61,829</u>	<u>9,591</u>
PROFIT AFTER TAX AND BEFORE PRIOR PERIOD ITEMS		2,36,71,530	1,92,14,269
Prior Period Items		<u>-6,05,400</u>	<u>18,513</u>
PROFIT AFTER TAX AND PRIOR PERIOD ITEMS		2,30,66,130	1,92,32,782
Surplus brought forward from previous year		<u>2,91,93,903</u>	<u>1,15,68,621</u>
PROFIT AVAILABLE FOR APPROPRIATION		5,22,60,033	3,08,01,403
APPROPRIATIONS			
a) Transfer from Debenture Redemption Reserve		-32,15,000	16,07,500
b) Proposed Dividend on Equity Shares		49,27,000	0
c) Tax on Dividend		7,99,283	0
d) Surplus carried to Balance Sheet		<u>4,97,48,750</u>	<u>2,91,93,903</u>
		5,22,60,033	3,08,01,403

EARNINGS PER SHARE RS. (Face Value of Rs. 10 each)

Basic	4.68	3.90
Diluted	4.68	3.53

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

SIGNIFICANT ACCOUNTING POLICIES
NOTES TO ACCOUNTS19
20

As per our report of even date

for **J.P.SARAF & CO.**
Chartered Accountants**(JAI PRAKASH SARAF)**
Partner
M. No. 075319
Firm No. 006430CPlace : Indore
Date : This 28th Day of May, 2011**(Kunal Jain)**
Executive Director**(Surabhi Pawar)**
Company Secretary

For and on behalf of the Board

(ASHOK JAIN)
Chairman & Managing Director**(K.C. Jain)**
Director**(Pramod Jain)**
Dy. Vice President**(M.K. Shah)**
Director



SCHEDULES TO THE ACCOUNTS

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
SHARE HOLDER'S FUNDS		
1. SHARE CAPITAL		
Authorised:	5,50,00,000	5,50,00,000
5500000 (Previous year 5500000) Equity Shares of Rs.10/-each		
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 4927000) Equity Shares of Rs. 10/- each	4,92,70,000	4,92,70,000
Of the above shares		
(i) 4456000 (4456000) 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.		
	<u>4,92,70,000</u>	<u>4,92,70,000</u>
B) 30900 10% Redeemable Preference Share of Rs. 100/- each	<u>0</u>	<u>30,90,000</u>
	4,92,70,000	5,23,60,000
2. RESERVES AND SURPLUS		
Capital Reserve		
(i) Capital Subsidy	8,43,504	8,43,504
(ii) Share Forfeiture Account	1,81,450	1,81,450
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)	0	32,15,000
Surplus as per Profit & Loss Account	<u>4,97,48,750</u>	<u>2,91,93,903</u>
	5,38,63,704	3,65,23,857
LOAN FUNDS		
3 SECURED LOANS		
A) Working Capital Loans from Central Bank of India	52,349	54,40,388
B) Vehicle Loans from Banks	44,986	5,55,865
C) 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)	0	64,30,000
	<u>97,335</u>	<u>1,24,26,253</u>

NOTES :

- (i) Various working capital facilities from Central Bank of India are secured by way of hypothecation of inventories, book debts and other movable assets and further secured by second charge on the immovable assets of the company.
- (ii) Vehicle Loans are secured by hypothecation of related vehicle.
- (iii) 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 01.04.2010	ADDITIONS 01.04.2010- 31.03.2011	SALES/ ADJUST- MENTS	COST AS AT 31.03.2011	UPTO 31.03.2010	PERIOD 01.04.2010- 31.03.2011	WRITTEN BACK/ADJ- USTMENT	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
LAND (LEASE HOLD)	275471	0	20622	254849	0	0	0	0	254849	275471
SITE DEVELOPMENT	861080	0	0	861080	216497	14035	0	230532	630548	644583
BUILDING	20414119	902884	0	21317003	6567607	631215	0	7198822	14118181	13846512
PLANT & MACHINERY	58873481	2621826	5879	61489428	38049498	2183547	843	40232202	21257226	20823983
COMPUTERS	2184991	90379	68000	2207370	1230010	241280	59191	1412099	795271	954981
FURNITURE	3053902	82944	0	3136846	2433647	85786	0	2519433	617413	620255
VEHICLES	4633654	3914745	532977	8015422	1513044	441158	266342	1687860	6327562	3120610
TOTAL	90296698	7612778	627478	97281998	50010303	3597021	326376	53280948	44001050	40286395
CAPITAL WORK IN PROGRESS									83337	0
GRAND TOTAL	90296698	7612778	627478	97281998	50010303	3597021	326376	53280948	44084387	40286395
PREVIOUS YEAR	78472374	11946256	121932	90296698	46683836	3398719	72252	50010303	40286395	-

