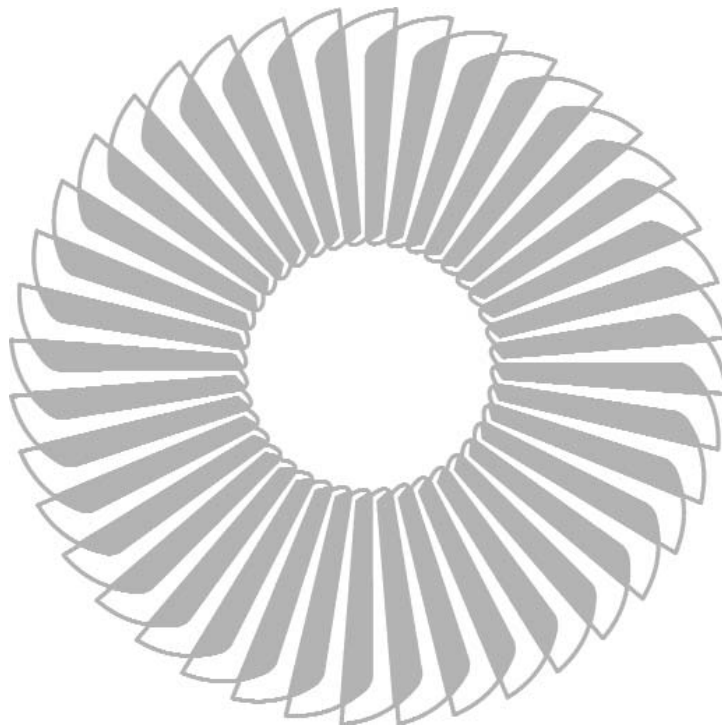


ISO 9001:2008



FM 82849

An ISO 9001:2008 Certified Company



FLUIDOMAT LIMITED

36th Annual Report

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Board of Directors :
ASHOK JAIN *Chairman and Managing Director*
KUNAL JAIN *Executive Director*
M.K. SHAH
K.C. JAIN
NARENDRA KATHED
PRAFUL R. TURAKHIA

Vice President and Compliance officer :
PRAMOD JAIN

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

36th Annual General Meeting

Date : 26th September, 2012
Day : Wednesday
Time : 2.00 p.m.
Place : 117, 1st Floor
'Navneet Darshan'
16/2, Old Palasia,
Indore - 452 018 (M.P.)
Book Closure : 24.09.2012 to 26.09.2012
(Both days inclusive)

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**NOTICE**

NOTICE is hereby given that 36th 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 Wednesday, September 26, 2012 at 2.00 p.m. to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended March 31, 2012 and the Balance Sheet as at that date and 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 Ashok Jain who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Praful R. Turakhia who retires by rotation and being eligible, offers himself for 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, 310 & 311 read with the provisions of Schedule XIII of Companies Act, 1956 and other applicable provisions, and subject to the approval of the Central Government 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 Ashok Jain, as the Chairman & Managing Director of the Company for a further period of 3 years w.e.f. 1st July, 2013 on the total monthly remuneration not exceeding Rs.2,50,000/- per month and on following terms conditions and Perquisites:

OTHER BENEFITS/PEQUISITES:

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. Earned Privilege Leave: As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year of completed services at the end of the tenure.
4. 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.
5. Telephone & Cell: Free use of telephone and internet at his residence and Cell phone, provided that the personal long distance calls on the telephone shall be billed by the Company to the Chairman and Managing 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 Ashok Jain shall be the minimum remuneration payable by the Company.

FURTHER RESOLVED THAT there shall be clear relation of the Company with Shri Ashok 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 Ashok Jain, the Chairman & Managing 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 and to decide break up of his remuneration within the permissible limits in its absolute discretion as may considered 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 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 increase in the salary and allowances payable to Mrs. Pramila Jain as the Manager (Corporate Affairs) of the Company w.e.f. 1st June, 2012 subject to the maximum of Rs.2,00,000 P.M. as may be decided by the Company from time to time 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 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 increase in the salary and allowances payable to Mrs. Radhica Sharma w.e.f. 1st September, 2012 subject to the maximum of Rs.1,00,000 P.M. as may be decided by the Company from time to time 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.
9. 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 increase in the salary and allowances payable to Mr. Sundeep Sharma w.e.f. 1st September, 2012 subject to the maximum of Rs.1,00,000 P.M. as may be decided by the Company from time to time and that he 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.
10. 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. Monica Jain as the Manager (Financial Analyst) of the Company on a total remuneration not exceeding Rs.50,000/- p.m., w.e.f. 1st Sept., 2012, 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.

BY ORDER OF THE BOARD

Place: Indore
Date: 13th August, 2012

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., 2012 to 26th Sept., 2012 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting. The Dividend on equity shares if declared at the meeting, will be credited/dispensed to those members whose names shall appear on the Company's Register of Members on 26th Sept., 2012 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 loaded 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 having unpaid/unclaimed dividend for the financial year 2010-11 Rs.2,38,613/- . Members are requested to please submit their request for obtaining dividend. The amount if any remains unpaid after 7 years from the date of declaration shall be transferred to the Investors Education and Protection Fund of the Central Government.
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	No. of Shares Held & %
Shri Ashok Jain (CMD) Promoter	63 years	BE (Elec.)	42 years in manufacturing of fluid couplings.	01.12.1975	Red Wood Packaging Pvt. Ltd.	1097119 Shares 22.27%
Mr. Praful R. Turakhia Independent/ NED	64 Years	B.E. (Mech.)	39 years in Engineering, Pharma Bulk Drugs & Chemical Industries.	30.01.2009	Ratilal Chemark Pvt. Ltd.	Nil

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

Shri Ashok Jain was re-appointed as the Chairman Cum Managing Director of the Company w.e.f. 01.07.2010 for a period of three years, therefore his tenure shall be over on 30th June, 2013. Upon the recommendation of the Remuneration Committee, the Board of Directors at their meeting held on 13th August, 2012 has re-appointed him for a further period of 3 years w.e.f. 1st July, 2013 and seek approval of the members by way of special resolution for his re-appointment.

Shri Ashok Jain is a technocrat and is a qualified graduate electrical engineer with more than 42 years around experience of design, development of fluid couplings and management of industry. He has developed the fluid coupling technology indigenously and brought India amongst few select companies in the world possessing this technology. At present he is considered best expert in India on fluid couplings including its application, usages and energy saving. He is also recognized internationally by all the competitors and many users/buyers of fluid couplings in many places of world. He is thus key asset of the company and is fully capable to take the company on progressive path with his knowledge and management skills.

Upon the recommendation of the Remuneration Committee, your Board of Directors has considered for his re- appointment at their meeting held on 13th August, 2012 for a further period of three year w.e.f. 1st July, 2013 on the same remuneration, terms and conditions including remuneration as are set out in the draft agreement to be entered into by the Company with Shri Ashok Jain, submitted to the meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limit specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed to between the Board of Directors and Chairman & Managing Director, Shri Ashok Jain. The Board considered that the terms and conditions of the agreement, the salary & perquisites as given in the notice of the meeting, which is commensurate with his sincere efforts and high responsibilities, status and image of the Company. The Board recommend to pass necessary special resolution as set out in Item No. 6 of the notice.

