

# **Script of the 44th Annual General Meeting of Fluidomat Limited held on 26th September, 2020 through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”)**

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Good afternoon. Everyone.

I am Devendra Sahu, Company Secretary & Compliance Officer of your Company. It is my pleasure to extend you all a very warm welcome in this 44th AGM on behalf of Fluidomat Limited.

As all of us very well aware that due to Covid-19 pandemic, the physical presence of the Members at a common venue is not possible.

Therefore the Ministry of Corporate Affairs has vide its circular dated 5th May 2020, read with circulars dated 8th April 2020 and 13th April 2020, permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members.

Shareholders are requested to please join the meeting, through laptops or I pad for better experience and to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please ensure that there should be no background sound.

Now, before starting the annual general meeting, I would like to take a moment to introduce our Board of Directors.

Please, Welcome Shri Ashok Jain, Chairman and Managing Director of the Company.

Shri M K Shah, Independent Director of the Company and he is also the Chairman of Audit Committee Stakeholder Relationship Committee and CSR Committee.

Shri Khushal Chandra Jain Independent Director of the Company and Chairman of Nomination & Remuneration Committee and Corporate Compliance Committee.

Shri Praful Turakhia Independent Director of the Company.

Mrs. Radhica Sharma, Deputy Managing Director and Shri Kunal Jain Executive Director of the Company is attending the meeting from other location. I request to Mrs. Radhica Sharma please introduce yourself.

Over to you, ma'am, please introduce yourself

Now I request to Shri Kunal Jain executive director of the please introduce yourself.

We are honoured with the presence of Board of Directors. We welcome you all.

Apart from the Directors. Mrs. Monica Jain CFO of the Company, Shri C.P. Rawka, Statuary Auditor, Shri D K Jain, Secretarial Auditor of the Company and CS Ishan Jain, Scrutinizer for the E-voting process are also attending the meeting.

Dear Shareholders,

I would like to inform you all that quorum is present as per the requirement of companies Act, 2013 & Secretarial Standard issued by ICSI.

Therefore, the Meeting may be commenced.

I would like to request the Chairman to call the meeting in order and address to the shareholders.

I call the waiting in order.

It gives me immense pleasure in welcoming you to the 44th Annual General Meeting of your company.

Let me begin by wishing you good health and safety in these troubled times. At the outset I hope you and your family stay safe and protected from Covid-19 pandemic.

We are indeed living through very unusual times and your company has successfully faced the challenge of Covid-19 pandemic by immediately mobilizing efforts to protect employees and our immediate communities.

I would also like to take this opportunity to show my immense gratitude to all our frontline heroes – police personnel, doctors, health workers and sanitation workers – for their efforts in keeping us safe.

With the Covid-19 pandemic impacting economies, lives and livelihood all over the world, the company's sales were also impacted during last quarter of financial year.

In the present situation the Indian and Global economy are in uncertainty and unpredictable phase to make any assessment and projection.

The company has posted a total revenue from operations of Rs. 2717 lakhs during the current financial year 2019-20 as against Rs. 2789.49 lakhs in the previous financial year 2018-19 representing decrease in total revenue of 2.60% due to complete work shut down from 23rd March, 2020 onwards.

During the year ended on March 31, 2020 the earnings before interest, depreciation and tax has been increased to Rs. 494.18 lakhs as against EBIDTA of Rs. 403.09 lakhs in the corresponding previous year.

The net profit of the company has been increased to Rs. 299.08 lakhs during the current financial year 2019-20 as compared to Rs. 237.44 lakhs during the previous financial year.

During the financial year 2019-20 company has booked the orders of Rs. 3194.87 lakhs as against order booking of Rs. 2905.71 lakhs in the previous financial year which is higher by 9.95%.

At present Fluidomat has pending orders to suffice for next one year production.

A new series of scoop control couplings has been introduced which have major application in high speed pumps and fans. A new series of couplings for combustion engine drives is in trial production phase.

Due to restrictions on travelling in pandemic situation physical inspection of our products is not possible by the buyers. Fluidomat therefore implemented ON-LINE inspection and successfully carried out several inspections by various agencies including NTPC, Thyssen Krupp etc.

I announce that the Director's Report including Management Discussions and Analysis, Standalone & Consolidated Auditor Report, Standalone & Consolidated Audited Accounts and Secretarial Audit Report of the Company for the year ended 31st March, 2020 are already with you.

During the year under review, your company has incorporated a wholly owned foreign subsidiary in the name of Fluidomat UK Pvt. Ltd. on 26th June, 2019 and the said subsidiary is yet to commence commercial operations, therefore there is no change in the earning as such.