AS AT
31.03.2011
RUPEES

AS AT
31.03.2010
RUPEES

5. INVENTORIES

(As valued and certified by the Management)

Stores and Spares	18,63,248	14,64,056
Raw Materials & Components	2,76,31,835	1,35,21,005
Stock in Process	38,30,622	28,64,934
Finished Goods	46,76,392	41,78,351
Scrap	98,816	50,616
	<u>3,81,00,913</u>	<u>2,20,78,962</u>

6. SUNDRY DEBTORS

(Unsecured & Considered good)

Debts exceeding six months	19,24,885	35,89,654
Other Debts	5,16,05,861	4,70,80,273
	<u>5,35,30,746</u>	<u>5,06,69,927</u>

7. CASH AND BANK BALANCES

Cash in hand	14,451	1,67,644
Balances with scheduled Banks :		
i) In Current Account	10,31,643	12,09,023
ii) In Fixed Deposit	1,65,18,054	1,76,48,486
(Rs.3402528/- against Margin Money Account with Central Bank of India)	<u>1,75,64,148</u>	<u>1,90,25,153</u>

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

	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
8. LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise specified)		
Advances Recoverable in cash or in kind or for value to be received	18,44,450	28,81,430
Accrued Interest	6,67,918	6,23,307
Balance with Central Excise	11,20,942	14,48,592
Tax Deducted at Source	15,829	15,829
Deposit with Government Department	5,02,491	4,61,922
Other Deposits	<u>8,24,958</u>	<u>8,58,008</u>
	<u>49,76,588</u>	<u>62,89,088</u>
9. CURRENT LIABILITIES		
Sundry Creditors	2,50,66,244	1,60,67,186
Other liabilities	<u>1,17,59,122</u>	<u>91,97,576</u>
	<u>3,68,25,366</u>	<u>2,52,64,762</u>
10. PROVISIONS		
Current Income Tax (Net)	19,35,830	12,53,045
Proposed Dividend	49,27,000	0
Tax on Proposed Dividend	7,99,283	0
Bonus	17,67,940	16,37,384
Gratuity to Chairman & Managing Director	0	3,50,000
Leave Encashment	<u>36,84,023</u>	<u>29,86,094</u>
	<u>1,31,14,076</u>	<u>62,26,523</u>
11. SALES & SERVICES		
Sales of finished goods	22,45,17,762	19,23,65,303
(including spares & components)		
Miscellaneous Sales (Scrap)	<u>6,69,965</u>	<u>3,46,086</u>
	<u>22,51,87,727</u>	<u>19,27,11,389</u>
Less : Excise Duties & Taxes on Sales	<u>2,32,90,568</u>	<u>1,55,11,370</u>
Sales (Net)	<u>20,18,97,159</u>	<u>17,72,00,019</u>
12. OTHER INCOME		
Miscellaneous receipt	21,10,961	11,67,891
(Tax deducted at source Rs.191271/- (72349/-)	<u>21,10,961</u>	<u>11,67,891</u>