This should be considered also as an abstract of the terms of the re-appointment of Shri Ashok Jain as the Chairman & Managing 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. The requisite details in respect of the Directors/ Managerial persons as required to be provided to Shareholders of the Company in terms of the provisions of Schedule XIII of the Act are stated below:

Information as required in terms of Schedule XIII of the Companies Act, 1956**(I) GENERAL INFORMATION**

1	Nature of Industry:	Engineering
2	Date or expected date of commencement of commercial production:	Not applicable-the Company is an existing Company
3	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not applicable
4	Financial performance of the Company:	Financial Performance of the Company for the year ended 31st March, 2012 Total Income- Rs.2711.56 Lakhs Total Expenditure- Rs.2179.52 Lakhs Profit Before Tax- Rs.532.04 Lakhs Profit after Tax- Rs.357.87 Lakhs
5	Export performance and net foreign exchanges collaborations, if any	Foreign Exchange earnings on FOB basis amounted to Rs. 147.12 Lakhs as against foreign Exchange outgo for Rs. 1.82 Lakhs for the financial year ending 31st March, 2012.
6	Foreign Investments or collaborators, if any	Not Applicable

(II) INFORMATION ABOUT APPOINTEE

1	Background details	Mr. Ashok Jain, aged about 64 years is the Chairman and Managing Director and a core promoter of the Company since its incorporation. He has developed the fluid coupling technology indigenously and brought India amongst few select companies in the world possessing this technology. Mr. Jain is a qualified graduate engineer with more than 42 years around experience of design, development and overall management of the company
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		As a Chairman he provides strategic direction to the Company. He has been the driving force behind the Company's growth. With his knowledge and management skills, company is on growth path and making profits consistently.
2	Past Remuneration	Rs 29,85,273 p.a
3	Recognitions or awards	N.A.
4	Job Profile and his suitability	As above, He is the key asset for the company and his contributions and directions are compulsorily required for the growth and success of the Company.
5	Remuneration Proposed	Rs. 30,00,000 p.a.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration payable is as per general industry norms and commensurate with the operation of the Company and job responsibilities.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person. If any	Mr. Ashok Jain is a Promoter Directors and has been instrumental in bringing significant growth in the volume of business since inception. He is having pecuniary relationship with the Company in his capacity as the Chairman & Managing Director and Promoters. Mr. Ashok Jain is related to Mr. Kunal Jain, Whole Time Director of the Company.
(III) OTHER INFORMATION		
1	Reasons for loss or inadequate profits	The turnover and profits are lower due to over all market conditions.
2	Steps taken for improvement	The Company is taking efforts on implementing other marketing strategies to help increase the sales and thereby increasing profits of the Company.
3	Expected increase in productivity and profits in measurable terms	The productivity and profits are expected to increase by 10-20%.
(IV) DISCLOSURES		
1	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration paid to Mr. Ashok Jain and Mr. Kunal Jain was as stated in the Corporate Governance Report for the year 2011-12.

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

ITEM NO.7 to 9:

Mrs. Pramila Jain is working with the Company since more than 25 years handling responsibility of Manager Corporate Affairs. Looking into her long experience with the Company, the present remuneration payable to Mrs. Pramila Jain is inadequate and needs to be increased suitably from time to time. Therefore the remuneration committee of the Board has considered and approved for increase her remuneration suitably from time to time subject to the maximum of Rs. 2,00,000 p.m.

Mrs. Radhica Sharma and Mr. Sundeep Sharma are working with the Company since more than 6 years in the capacity of Vice President (Purchase) and Vice President (International Marketing) respectively. Looking into their experience with the Company, the present remuneration payable to them is inadequate and needs to be increased suitably from time to time. Therefore the remuneration committee of the Board has considered and approved for increase their remuneration suitably from time to time subject to the maximum of Rs. 1,00,000 p.m.

Since Mrs. Pramila Jain, Mrs. Radhica Sharma and Shri Sundeep Sharma are relatives of Directors Shri Ashok Jain and Shri Kunal Jain, the increase in their remuneration needs approval of the members by way of special resolution as required u/s 314(1)(b) of the Companies Act, 1956. The Board recommend to pass necessary resolution as set out in item no. 7 to 9 of the notice.

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

ITEM NO.10:

Mrs. Monica Jain is M.B.A and CFA was appointed to handle the responsibility of Manager (Financial Analyst) w.e.f. Sept., 2012. Looking into her qualifications the remuneration committee of the Board has considered and approved her appointment subject to the maximum of Rs. 50,000 p.m.

Since Mrs. Monica Jain, is relative of Directors Shri Ashok Jain and Shri Kunal Jain, the appointment needs approval of the members by way of special resolution as required u/s 314(1)(b) of the Companies Act, 1956. The Board recommend to pass necessary resolution as set out in item no. 10 of the notice.

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

BY ORDER OF THE BOARD

Place: Indore
Date: 13th August, 2012

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR



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

Dear Members,

Your Directors have pleasure in presenting the 36th Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS:

The financial performance of the Company, for the year ended March 31, 2012 is summarized below :

(Rupees in Lacs)

Particulars	2011-12	2010-11
Revenue from operation	2684.65	2021.94
Other Income	26.92	18.14
Total Income	2711.57	2040.08
Total Expenses	2138.62	1652.14
Profit before Interest, Depreciation & Tax (EBIDTA)	572.95	387.94
Less: Interest	0.34	6.71
Less: Depreciation	40.57	35.97
Profit before Tax	532.04	345.26
Less: (a) Current Tax	176.24	119.22
(b) Deferred Tax	(2.07)	(4.62)
Net Profit for the year	357.87	230.66
Add: Surplus brought forward from previous year	497.49	291.94
Amount available for appropriation	855.36	522.60
Appropriations:		
(a) Transferred from Debenture Redemption Reserve	-	(32.15)
(b) Transferred to General Reserve	9.00	-
(c) Proposed Dividend on Equity Shares	61.59	49.27
(d) Tax on Proposed Dividend	9.99	7.99
Surplus Carried to Balance Sheet	774.78	497.49
Paid up Equity Share Capital	492.70	492.70
Earning per share (Rs.10/- each) Basic & Diluted (in Rs.)	7.26	4.68

DIVIDEND: Your Directors are pleased to recommend a dividend of Rs. 1.25 per share i.e. 12.50% (previous year 10%) for the financial year ended March 31, 2012. Above dividend would be paid subject to approval by the Members in the ensuing Annual General Meeting (AGM). The proposed dividend will absorb Rs. 71.58 lacs including Dividend Distribution Tax of Rs. 9.99 lacs. The dividend payment is recommended in accordance with company policy to pay sustainable dividend linked to long term growth objectives of the company to be met by internal cash accruals.

OPERATIONAL REVIEW: In the financial year 2011-12, the company continued its strong growth with consistent performance. Total Revenue (including other Income) increased by 33% to Rs. 2711.57 lacs as against Rs. 2040.08 lacs for the previous year. Profit before tax for the year under review increased by 54% as compared to previous year. During the year EPS have increased by 55% to Rs. 7.26 as against EPS of Rs. 4.68 in the corresponding previous year.

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.

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.

Shri Deepak Kemkar did not offer himself for re-appointment at the Annual General Meeting held on 26th Sept., 2011, therefore ceased to be the Director on the Board of the Company. The Board places its sincere appreciation for the valuable guidance and contribution made by Shri Deepak Kemkar through his long time association with the Company.

In terms of Articles of Association of the Company Shri Praful R. Turakhia and Shri Ashok Jain retire by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

The tenure of the Managing Director, Shri Ashok Jain is ending on 30th June, 2013, therefore, your Directors proposes for his re-appointment for a further period of three years w.e.f. 1st July, 2013. Your Directors proposes 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, 2012 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.



AUDITOR: 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.

COST AUDITOR: M/s G.K.Gupta & Co., Cost Accountant in whole-time practice, has been appointed as the cost auditor of the Company for conducting the cost audit of Company's product i.e. Fluid Couplings for the financial year 2012-13.

Pursuant to the provisions of section 209(1)(d) of the Companies Act, 1956, Company is subject to maintenance of Cost Accounting Record and is required to file Compliance Report to the MCA for the financial year 2011-12. Accordingly Company has maintained the prescribed cost records and the compliance certificate shall be filed to the MCA within the stipulated time by the Company.

SECRETARIAL COMPLIANCE CERTIFICATE: Compliance Certificate has been obtained from M/s D. K. Jain & Co. in terms of the provisions of section 383A(1) of the Companies Act, 1956 which is being annexed to the Directors' Report, which is self-explanatory and needs no comments. Annexure B

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

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

HEALTH AND SAFETY: The safety and security of the workers are important things for building healthy work environment. The Company has taken effective measures in the field of health care and safety. Your Company has conducted following activities for building healthy work culture:

1. Regular medical check-up
2. Medical aid facility for the workers and placement of first aid boxes at several places
3. Ensuring safety of the workers by displaying signs, cautionary board, emergency phone calling system.
4. Conducting training programs on the job and after job.
5. Conducting lectures for awareness of hygiene and cleanness.
6. Training to fire marshals and display their contact numbers at various locations.