It gives me great pleasure to inform you that the Board of Directors declared and paid interim dividend of 22.50% (Rs. 2.25 per share) on 06.03.2020 for the financial year 2019-20 as against dividend payment of 20% (Rs. 2.00 per share) in the previous financial year 2018-19. Interim dividend already paid to be considered as final dividend.

Your company has contributed Rs. 10.72 lakhs to the Society by contributing in Corporate Social Responsibility (CSR) activities during the financial year 2019-20. under its CSR program.

Your Company with accreditation of ISO:9001-2015, ISO:14001-2015 & OHSAS:18001-2007 and with indigenous technology is in strong position to earn business from various industrial sectors in domestic and international front.

I would like to take this opportunity to thank our directors on board for their interest, sharing their expertise and their wise counsel and look forward to their support.

As we continue our journey to create long-term value for our stakeholders, I would like to thank all the shareholders for reposing confidence in Fluidomat strategy.

I would also like to thank the governments, customers, suppliers and lenders for their relentless support to the Company. The employees, unions and the Management team have worked very hard during the year and I would like to thank them for their tireless commitment to the Company.

Also the Company's employees efforts and dedication during difficult pandemic situation deserves appreciation and applaud. Finally, I look forward to your continued and valuable support in the years to come.

I wish all our Investors & Stakeholders a Happy and Prosperous year ahead.....!

Now I proceed the AGM and would like to request CS Devendra Sahu to proceed further.

Thank you, sir,

Dear Members,

Electronic copies of the Notice & Annual Report for the financial year 2019-20 have been sent to all the members whose Email Ids were registered with the Company or Depository Participant.

The Notice of this Annual General Meeting is given on Page No. 3 to 9 of 44th Annual Report.

The Auditors Report on the Standalone & Consolidated Financial Statements of the Company is given by the Statutory Auditors M/s C.P. Rawka & Co., Chartered Accountant, Indore.

I am pleased to announce that Auditors Report do not contain any qualification or negative remarks.

The Secretarial Audit Report for Financial Year 2019-20 is given by M/s D.K. Jain & Co., Practicing Company Secretaries, Indore. Same is given in Annual Report.

Secretarial Audit Report does not contain any qualification or adverse remarks.

Dear Shareholders,

CS Ishan Jain was appointed by the Board as the Scrutinizer for the Remote E-voting and E-voting at this Meeting.

The Scrutinizer will ensure the voting to be done in a fair and transparent manner.

I would like to inform you that Company has availed service of Central Depository Services (India) Limited for remote e-voting & e-voting in this AGM and as per the requirements of the Companies Act, 2013

The Remote-E voting was commenced from Wednesday 23rd September, 2020 at 9.00 A.M. (IST) and have already been completed on Friday, 25th September, 2020 at 5.00 P.M. (IST) and E-voting at this AGM already commenced and will be available upto 15 minutes from the conclusion of this AGM.

The Members who are in the records of the Company as on the cut-off date i.e. 19th September, 2020 shall only be entitled to participate in the voting process.

Further please note that Pursuant to the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company is in process to transfer the equity shares in respect of which dividend has not been claimed for 7 (Seven) consecutive years to the Investor Education and Protection Fund (IEPF) of the Central Government.

The Company has sent letters to the concerning shareholders whose dividend has not been claimed for 7 (Seven) consecutive years. The details of such shareholders are posted on the website of the Company at <https://www.fluidomat.com>.

Coming back to our AGM proceedings, it may kindly be noted that a member who have already casted their vote by Remote E-voting shall not be entitled to vote again in this AGM by E-voting.

Now, as per the directions of the Chairman, I would like to read the agenda items of the notice one by one and I would like to request all shareholders please cast your vote, if not done so.

Business number 1. Ordinary resolution:

Consideration and Adoption of the Standalone and Consolidated Audited Financial Statements which include the Audited Balance Sheet as at 31st March, 2020, Statement of Changes in Equity, the Statement of Profit & Loss, and Cash Flow Statement of the company for the financial year ended 31st March, 2020 and the Reports of the Board's and Auditors thereon.

Business number 2, ordinary resolution:

Confirmation of the payment of the interim dividend of Rs. 2.25/- (22.50%) on 49,27,000 equity share of Rs. 10/- each for the Financial Year 2019-20 as the full and final payment

Business number 3, ordinary reservation:

Re-appointment of a director in place of Shri Kunal Jain (DIN: 01475424) who liable to retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment

Dear Shareholders, we have already informed about to get registered yourself as a speaker to express views or ask questions during the AGM.