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

	Year Ended 31.03.2011 RUPEES	Year Ended 31.03.2010 RUPEES
13. MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Raw Material & Components Consumed :		
(a) Aluminium & Others (Schedule'16')	4,78,40,104	3,79,34,444
(b) Boughtout Components (Schedule'17')	4,22,91,672	3,55,57,390
Stores and Spares Consumed (Schedule '18')	67,52,564	54,65,327
Cartage & Freight Inward	19,61,319	14,76,819
Entry Tax	8,87,186	7,24,125
Power & Fuel	60,77,057	50,22,458
Machining charges	43,04,429	34,60,343
Salaries & Wages	3,59,83,791	2,93,34,012
Contribution to Provident & Other Funds	30,88,146	23,58,614
Employees Welfare	4,74,105	2,99,115
Rent	4,22,179	3,82,324
Lease Rent	26,355	26,355
Rates and Taxes	2,15,443	1,71,988
Insurance	2,32,277	2,20,414
Postage Telephone & Courier Expenses	6,38,698	6,45,676
Bank Charges (including Bank Guarantee Commission Rs. 298364/- (113366/-)	8,31,827	5,47,850
Travelling & Conveyance	35,51,850	27,95,031
Vehicle Running & Maintenance Expenses	4,10,816	3,56,245
Factory Expenses	6,60,375	6,87,973
Subscription & Membership	4,23,838	1,05,645
Advertisement & publicity	77,205	62,081
Printing & Stationery	3,14,724	3,35,946
Legal & Professional Charges	3,38,385	5,29,041
Miscellaneous expenses	3,22,571	3,89,249
REPAIRS :		
to Building	2,85,865	1,96,154
to Plant & Machinery	15,06,036	8,03,677
to Other Assets	5,68,476	2,80,827
AUDITORS REMUNERATION :		
Audit Fees	50,000	50,000
Taxation Matters	5,000	5,000
Out of pocket expenses	6,804	10,404
SELLING AND DISTRIBUTION:		
Selling & Distribution expenses	18,69,333	21,54,669
Commissions to Selling Agents	34,33,857	36,89,392
OTHER EXPENSES :		
Loss on sale/write off of Fixed Assets	1,41,349	9,758
Bad Debts	2,32,710	1,60,880
	16,62,26,346	13,62,49,226
Add : Increase/(Decrease) in Stock (Schedule'15)	-15,11,929	78,37,432
	16,47,14,417	14,40,86,658



Schedule to the Accounts (Continued ...)