Your Company belief that healthy and happy working environment is the fundamental rights of every employee and to provide the same as a duty of the Company. Your Company is committed towards providing a healthy working environment in every possible way.

ENVIRONMENTAL PROTECTION: Your Company believes that clean surrounding and health environment adds to the efficiency of the workers. Your Company believes that it is responsibility of the Company to maintain the ecological balance for sustainable development. Your Company aims towards maintaining the harmony and rhythm of the eco system. The eco friendly initiatives adopted by your Company includes:

1. Optimum use of natural resources
2. Implementing the 3R system, reduce, re-use and recycle.
3. Tree plantation campaigns.
4. Regular internal environmental checks.
5. Reduction in process waste.
6. Storage and disposal of hazardous wastes as per statutory requirements.

CORPORATE SOCIAL RESPONSIBILITY Corporate Social Responsibility (CSR) is not a new Concept in India. The only new is that the focus has been shifted from making profits to meeting societal challenges.

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

Your Company is dedicated to serve the society at large. Commitment towards health, safety and environment protection are the core values of the Company. The Company is continuously making efforts to preserve the environment by undertaking various measures such as plantation of trees, encouraging paperless transactions, optimum use of natural resources etc.

Your Company shall continue to undertake more activities and initiatives to improve the quality of life and society at large.

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. Economic Overview: During the year under review the Global economy continues to pass through difficult phase with uncertain economic conditions prevailing in Europe & USA. The GDP growth on Global level is estimated at 3.5% for the year 2012-13 with no signs of improvement in near future.

The Indian economy is in a stagflation phase. Even with increase in repo rate 13 times in a row, inflation is still out of control and now posing liquidity crunch to various industries and adversely affecting profit margins.

The power sector and thus coal mining alongwith Seaport development are the drive engines of Indian economy in current situation. There has been a slowdown in these sectors and some of green field projects are slowed down half way or not taking off.

However the power sector in its present position still offers enough opportunities for your company sales to sustain and grow.

Your company has established itself successfully in industrial Fan application which offers high value added sales opportunity for many years to come. Fan drives are critical application in any industry and with Fluidomat proven technology, quality and reliability many industries in India are approaching your company for supply of fluid couplings for Fan application. Recognizing company proven technology and credibility, BHEL ordered 15 Nos large size Fluid Couplings for up to 2250 KW Fan drives. Part of this order has been executed and supplied.

Your company successfully developed, designed and produced a high size scoop control fluid coupling size 1330 which is required in modern power plants for 11 to 1200 KW, 500 RPM crusher drives. These couplings hitherto were monopoly of a single company in the World. Your company bagged orders for 13 Nos of these couplings from various clients, part of which is already executed and supplied.

Your company continues its marketing efforts in the international market and have recently bagged large order for fluid couplings for Manjung project in Malaysia. The Australian mining sector is also offering high sales opportunities and your company has already entered this market segment with initial orders.

Your company will now focus on African and East European market while continuing its efforts in Pacific Region.

During the year under review your company completed the new Factory shed of 11190 sq.ft. and installed 02 Nos E.O.T. cranes besides new Aluminium melting furnace, band saw machine and other equipments at the cost of Rs. 130 lacs to meet enhanced requirement of production.



Further capital work in progress will be nearing completion by end of December 2012. Company is further considering modernization of plant and Machinery for increasing the quality production, with the expected total capital cost of over Rs. 200 lacs in near future which will be financed through our internal cash accruals.

Supported by high product quality, continuous R&D and product development activities, credibility and excellent client relations, your directors are confident of continuous growth of the company in turnover, profits and market expansion, inspite increasing competitions and inflation.

- 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 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.

BY ORDER OF THE BOARD

Place: Indore
Date: 13th August, 2012

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	Previous Year
	2011-12	2010-11
POWER & FUEL CONSUMPTION:		
1. Electricity (Purchased) Units	734592	753348
Total Amount (Rs.)	5346378	4793850
Rate per Unit (Rs.)	7.28	6.36
2. Electricity (Generated) units	5372	3533
Total Amount (Rs.)	105681	67972
Rate per Unit (Rs.)	19.67	19.24

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.1,47,12,251	Rs. 56,18,529
Outgo :	Rs. 1,81,586	Rs. 1,65,004

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.

BY ORDER OF THE BOARD

Place: Indore
Date: 13th August, 2012

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, Chairman & Managing Director is also assisted by Shri Kunal Jain, Whole-time Director is overall incharge for the affairs of the Company who exercise their powers and discharge their duties under the superintendence and control of the Board of Directors from time to time. The Board of Directors of the company comprises of four non-executive Directors out of them three Directors are independent.

During the financial year 2011-12 the Board of Directors met **4 (Four) times on, 28th May 2011; 8th August 2011; 11th November, 2011 and 7th Feb. 2012.**

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 2011-12	No. of Board meetings attended during the Financial Year 2011-12	Whether attended last AGM held on September 26 th 2011	No. of other Director-ship	No. of Committee Chairmanship/ membership in other Companies
Shri Ashok Jain	Promoter & Executive Chairman	Chairman & MD	4	4	Yes	1	Nil
Shri Kunal Jain	Promoter & Executive Director	WTD	4	4	Yes	1	Nil
CA M.K. Shah	Independent/ NED	Director	4	4	Yes	1	Nil
Shri K.C.Jain	Independent/ NED	Director	4	3	Yes	0	Nil
Shri Narendra Kathed	NED	Director	4	2	Yes	1	Nil
Shri D.K. Kemkar*	Promoter/ NED	Director	4	1	Yes	4	Nil
Shri Praful R. Turakhia	Independent / NED	Director	4	4	No	1	Nil

* Shri D.K. Kemkar ceased to be director w.e.f. 26th September, 2011

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, 2012. The code of conduct is posted on the website of the company.

5. COMMITTEES OF THE BOARD

The committees constituted by the Board of Directors of the Company are as under :

5.1 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 review the functioning of the Whistle Blower mechanism.
9. To appoint the Cost Auditors and review the Cost Auditor Reports/Compliance Report of the Cost accounting Report.
10. To consider and review the Compliance Certificate of the Practicing Company Secretary.
11. To consider the Directors responsibility statement to be given by the Board in the Directors Report.
12. 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.
13. Considering such other matters as may be required by the Board.
14. Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes as amended from time to time.

a) Composition of the Audit Committee:

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

Director	Position	Qualification
CA M.K.Shah	Chairman	B.Com, FCA
Shri K.C.Jain	Member	M.Com
Shri Praful R.Turakhia	Member	B.E. (Industrialist)
Shri D.K. Kemkar	Member*	B.E. (Industrialist)

* Shri D.K. Kemkar ceased to be Director w.e.f. 26th September, 2011.

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

b) Meetings of the Audit Committee:

During the financial year 2011-12 the Audit Committee met 4 (Four) times on, 28th May, 2011; 2nd August, 2011; 11th November, 2011; 7th Feb. 2012 under the Chairmanship of CA M.K.Shah, in which proper quorum was present.

5.2. 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 Praful R. Turakhia (Independent/NED)	: Member

*Shri D.K. Kemkar ceased to be Director w.e.f. 26th September, 2011.

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

5.3 REMUNERATION COMMITTEE:

The Remuneration Committee has been constituted to recommend/review remuneration of the Chairman cum Managing Director and whole time Directors of the Company.

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 Praful R. Turakhia (Independent/NED)	: Member

*Shri D.K. Kemkar ceased to be Director w.e.f. 26th September, 2011.

Shri Pramod Jain, Vice President and the Compliance officer also acting as the Secretary to the Committee. One meeting of the Remuneration Committee was held during the year on August 02,2011 under the Chairmanship of CA M.K.Shah, in which proper quorum was present.

b) Payment to 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	2985273
2	Shri Kunal Jain	Director/ WTD	0	1557546
3	Shri K. C. Jain	Director/NED	10000	0
4	Shri D. K. Kemkar	Director/NED	6000	0
5	CA M. K. Shah	Director/NED	12000	0
6	Shri Narendra Kathed	Director/NED	6000	0
7	Shri Praful R. Turakhia	Director/NED	8000	0



6. 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
25.09.2009	117,1st floor Navneet Darshan, 16/2 Old Palasia Indore	2.00 P.M.	Four	Nil
24.09.2010	---do---	---	None	Nil
26.09.2011	---do---	---	Three	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.

7. DISCLOSURES:

The Company has complied with all the mandatory requirements. The Company's status of compliance with the non-mandatory requirements is given below:

7.1 Non-Executive Chairman's Office:

The Chairman of the Company is the Executive Chairman and hence this provision is not applicable.

7.2 Remuneration Committee

The Company has a Remuneration Committee, the details of which are provided in this report under the section 'Committees of the Board - Remuneration Committee.'

7.3 Shareholder Rights

The quarterly, half yearly and annual financial result of the Company are published in news papers and are posted on the website of the Company and also sent to the Bombay Stock Exchange, where the shares of the Company are listed. The complete Annual Report is sent to every shareholder of the Company.

7.4 Audit Qualifications

It is always the company's endeavour to present unqualified financial statements. There are no audit qualifications in the company's financial statements for the year ended 31st March 2012.

7.5 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 in this regard.

7.6 Disclosure of 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.28 of Notes on Financial Statements.

7.7 Compliance by the Company

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.

8. 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.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by an e-mail to its members. This will ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the company's website i.e. www.fluidomat.com for download by the shareholders.

To support this green initiative of the Government in full measure, member who have not yet registered their e-mail addresses or holding shares in physical form, are requested to register their e-mail addresses with the Depository through their concerned Depository Participant(s), or our RTA at ankit_4321@yahoo.com alongwith your Folio No. and e-mail id.

9. GENERAL INFORMATION FOR SHARE HOLDERS

- (i) **Date, Time and Venue of Annual General Meeting** : 26th Sept., 2012
: at 2.00 P.M. at Regd.Off. at 117,1st Floor, Navneet Darshan, 16/2, Old Palasia, Indore (M.P)
- (ii) **Financial Calendar** : 2012-13
First Quarter Results : On 13th August, 2012
Second Quarter Results : Before 14th Nov., 2012
Third Quarter Results : Before 14th Feb., 2013
Last Quarter Results : Before 30th May, 2013
- (iii) **Date of Book Closure** : 24th Sept., 2012 to 26th Sept.,2012
- (iv) **Date of Dividend Payment** : Within 7 working days from the date of AGM
- (v) **Board meeting for consideration of Annual Accounts** : 30th May, 2012
- (vi) **Posting of Annual Report** : Before 1st Sept., 2012
- (vii) **Last date for receipt of Proxy** : 24th Sept., 2012
- (viii) **No. of Share holders as on 31.03.2012** : 4747



(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 2012-13.

(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 2011-12

Month	High (Rs.)	Low (Rs.)	Total volume of shares
April, 2011	31.40	24.95	67,141
May, 2011	37.40	29.50	70,115
June, 2011	33.75	27.60	55,708
July, 2011	31.65	25.00	51,375
August, 2011	27.90	23.50	1,17,389
September, 2011	30.05	24.55	51,572
October, 2011	31.50	24.90	74,204
November, 2011	32.50	27.00	66,750
December, 2011	31.00	26.20	17,243
January, 2012	31.90	25.65	30,447
February, 2012	34.50	27.30	46,910
March, 2012	41.00	29.50	60,237

(xiii) Status of the investors/shareholders complaints:

- (i) Number of complaints received during the year : 10
- (ii) Number of complaints solved during the year : 10
- (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, 2012, the Company's 4451144 shares are held by shareowners in dematerialised form, aggregating 90.34% of the Equity Share Capital.

No. of shares in physical, NSDL and CDSL as on 31st March, 2012:

- (a) In physical Form : 475856
- (b) In CDSL : 947787
- (c) in NSDL : 3503357

(xv) Distribution of Share owning as on 31st March, 2012

Number of Shares	No. of Owners	% of Share holders	Share Amount (Rs.)	% to Total
Upto 1000	2897	61.03	2682180	5.44
1001 -2000	537	11.31	1042660	2.12
2001 -3000	211	4.45	603630	1.23
3001 -4000	105	2.21	407930	0.83
4001 -5000	388	8.18	1925970	3.91
5001 -10000	303	6.38	2556200	5.19
10001-20000	142	2.99	2219150	4.50
20001-30000	49	1.03	1282210	2.60
30001-40000	20	0.42	716100	1.45
40001-50000	30	0.63	1436850	2.92
50001-100000	30	0.63	2165040	4.39
100001- Above	35	0.74	32232080	65.42
Total	4747	100	49270000	100

(xvi) Shareholding pattern as on 31st March, 2012

Sr.	Category	No. of Shares held	Holding % of shares
A Promoter Holding			
1	Promoters		
	Indian Promoters	2461110	49.95
	Foreign Promoters	0	0.00
2	Persons Acting in Concert	0	0.00
Sub Total		2461110	49.95
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)	500	0.01
(c)	FIs	0	0.00
Sub Total		2461610	49.96
4	Others		
(a)	Private Corporate Bodies	220704	4.48
(b)	Indian Public	2206501	44.78
(c)	NRI/OCBs	36869	0.75
(d)	Any other	1316	0.03
Sub Total		2465390	50.04
TOTAL		4927000	100.00

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

(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 : Ankit Consultancy Pvt. Ltd., Shareholders in respect of their queries
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
Vice President

(xxii) Plant Location, Head Office & Address for communication : 7C-8J, I. S. Gajra Industrial 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

Place: INDORE

Date : 13th August, 2012

ASHOK JAIN

CHAIRMAN & MANAGING DIRECTOR

**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 : 13th August, 2012

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, 2012.

For : Fluidomat Limited

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: INDORE
Date : 13th August, 2012

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, 2012, 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)

RITU JAIN
(PARTNER)
Membership No.: 077553

Place : INDORE
Date : 13th August, 2012

**COMPLIANCE CERTIFICATE**

To,
The Board of Directors,
FLUIDOMAT LIMITED
117, 1st FLOOR, 'NAVNEET DARSHAN'
16/2, OLD PALASIA,
INDORE (M.P.)

We have examined the registers, records, books and papers of FLUIDOMAT LIMITED. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March 2012 (from 01.04.2011 to 31.03.2012)**. In our opinion and to the best of our information and according to the examinations carried and explanations furnished to us by the Company and its management, we certify that in respect of the aforesaid financial year:

1. the company has kept and maintained all registers as stated in **Annexure `A`** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. the company has filed the forms and returns, as stated in **Annexure `B`** to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act, and the Rules made thereunder.
3. the company, being a public limited company, comments are not required.
4. the Board of directors duly met **4 (Four)** times respectively on **28th May 2011; 8th August 2011; 11th November 2011; and 7th February 2012** and in respect of these meetings proper notices were given to the director and the proceedings were properly recorded and signed in the Minutes book maintained for the purpose.
5. the company closed its Register of Members from **24th September 2011 to 26th September 2011** and necessary compliance of section 154 of the Act has been made.
6. an Annual General Meeting for the financial year ended on **31st March, 2011** was held on **26th Sept., 2011** after giving due notice were given to the members of the company and the resolutions passed thereat were recorded in Minutes book maintained for the purpose.
7. no Extra Ordinary General meeting was held by the company during the financial year.
8. the company has not advanced any loans to its directors or persons or firms or companies, referred to under section 295 of the Act.
9. the company has not entered into any contracts as specified in section 297 of the Act.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
11. the company has obtained necessary approvals from the Board of Directors, members pursuant to section 314 of the Act wherever applicable. However, it was not required to seek any approval of the Central Government.
12. the Board of Directors has approved the issue of duplicate share certificates.
13. the company:
 - i. has delivered all the certificate on transfer/transmission of securities during the financial year in accordance with the provisions of the law.
 - ii. has deposited the amount of dividend declared on 26th September 2011 in a separate Bank Account on 28th Sept., 2011 which is within five days from the date of declared dividend.
 - iii. has paid/posted the cheques/warrants transferred the amount in the electronic mode for the dividend to the members within a period of 30 days from the date of declaration and that all unpaid/unclaimed dividend has been transferred to unpaid dividend account of the company.
 - iv. Was not required to transferred any amount to the Investor Education and Protection Fund in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon as no amount was remained unclaimed or unpaid for a period of 7 years.
 - v. has duly complied with the requirements of section 217 of the Act.
14. the Board of Directors of the Company is duly constituted. The appointment of directors liable to retire by rotation were duly made. However, there was no appointment of additional directors, alternate directors and director to fill casual vacancy during the financial year.
15. the re-appointment of Shri Kunal Jain as the Whole-time w.e.f. 1st May, 2012 has been made in compliance with the provisions of section 269 read with the Schedule XIII to the Act and was not required to obtain any approval of the Central Government.
16. the company has not appointed any sole selling agents during the financial year.
17. the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. the directors have disclosed their interest in other firms/companies to the Board of directors pursuant to the provisions of the Act and the rules made there under.
19. the company has not issued any shares, debentures or other securities during the financial year.
20. the company has not bought back any shares during the financial year.
21. there was no redemption of preference shares or debentures during the financial year.
22. there were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the company has not invited/accepted any deposits falling within the purview of section 58A during the financial year. However, it has accepted unsecured loan from its directors, members and relatives, which is exempted under section 58A, read with Companies (Acceptance of Deposits) Rules, 1975.
24. the company has not made any borrowing during the financial year.
25. the company has not made any loans or advances or given guarantees or provided securities to other bodies corporate u/s 372A of the Companies act, 1956 and consequently no entries have been made in the register kept for the purpose.
26. the company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. the company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the Memorandum with respect to name of the company during



- the year under scrutiny.
29. the company has not altered the provisions of the Memorandum with respect to share capital of the company.
 30. the company has altered its Articles of Association after obtaining approval of members in the annual general meeting held on 26th September 2011 and the amendments to the article of association have been duly filed with the Registrar of Companies.
 31. there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year for offences under the Act.

32. the company has not received any money as security from its employees during the financial year.
33. the company has not constituted the Provident Fund pursuant to section 418 of the Act.

**For, D.K.JAIN & CO.
COMPANY SECRETARIES**

**Date: 30th May, 2012
Place: Indore**

**DILIP KUMAR JAIN
PROPRIETOR
CP NO. 2382**

**COMPLIANCE CERTIFICATE
ANNEXURE-A
Registers as maintained by the Company**

S.No	Particulars	Sections
1.	Register of Charges	Section 143
2.	Register of Members	Section 150
3.	Index of Members	Section 151
4.	Registers and returns kept at the Registered Office i) Contracts for appointment of Managing Director/Whole-time Director ii) Annual Returns together with copies of certificate, etc.	Section 163
5.	Minute Book containing minutes of - Board Meeting - Audit Committee Meetings - Remuneration Committee Meeting - Investors Grievance Committee - General Meeting	Section 193
6.	Books of Accounts	Section 209
7.	Register of contracts in which Directors are interested	Section 301
8.	Register of Directors, Manager & Secretaries	Section 303
9.	Register of Director's shareholdings	Section 307
10.	Register of Investments or Loans made, Guarantee or Security provided	Section 372A
11.	Register of Transfer of Shares	Section 108
12.	Register of renewed and duplicate share certificates	Rules 7
13.	Register for payment of Dividend	

**For, D.K.JAIN & CO.
COMPANY SECRETARIES**

**DILIP KUMAR JAIN
PROPRIETOR
CP NO. 2382**

**Date : 30th May, 2012
Place: Indore**

Annexure-B

Forms and Returns as filed by the Company with Registrar of Companies, during the financial year ending 31st March, 2012.

S. No.	Form No.	Section/ Rules	For dated	Filed on dated	Whether Within Time	Whether late filing fee paid	Remarks/ ROC Receipt No./ Dated
1.	23AC & 23ACA	220	31/03/2011	23/12/2011	YES (XBRL)	N.A	P83622431
2.	20B(AR)	159/161	26/09/2011	16/11/2011	YES	N.A	P79339008
3.	Form23	192	26/09/2011	01/10/2011	YES	N.A	B21979968
4.	Form 32	303	31/03/2011	05/04/2011	YES	N.A	B09309899
5.	Form 32	303	26/09/2011	01/10/2011	YES	N.A	B21979679
6.	Form 32	303	15/07/2011	18/07/2011	YES	N.A	B1 6332918

**For, D.K.JAIN & CO.
COMPANY SECRETARIES**

**DILIP KUMAR JAIN
PROPRIETOR
CP NO. 2382**

**Date: 30th May, 2012
Place: Indore**

**AUDITORS' REPORT**

**TO
THE MEMBERS,
FLUIDOMAT LIMITED**

1. We have audited the attached Balance Sheet of FLUIDOMAT LIMITED ("the company") as at 31st March, 2012 and the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, 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, Statement of Profit & Loss and Cash flow Statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31st March, 2012 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 financial statement read together with notes thereon and attached thereto 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, 2012.
 - (b) In case of the Statement of Profit & Loss, of the PROFIT for the year ended on that date.
 - (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
Firm No: 006430C

Place : Dewas
Date : This 30th day of May, 2012

RITU JAIN
PARTNER
M. No.: 077553

**Annexure to the Auditors Report of Fluidomat Ltd. for the year ended 31.03.2012**

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

- (i) In respect of the company's fixed assets:
 - (a) The company has 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 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 procedure of physical verification of inventory followed by the management is 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 not taken/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 provision 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 an 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 section 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the records of the Company, the company is 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 Rs. 14,19,815/- (Commercial Tax, Central Sales Tax & Entry Tax).

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

Nature of Dues	Period to which the amount relates	Forum where matter is pending	Amount (In Rupees)
Sales Tax	2008-09 & 2009-10	Dy. Comm. Of Sales Tax, Div.-III, Indore	10,58,005

- (x) The Company has no accumulated losses as at 31st March, 2012. The Company 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 explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions or Banks as at the Balance Sheet date.
- (xii) In our opinion and according to the information and explanations 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 explanations 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 explanations 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) The Company has not raised any term loan during the year under Audit.
- (xvii) According to the information and explanations 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).
- (xviii) 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.
- (xix) The Company has not issued any debenture during the year.
- (xx) No money has been raised through the Public Issue during the year under Audit.
- (xxi) 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
Firm Registration Number 006430C

Place : Dewas
Date : This 30th day of May, 2012

RITU JAIN
PARTNER
Membership Number : 077553



BALANCE SHEET AS AT 31st MARCH, 2012

	NOTE	AS AT 31 March, 2012 RUPEES	AS AT 31. March, 2011 RUPEES
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	49270000	49270000
Reserves and surplus	2	<u>82492595</u>	<u>53863704</u>
		<u>131762595</u>	<u>103133704</u>
Non-current liabilities			
Deferred tax liabilities (Net)	3	4879426	5086301
Long-term provisions	4	<u>4433498</u>	<u>3684023</u>
		<u>9312924</u>	<u>8770324</u>
Current liabilities			
Short-term borrowings	5	6712517	97335
Trade payables	6	21542624	17843349
Other current liabilities	7	20789775	20917848
Short-term provisions	8	<u>9006952</u>	<u>7494223</u>
		<u>58051868</u>	<u>46352755</u>
Total		<u>199127387</u>	<u>158256783</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	54006685	43731744
Intangible assets		205127	269306
Capital work-in-progress		1208674	83337
Other non current assets	10	<u>2300940</u>	<u>1563576</u>
		<u>57721426</u>	<u>45647963</u>
Current assets			
Inventories	11	38588123	38100913
Trade receivables	12	74481573	53530746
Cash and Bank Balances	13	24069455	17570995
Short-term loans and advances	14	<u>4266810</u>	<u>3406166</u>
		<u>141405961</u>	<u>112608820</u>
Total		<u>199127387</u>	<u>158256783</u>
SIGNIFICANT ACCOUNTING POLICIES			
NOTES ON FINANCIAL STATEMENT			
	1 to 30		