	Year Ended 31.03.2011 RUPEES	Year Ended 31.03.2010 RUPEES
14. INTEREST		
On Term Loans	0	3,00,903
On Debenturs to IFCI	5,21,447	6,43,000
To Bank	1,49,995	4,72,666
	<u>6,71,442</u>	<u>14,16,569</u>
15. INCREASE/(DECREASE) IN STOCK		
OPENING STOCK:		
Stock in Process	28,64,934	1,12,50,166
Finished goods	41,78,351	36,35,099
Scrap	50,616	46,068
	<u>70,93,901</u>	<u>1,49,31,333</u>
Less : CLOSING STOCK:		
Stock in Process	38,30,622	28,64,934
Finished goods	46,76,392	41,78,351
Scrap	98,816	50,616
	<u>86,05,830</u>	<u>70,93,901</u>
Increase/Decrease in stock	<u>-15,11,929</u>	<u>78,37,432</u>
16. RAW MATERIAL CONSUMED (Aluminium & Others)		
Opening Stock	61,38,544	48,78,169
Add : Purchase	5,78,56,901	4,11,42,530
	<u>6,39,95,445</u>	<u>4,60,20,699</u>
Less: Excise Duty (CENVAT)	35,73,028	19,47,711
	<u>6,04,22,417</u>	<u>4,40,72,988</u>
Less: Closing Stock	1,25,82,313	61,38,544
	<u>4,78,40,104</u>	<u>3,79,34,444</u>
17. BOUGHTOUT COMPONENTS CONSUMED		
Opening Stock	73,82,461	87,58,543
Add : Purchase	5,42,15,042	3,66,43,350
	<u>6,15,97,503</u>	<u>4,54,01,893</u>
Less: Excise Duty (CENVAT)	42,56,309	24,62,042
	<u>5,73,41,194</u>	<u>4,29,39,851</u>
Less: Closing Stock	1,50,49,522	73,82,461
	<u>4,22,91,672</u>	<u>3,55,57,390</u>
18. STORES & SPARES		
Opening Stock	11,06,587	8,65,852
Add : Purchase	72,94,093	58,62,844
	<u>84,00,680</u>	<u>67,28,696</u>
Less: Excise Duty (CENVAT)	2,25,068	1,56,782
	<u>81,75,612</u>	<u>65,71,914</u>
Less: Closing Stock	14,23,048	11,06,587
	<u>67,52,564</u>	<u>54,65,327</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 principles 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 :** Revenue on sales is recognized when the materials are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivables are reasonably expected.
- (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 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
NOTES TO THE ACCOUNTS:		
01) Estimated amount of contracts remaining to be executed On capital account and not provided for	Nil	3,86,861
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.	1,93,71,849	1,50,70,009
(ii) Demands against the Company being disputed not acknowledged as debt and not provided for in respect of :		
(a) Income Tax Demands	59,354	59,354
(b) Sales Tax Demands	1,49,547	84,682
(c) Labour payment	35,007	35,007
(d) Central Excise Demands	26,42,472	0
03) Fixed deposit receipt pledged with :		
(a) Bankers (As margin money against Bank Guarantee)	34,02,528	16,38,486
04) Advance includes :		
(a) Due from the Director of the company Maximum Balance outstanding during the year Rs. 2,86,095/- (51,237/-)	Nil	Nil
05) Miscellaneous Expenses include :		
Charity and Donation	57,751	12,101
06) Auditor's Remuneration:		
(a) Audit Fee	50,000	50,000
(b) Taxation Matters	5,000	5,000
(c) Out of Pocket Expenses	6,804	10,404
07) Expenditure on employee drawing remuneration which in the aggregate is not less than Rs. 60,00,000/- per annum where employed throughout the year or not less than Rs. 5,00,000/- 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 and Dilutive Earning per share is Rs. 4.68. 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>31.03.2011</u>	<u>31.03.2010</u>
Basic Equity Shares (Nos.)	49,27,000	49,27,000
Weighted average of Equity Shares (Nos.) for Basic EPS calculation	49,27,000	49,27,000
ADD : Effect of dilutive common equity share :		
Optionally fully convertible Debentures (OFCD) (Nos.)	<u>0</u>	<u>6,43,000</u>
Dilutive equity share (Nos.)	<u>49,27,000</u>	<u>55,70,000</u>
A Net Profit/(Loss) for the year for basic earning per share	<u>2,30,66,130</u>	1,92,32,782
Add : Forgo of interest on OFCD on its dilution	0	6,43,000
Less : Tax benefit on forgo of interest on OFCDs	<u>0</u>	<u>(2,18,556)</u>
B Net Profit/(Loss) for the year for diluted earning per share	<u>2,30,66,130</u>	<u>1,96,57,226</u>
Earnings for Dilutive EPS	4.68	3.53
Earnings for Basic EPS	4.68	3.90

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>31.03.2011</u>	<u>31.03.2010</u>
Difference of book and tax Depreciation	<u>66,58,884</u>	68,48,526
Less : Deferred tax assets on :		
Expenses allowable u/s 43-B for tax purposes when paid	<u>15,72,583</u>	<u>13,00,396</u>
	<u>15,72,583</u>	<u>13,00,396</u>
Deferred Tax Liability (Net)	<u>50,86,301</u>	55,48,130
Deferred Tax charge for the year	<u>-4,61,829</u>	9,591

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	1776
		(1500)	(1500)	(1471)

* As certified by the Management.

B. SALES & STOCKS :

Class of Goods	SALES		OPENING STOCK		CLOSING STOCK	
	Nos.	Rupees	Nos.	Rupees	Nos.	Rupees
Fluid Couplings	1764	172634013	111	3936119	123	4252045
	(1469)	(150087858)	(107)	(3282944)	(111)	(3936119)
Spares & Components	51883749		242232		424347	
	(42277445)		(352155)		(242232)	

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

Material	Unit	Quantity	Rupees
Aluminum	KG	106950 (99353)	13310370 (10661511)
Other			34529734 (27272933)
Boughtout Components*			42291672 (35557390)

* 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 31.03.2010

D. VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED :

	<u>31.03.2011</u>	<u>%</u>	<u>31.03.2010</u>	<u>%</u>
Raw Material Imported	2068186	2.29	236383	0.32
Indigenous	88063590	97.71	73255451	99.68
E VALUE OF IMPORTS ON CIF BASIS :	1416456		1363881	
F EXPENDITURE INCURRED IN FOREIGN CURRENCY :	165004		122145	
G EARNING IN FOREIGN CURRENCY ON FOB BASIS :				
Export Sales & Services	5618529		9112658	