Note : The notes referred to above, form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board

for J.P.SARAF & CO.
Chartered Accountants
Firm No.006430C

(ASHOK JAIN)
Chairman & Managing Director

(RITU JAIN)
Partner
M. No. 077553

(Kunal Jain)
Executive Director

(K.C. Jain)
Director

(M.K. Shah)
Director

Place : Dewas
Date : This 30th Day of May, 2012

(Pramod Jain)
Vice President

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	NOTE	Year Ended 31 March, 2012 RUPEES	Year Ended 31.March, 2011 RUPEES
INCOME			
Revenue from Operations	15	268464790	202194491
Other Income	16	<u>2691671</u>	<u>1813629</u>
Total Revenue		<u>271156461</u>	<u>204008120</u>
EXPENSES :			
Cost of Materials Consumed	17	129566365	92756931
(Increase)/Decrease in Inventories (Finished Goods, Stock-in-Process and Stock -in-Trade)	18	(2022347)	(1511929)
Employee Benefits Expenses	19	45285425	39546043
Finance Costs	20	33995	671442
Depreciation and Amortisation Expense	9	4056817	3597021
Other Expenses	21	<u>41032443</u>	<u>34422425</u>
Total Expenses		<u>217952698</u>	<u>169481933</u>
PROFIT BEFORE TAX		53203763	34526187
Tax Expenses			
a) Current Tax		17623893	11921886
b) Deferred Tax		<u>(206875)</u>	<u>(461829)</u>
PROFIT FOR THE YEAR		<u>35786745</u>	<u>23066130</u>
EARNINGS PER EQUITY SHARE (Face Value of Rs. 10 each)			
Basic & Diluted (in Rs.)	22	7.26	4.68
SIGNIFICANT ACCOUNTING POLICIES			
NOTES ON FINANCIAL STATEMENT 1 to 30			

Note : The notes referred to above, form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board

for J.P.SARAF & CO.
Chartered Accountants
Firm No.006430C

(ASHOK JAIN)
Chairman & Managing Director

(RITU JAIN)
Partner
M. No. 077553

(Kunal Jain)
Executive Director

(K.C. Jain)
Director

(M.K. Shah)
Director

Place : Dewas
Date : This 30th Day of May, 2012

(Pramod Jain)
Vice President



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

	2011-2012 Rs.in lacs	2010-2011 Rs.in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	532.04	345.26
Adjustment for :		
Depreciation	40.57	35.97
Loss/ (Profit) on Sale/Discard of Fixed Assets	(0.59)	1.41
Interest (Net)	(19.81)	(10.51)
Lease rental net of lease equalisation	0.21	0.21
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>552.42</u>	<u>372.34</u>
Adjustment for :		
(Increase) / Decrease in trade and other receivable	(225.49)	(15.41)
(Increase) / Decrease in Inventories	(4.87)	(160.22)
Increase / (Decrease) in Trade Payables & provisions	44.01	127.22
CASH GENERATED FROM OPERATIONS	<u>366.07</u>	<u>323.93</u>
Interest Paid	(0.34)	(1.21)
Income Tax Paid	(176.24)	(119.22)
NET CASH FROM OPERATING ACTIVITIES	<u>189.49</u>	<u>203.50</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(154.92)	(76.96)
Sale of Fixed Assets (Net)	1.37	1.39
Interest Received	20.15	17.22
NET CASH (USED IN) FROM INVESTING ACTIVITIES :	<u>(133.40)</u>	<u>(58.35)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital	0.00	(30.90)
Proceeds from short term borrowings	66.15	(123.29)
Payment of Dividend	(57.26)	0.00
Interest paid	0.00	(5.50)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	<u>8.89</u>	<u>(159.69)</u>
NET INCREASE / (DECREASE) CASH & BANK BALANCES (A+B+C)	<u>64.98</u>	<u>(14.54)</u>
CASH & BANK BALANCE OPENING BALANCE	<u>175.71</u>	<u>190.25</u>
CASH & BANK BALANCE CLOSING BALANCE	<u>240.69</u>	<u>175.71</u>

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

As per our report of even date

for J.P.SARAF & CO.
Chartered Accountants
Firm No.006430C

(RITU JAIN)
Partner
M. No. 077553

(Kunal Jain)
Executive Director

(K.C. Jain)
Director

(M.K. Shah)
Director

Place : Dewas
Date : This 30th Day of May, 2012

For and on behalf of the Board

(ASHOK JAIN)
Chairman & Managing Director

(Pramod Jain)
Vice President



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
1 SHARE CAPITAL:		
Authorised Share Capital	55000000	55000000
5500000 (Previous year 5500000) Equity Shares of Rs.10/-each		
50000 (Previous year 50000) 10% Redeemable Preference Shares of Rs. 100/- each	<u>5000000</u>	<u>5000000</u>
Issued, Subscribed & Paid up	49270000	49270000
4927000 (Previous year 4927000) Equity Shares of Rs. 10/- each fully paid up	<u>49270000</u>	<u>49270000</u>

1.1 471000 Equity Shares of Rs. 10/- each out of the issued, subscribed and paid up share capital were allotted to IFCI Ltd. on 30.10.2003 as fully paid up pursuant to the restructuring package for a consideration other than cash.

1.2 Shares redeemed during the period of five years immediately preceding the reporting date ;
30900 10% Redeemable Preference Share of Rs.100/- each redeemed to IFCI Ltd. On 21/01/2011.

1.3 The details of shareholders holding more than 5% Shares :

Name of the Shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Shri Ashok Jain	1097119	22.27%	1034741	21.00%
Shri Kunal Jain	1029376	20.89%	957267	19.42%

1.4 The Reconciliation of the number of shares outstanding is set out below :

Equity Shares	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the year	4927000	49270000	4927000	49270000
Outstanding at the end of the year	4927000	49270000	4927000	49270000

Preference Shares	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period	-	-	30900	3090000
Redeemed during the period	-	-	30900	3090000
Outstanding at the end of the period	-	-	Nil	Nil

1.5 The Company has issued and subscribed equity shares having par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
2 RESERVES AND SURPLUS:		
2.1 Capital Reserve		
Balance as per last Balance Sheet	<u>1024954</u>	<u>1024954</u>
2.2 Capital Redemption Reserve		
Balance as per last Balance Sheet	<u>3090000</u>	<u>3090000</u>
2.3 General Reserve		
Opening Balance	0	0
Add: Transferred from Surplus	<u>900000</u>	<u>0</u>
Closing Balance	900000	0
2.4 Surplus		
Opening Balance	49748750	29193903
Add: Profit for the year	<u>35786745</u>	<u>23066130</u>
	85535495	52260033
Less: Appropriations:		
Transferred to General Reserve	900000	-
Transferred from Debenture Redemption Reserve	-	(3215000)
Proposed dividend on Equity Shares #	6158750	4927000
Tax on Proposed Dividend	<u>999104</u>	<u>799283</u>
Closing Balance	<u>77477641</u>	<u>49748750</u>
	82492595	53863704
2.5 Capital Reserve (2.1) includes Capital Subsidy Rs. 843504 (Previous year Rs. 843504) and Share Forefeiture amount Rs. 181450 (Previous year Rs. 181450). Capital Redumption Reserve (2.2) is related to redumption of 10% Redeemable Preference Shares. # Dividend Proposed to be distributed to Equity Shareholders is Rs. 1.25 (Previous year Re. 1) per Equity Share.		
3 DEFERRED TAX LIABILITY (Net)		
Deferred Tax Liability		
Difference of Depreciation on Fixed Assets	6702189	6658884
Deferred Tax Assets		
Disallowable under the Income Tax Act, 1961#	<u>1822763</u>	<u>1572583</u>
	4879426	5086301
Deferred Tax credited to Profit & Loss Account is Rs. 206875 (Previous year Rs. 461829) # Aggregate unpaid expenses u/s 43-B of Income Tax Act		
4 LONG -TERM PROVISIONS		
For Employee Benefits	<u>4433498</u>	<u>3684023</u>
(Leave Encashment)	<u>4433498</u>	<u>3684023</u>
5 SHORT TERM BORROWINGS		
(Secured)		
Working Capital Loans from Bank	6712517	52349
Vehicle Loans from Bank	<u>0</u>	<u>44986</u>
	6712517	97335



5.1 Working capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts and further secured by first charge on the immovable assets including other movable assets of the company.