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

S.No.	Name of the person	Relation	Nature of Transactions	2010-11	2009-10
1	Mr. Ashok Jain	Chairman & Managing Director	Remuneration	2852911	2231084
			Balance Payable at year end	199685	42500
2	Mr. Kunal Jain	Executive Director	Remuneration	1404830	1018306
			Rent of Registered Office	129640	121324
			Balance Payable at year end	69990	37800
3	Mr. Praful R.Turakhia	Director	Sitting Fee	10000	9000
4	Mr. D. K. Kemkar	Director	Sitting Fee	8000	5000
5	Mr. M. K. Shah	Director	Sitting Fee	10000	9000
6	Mr. K. C. Jain	Director	Sitting Fee	10000	8000
7	Mr. Narendra Kathed	Director	Sitting Fee	8000	1000
8	Mr. Jagdish Garwal	Nominee Director of M/s IFCI Ltd.	Sitting Fee	8000	7000
9	Mrs. Pramila Jain	Relative of Director	Remuneration	454265	410772
			Balance Payable at year end	0	10699
10	Mrs. Radhica Sharma	Relative of Director	Remuneration	427450	386258
			Balance Payable at year end	30598	24512
11	Mr. Sundeep Sharma	Relative of Director	Remuneration	468550	418478
			Balance Payable at year end	28494	23707

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
CIN No.	L74210MP1978PLC001452	
Balance Sheet Date	31.03.2011	

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
10,83,17	10,83,17

Sources of Funds :

Paid-up capital	Reserves & Surplus
4,92,70	5,38,64
Secured loans	Unsecured loans
97	Nil
Deferred Tax Liability	
50,86	

Application of Funds :

Net Fixed Assets	Investments
4,40,84	Nil
Net current Assets	Misc. Expenditure
6,42,33	Nil

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

* Turnover	Total Expenditure
20,40,08	16,89,83
Profit/Loss Before Tax	Profit/Loss After Tax
3,50,25	2,30,66
Earning Per Share	Dividend Rate %
4.68	10

* (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 28th day of May, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	2010-11	(Rs. in lacs) 2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	350.25	294.66
Adjustment for :		
Depreciation	35.97	33.99
Loss/ (Profit) on Sale/Discard of Fixed Assets	1.41	0.10
Interest (Net)	(10.51)	7.59
Lease rental net of lease equalisation	0.21	0.21
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	377.33	336.55
Adjustment for :		
(Increase) / Decrease in trade and other receivable	(15.48)	(122.92)
(Increase) / Decrease in Inventories	(160.22)	77.75
Increase / (Decrease) in Trade Payables & provisions	127.22	26.23
CASH GENERATED FROM OPERATIONS	328.85	317.61
Interest Paid	(1.21)	(3.92)
Income Tax Paid	(118.16)	(102.42)
Expenses / Payments related to earlier years	(6.05)	0.19
NET CASH FROM OPERATING ACTIVITIES	203.43	211.46
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(76.96)	(29.66)
Sale of Fixed Assets (Net)	1.39	0.19
Interest Received	17.22	6.58
NET CASH (USED IN) FROM INVESTING ACTIVITIES :	(58.35)	(22.89)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital	(30.90)	0.00
Proceeds from long term & other borrowings	(123.29)	(36.04)
Interest paid	(5.50)	(10.50)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(159.69)	(46.54)
NET INCREASE / (DECREASE) CASH & BANK BALANCES (A+B+C)	(14.61)	142.03
CASH & BANK BALANCE OPENING BALANCE	190.25	48.22
CASH & BANK BALANCE CLOSING BALANCE	175.64	190.25

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)
Company Secretary

(Pramod Jain)
Dy. Vice President

Date : This 28th Day of May, 2011



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 35th Annual General Meeting of the Company held on Monday, 26th day of September, 2011 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 35th Annual General Meeting of the Company, to be held on Monday, 26th day of September, 2011 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 _____ 2011

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