5.2 Vehicle loans are secured by hypothecation of related vehicles.

5.3 The above mentioned loans are also secured by personal guarantee of Mr. Ashok Jain, Chairman and Managing Director of the company (For working capital facilities Smt. Pramila Jain has also extended her personal guarantee.)

6 TRADE PAYABLES

<u>21542624</u>	17843349
<u>21542624</u>	<u>17843349</u>

6.1 The company has issued letter to supplier or service providers for their status whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006. No such status replied by parties and therefore, it is not possible to give the information required under the Act.

7 OTHER CURRENT LIABILITIES

Unclaimed Dividends	238613	0
Advance from Customers	3515963	4853622
Other Liabilities #	<u>17035199</u>	<u>16064226</u>
	<u>20789775</u>	<u>20917848</u>

Includes Statutory Dues, Liability for expenses and Trade Deposits.

8 SHORT TERM PROVISIONS

Provision for Bonus to Employees	1849098	1767940
Others:		
Proposed Dividend	6158750	4927000
Tax on Proposed Dividend	<u>999104</u>	<u>799283</u>
	<u>9006952</u>	<u>7494223</u>

9. FIXED ASSETS :

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 01.04.2011	ADDITIONS 01.04.2011- 31.03.2012	SALES/ ADJUST- MENTS	COST AS AT 31.03.2012	UPTO 31.03.2011	PERIOD 01.04.2011- 31.03.2012	WRITTEN BACK/ADJ- USTMENT	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
TANGIBLE ASSETS:										
LAND (LEASE HOLD)	254849	0	20622	234227	0	0	0	0	234227	254849
SITE DEVELOPMENT	861080	0	0	861080	230532	14036	0	244568	616512	630548
BUILDING	21317003	8317910	0	29634913	7198822	646405	0	7845227	21789686	14118181
PLANT & MACHINERY	61489428	4793127	597983	65684572	40232202	2354568	519606	42067164	23617408	21257226
COMPUTER	1649087	22772	0	1671859	1123122	143567	0	1266689	405170	525965
FURNITURE	3136846	12995	0	3149841	2519433	59475	0	2578908	570933	617413
VEHICLES	8015422	1219774	0	9235196	1687860	774587	0	2462447	6772749	6327562
TOTAL	96723715	14366578	618605	110471688	52991971	3992638	519606	56465003	54006685	43731744
INTANGIBLE ASSETS:										
SOFTWARE	558283	0	0	558283	288977	64179	0	353156	205127	269306
TOTAL	97281998	14366578	618605	111029971	53280948	4056817	519606	56818159	54211812	44001050
CAPITAL WORK IN PROGRESS (TANGIBLE ASSETS)									1208674	83337
GRAND TOTAL	97281998	14366578	618605	111029971	53280948	4056817	519606	56818159	55420486	44084387
PREVIOUS YEAR	90296698	7612778	627478	97281998	50010303	3597021	326376	53280948	44084387	40286395



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
10 OTHER NON CURRENT ASSETS		
Business Deposits	<u>2300940</u>	<u>1563576</u>
	2300940	1563576
11 INVENTORIES		
Raw Materials and Components (Refer Note No. 17.3)	26171898	27631835
Stock-in-Process	4853449	3830622
Finished Goods	5677000	4676392
Stores and Spares	1788048	1863248
Scrap	<u>97728</u>	<u>98816</u>
	38588123	38100913
For mode of valuation refer Point 'C' of Significant Accounting Policies		
12 TRADE RECEIVABLES (Unsecured and Considered Good)		
Over Six Months	4101651	1924885
Others	<u>70379922</u>	<u>51605861</u>
	74481573	53530746
13 CASH AND BANK BALANCE		
Balances With Banks #	1746314	1038490
Cash on Hand	169800	14451
Fixed Deposit with Banks *	22153341	16518054
(Rs. 3559940/- (P.Y. 3402528/-) as margin money against Bank Guarantee	<u>24069455</u>	<u>17570995</u>
# Balance with Banks includes Unclaimed Dividend of Rs. 238613/- (Previous Year Nil)		
* Fixed Deposit with Banks include Deposits of Rs. 2809786/- (Previous Year Rs.2020000/-) with maturity of more than 12 months.		
14 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Advance recoverable in cash or kind or for value to be received	2845964	1616753
Balance with Central Excise Authorities	621067	1120942
Advance to Sundry Creditors	<u>799779</u>	<u>668471</u>
	4266810	3406166
15 REVENUE FROM OPERATIONS:		
15.1 Sale of Products (Including spares & components)	298113881	224517762
15.2 Income from Services	670683	327962
15.3 Scrap Sales	<u>581855</u>	<u>669965</u>
Revenue from Operations (Gross)	299366419	225515689
Less: Excise Duty & Service Tax Recovered	23480331	17782763
Less: Sales Tax & Vat Recovered	<u>7421298</u>	<u>5538435</u>
Revenue from Operations (Net)	268464790	202194491



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	Year ended 31st March, 2012 Rupees	Year ended 31st March, 2011 Rupees
16 OTHER INCOME:		
16.1 Interest Income on:		
Bank Deposit	1968355	1693241
Others	46937	29127
16.2 Profit on Sale of Fixed Assets	89925	0
16.3 Other Non-Operating Income	586454	91261
(Includes Foreign Exchange Fluctuation gain of Rs.573534/- (Previous year 38453/-))	<u>2691671</u>	<u>1813629</u>
17 COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	27631835	13521005
Add: Purchase	<u>128106428</u>	<u>106867761</u>
	155738263	120388766
Less: Inventory at the end of the year	26171898	27631835
Cost of Material Consumed	<u>129566365</u>	<u>92756931</u>
17.1 Imported and Indigenous Raw Material Consumed		
Raw Material Consumed - Indigenous	67970421	49195335
Component Consumed - Indigenous	60905160	41493410
Component Consumed - Imported	690784	2068186
	<u>129566365</u>	<u>92756931</u>
	100.00%	100.00%
17.2 Details of Raw Material Consumed		
Raw Material Aluminium	18916466	13694268
Raw Material Cast Iron & Steel	49053955	35501067
Raw Material Boughtout Components	61595944	43561596
	<u>129566365</u>	<u>92756931</u>
17.3 Details of Inventory of Raw Material at the end of the year		
Raw Material Aluminium	932890	2419727
Raw Material Cast Iron & Steel	8663185	10162586
Raw Material Boughtout Components	16575823	15049522
	<u>26171898</u>	<u>27631835</u>
18 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE Inventories (at Close)		
Finished goods	5677000	4676392
Stock in Process	4853449	3830622
Scrap	97728	98816
	<u>10628177</u>	<u>8605830</u>
Inventories (at Commencement)		
Finished goods	4676392	4178351
Stock in Process	3830622	2864934
Scrap	98816	50616
	<u>8605830</u>	<u>7093901</u>
(Increase)/Decrease in stock	<u>(2022347)</u>	<u>(1511929)</u>
18.1 Details of Stock in Process		
Cast Iron & Steel Components	4017271	2987463
Aluminium Components	836178	843159
	<u>4853449</u>	<u>3830622</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

	Year ended 31st March, 2012 Rupees	Year ended 31st March, 2011 Rupees
19 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	41215606	35983791
Contribution to Provident & Other Funds	3604665	3088146
Staff Welfare Expenses	<u>465154</u>	<u>474106</u>
	45285425	39546043
20 FINANCE COST		
Interest to Bank	<u>33995</u>	<u>671442</u>
	33995	671442
21 OTHER EXPENSES:		
Manufacturing Expenses		
Consumption of Stores and Spares	8926966	6923426
Power and Fuel	7772975	6090737
Machining and Other Job Work Charges	5354170	4304429
Repairs to Plant and Machinery	1407968	1544844
Repairs to Building	102913	285865
Lease Rent (Includes Amortisation Expenses Rs. 20622 (P. Y. Rs. 20622))	26355	26355
Selling and Distribution Expenses		
Distribution Expenses	1680222	760938
Sales Commission	5105613	3433857
Sales Promotion	113869	129465
Bad Debts/Liquidated Damages	1023340	649985
Service Tax & E.cess on Goods Transport by Road	40482	25635
Other Establishment Expenses		
Legal & Professional Fees	312042	338385
Rent	460816	422179
Rates and Taxes	265965	215443
Insurance	315561	232277
Bank Charges	1046156	831827
Communication Cost	646534	638698
Other Repairs	300526	568476
Travelling and Conveyance	3519752	3551850
Directors Sitting Fees	42000	54000
Vehicle Running and Maintenance Expenses	401667	410816
Payment to Auditors :		
Audit Fees	60000	50000
Taxation matters	7000	5000
Reimbursement of Expenses	9743	6804
Loss on Sale/Discard of Fixed Assets	30902	141349
Charity and Donation	24000	57751
Security Charges	388029	310064
Subscription & Membership Fee	261983	423837
Advertisement & Publicity	114032	77205
Printing & Stationery Expenses	514743	363187
Miscellaneous Expenses	<u>756119</u>	<u>1547741</u>
	41032443	34422425
21.1 Imported and Indigenous Stores and Spares Consumed		
Stores and Spares Consumed - Indigenous (100%)	<u>8926966</u>	<u>6923426</u>
	8926966	6923426
21.2 Prior Period Item (Included in Miscellaneous Expenses)		
Debit relating to earlier year	4743	502828
Credit relating to earlier year	<u>(23979)</u>	<u>(3775)</u>
	(19236)	499053
22 Earning Per Equity Share (EPS)		
(i) Net Profit after tax as per statement of Profit & Loss Account	35786745	23066130
(ii) Weighted Average number of equity shares	4927000	4927000
(iii) Basic and Diluted Earnings per share (Rs.)	7.26	4.68



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

	Year ended 31st March, 2012 Rupees	Year ended 31st March, 2011 Rupees
23 Contingent Liabilities and Commitments (To the extent not provided for) (As certified by the Management)		
23.1 Estimated amount of contracts remaining to be executed on capital account	2450000	Nil
23.2 Contingent Liabilities		
(i) Counter Guarantees given to the Bank in respect of Guarantees given by them on behalf of the company.	22529065	19371849
(ii) Demands against the Company being disputed not acknowledged as debt and not provided for in respect of :		
(a) Income Tax	0	59354
(b) Sales Tax	1175705	149547
(c) Labour payment	14256	35007
(d) Central Excise #	5312806	2642472
# Show cause notice received from department and duly replied.		
24 Value of Imports on C.I.F. basis		
Raw material Components	549493	1416456
25 Expenditure in Foreign Currency		
Travelling Expenses	181586	165004
26 Earnings in Foreign Currency on FOB basis :		
Export Sales & Services	14712251	5618529
27 Remittance in Foreign Currency on Account of Dividends :		
(a) Year to which the dividend relates	2010-11	2009-10
(b) Number of non resident shareholders to whom remittances were made	27	Nil
(c) Number of shares on which remittances were made	37866	Nil
(d) Amount remitted in (Rs.)	37866	Nil
28 Transactions during the year with related parties		

S.No.	Name of the person	Relation	Nature of Transactions	2011-12	2010-11
1	Mr. Ashok Jain	Chairman & Managing Director	Remuneration	2985273	2852911
2	Mr. Kunal Jain	Executive Director	Remuneration	1557546	1404830
			Rent of Registered Office	136241	129640
3	Mr. Praful R.Turakhia	Director	Sitting Fee	8000	10000
4	Mr. D. K. Kemkar	Director	Sitting Fee	6000	8000
5	Mr. M. K. Shah	Director	Sitting Fee	12000	10000
6	Mr. K. C. Jain	Director	Sitting Fee	10000	10000
7	Mr. Narendra Kathed	Director	Sitting Fee	6000	8000
8	Mr. Jagdish Garwal	Nominee Director of IFCI Ltd.	Sitting Fee	0	8000
9	Mrs. Pramila Jain	Relative of Director	Remuneration	529252	454265
10	Mrs. Radhica Sharma	Relative of Director	Remuneration	527903	439600
11	Mr. Sundeep Sharma	Relative of Director	Remuneration	565243	478648
12	Mrs. Sunaina Jain	Relative of Director	Remuneration	105919	-

29 The financial statement for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised schedule VI. Accordingly, the previous year figures have also been reclassified to conform to current years classifications.

30 Significant Accounting policies & practices adopted by the company are disclosed in the statement annexed to these financial statements as annexure 1.

**Annexure 1****STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES:****(Annexed to and forming part of the Financial Statement for the year ended 31st March, 2012)**

- A Basis of Preparation of Financial Statements:** 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 are in conformity with the generally accepted accounting principles which require use of estimates and assumption to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between, the actual results and estimate are recognized in the period in which the results are known / materialized.
- C Inventories :** Inventories of raw materials and stores and spares are valued at weighted average cost net of duties and taxes in terms of AS-2, finished goods and Stock-in-Process are valued at lower of cost or net realisable value and Scrap is valued at net realisable value.
- D Revenue Recognition :**
- All Incomes & Expenditures are accounted on accrual basis, as they are earned or incurred.
 - 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 is reasonably expected.
- E Fixed Assets :** Fixed Assets are stated at cost of acquisition [Net of indirect tax input as the case may be] less accumulated depreciation. The cost includes the purchase price, taxes, freight and other incidental expenses incurred in relation to acquisition and installation of the assets.
When assets are sold or discarded, their cost and accumulated depreciation are removed from respective balances and any gain or loss arising is included in the Statement of Profit & Loss.
- F Depreciation :** Depreciation on fixed assets has been provided on straight-line method at the rates specified in schedule XIV of the Companies Act, 1956, as applicable.
Depreciation on assets purchased/sold during the year has been provided on pro-rata basis.
Cost of Lease hold Land is Amortized over the period of lease.
- G Foreign Currency Transactions :**
- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
 - Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
 - Remittances not received until the end of the year are considered at the closing exchange rate as applicable. Difference between realization against debtors in the subsequent year and outstanding debtors is recognized as exchange differences in the Statement of Profit and Loss.
- H Government Grants :** Capital Subsidy shown under Capital Reserves.
- I Employee Benefits :**
- Short term employee benefits are recognized as expenses in the Statement of Profit and Loss of the year in which service is rendered.
 - Contribution to defined contribution scheme such as Provident Fund, Family Pension Fund and ESI Fund are charged to the Statement of Profit & Loss.
 - 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 Statement of Profit & Loss of the year equivalent to the premium amount payable as per the actuarial valuation made by LIC of India.
 - Leave encashment is charged to revenue on accrual basis.
- J Borrowing Cost :** Borrowing cost that is directly attributable to the acquisition of qualifying assets is 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.
- K 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.
- L Related Party Disclosure:** Disclosures, regarding related parties and transactions with them, as required in terms of Accounting Standard 18 issued by ICAI, has been made at the relevant places in the notes to accounts.
- M Contingent Liability :** Contingent liabilities, which are considered significant and material by the Company and not provided for are disclosed in the Notes to Accounts.
- N Taxes on Income :** Provision for Current tax is made after taking into consideration benefits admissible under the provisions of the Income -tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.
- O Impairment of Assets :**
The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of asset exceeds the recoverable amount. During the year no impairment in any assets has been identified by the Company.

**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 36th Annual General Meeting of the Company held on Wednesday, 26th day of September, 2012 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 36th Annual General Meeting of the Company, to be held on Wednesday, 26th day of September, 2012 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 _____ 2012

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