Adequate time was provided for registration. 4 shareholders registered themselves as a speaker. Now I invite the speaker one by one.

I would like to invite a speaker

Mr. Prabhjot Singh Sahni,  
Please ask your question.

Mr. is not joined So, please announce next speaker.

Okay, now I invite Mr. Nand Kishore Sharma

Please ask your question.

Yeah, thank you so much for this opportunity.

I had sent my list of questions and I have got the slides. So thank you so much for that. I have just 2 more questions.

If you could answer them, 1, is what is the size of market opportunity, which we are getting to, in terms of coupling and 2nd, is about number of new products.

So, how is our size going to change? What is the opportunity of new set of products, which we are introducing.

I request to CMD sir for the reply.

market size is not accessible.

And it depends on the projects in the country.

And the economic and financial situation of the buyer, many projects around anywhere but when will they take off is not sure. So a market size assessment cannot be made just like that. And particularly in this Covid-19 situation.

the next question was new product, the new product, which we are introducing in the.

Market is 1 is FNC couplings, which are used for commercial and we have a market in developed like us, Canada, Brazil, and European.

We have to these products are under trial production and we'll talk about 1 or 2 years. We introduced in the market.

Thank you. Thank you, sir.

Now, I would like the next speaker Mr. Keshav Garg

Following the company to understand any news bad news to be denied and last year and please.

Hello, please.

Okay now, can you okay, so, basically, that has also for a certain margin to 13%.

we know that thermal power is now basically on a decline structural decline because now a renewable power is more competitive. So since new thermal power installation will reduce drastically, going forward.

So, on the current install base. I mean, we have a quite a large current install base of thermal power. So how come the sale of spears is not even holding up quantities to what we used to sell a few years back.

And so last time, I think maybe 3, 4 years back, you told me that some offshore oil and gas a border off complain for application. In some said you were in talks with petrol or some company, you were saying that if it is successful, then a market will open up. So so has anything happened in that application offshore oil and gas pumps.

basically so far, like you mentioned that we have already 31 orders. So does that mean that 21 we will reach at least 30 of turnover?

And so, lastly wanted to know that we have now, even though sales and sales are stagnated and operated a reduced failed company has kept on generating cash all this while. And now we are waiting for all of cash, which is almost 40% of our market capitalization.

So now, what and so you replied to me that in the next 2, 3 years, total plan is there.

So the question remains that what data plans for the guys with the company so just a suggestion that if we can, if the company doesn't share buy back from the open market and purchases, let's say 10 shares of the company and extinguishers them. So, what will happen that the total outstanding shares will reduce from around 49 lacks to around 39, lax and some promoter shareholding will automatically increase from, around 53% to, around 67% .

which is half of our cash balance, but what will happen in number of shares will, uh, reduce drastically.

Then start earning per share will increase permanently whatever dividend per share. We give whatever total dividend we give number of shares will reduce or dividend per share will go up without company actually, having to increase dividends. So, I hope I'm making sense. My best wishes are always with you, and with the company that I hope that company does well going and so thank you and best of luck to you, sir

Thank you.

Thank you very much for your good gracious.

Reliable for a continuous supply and it is only the 3rd for product, which guarantees a continuous supply.

So, the power plants are going to continue for quite some time, which are coal based at the same time. I want to tell you.

That at this moment of time, there are about 7 or 8, 4 plants, which are in the.

The process of implementation, and we have orders for from at least 4 of them.

For supplier for companies, which will be supplied in next.

1, or 2 years, they export sales.

Or, I mean, nothing can be said about the export sales because it also depends on the demand in those other countries, which are mostly Pacific and Australia sector.

And they are all affected by the pandemic situation.

So, it is very difficult to make any projection on the.

You say what has happened is that the petrochemical industry is at this moment of time suffering very badly, because of the fall in prices, and also the pandemic situation has reduced the demand of petrochemical all over the world.

So even though companies have been supplied on offshore drilling rig of Petra, and which are working successfully.

For last 3 years, there is no new demand or inquiries coming up for that.

And the reason is the decline in the business of petrochemical industries.

So it is again, I say that in this pandemic situation.

It is very difficult to make any assessment of.

Forecast of the future, but we can say that at this time that has orders what for production of 1 year, next 1 year.

For Buy back of company shares. So we have recorded and we'll discuss and let, you know.

Thank you thank you, sir.

now I invite Mr. Manoj Bagadia

You can speak now?

Thank you for the opportunity to speak.

Sir, I, I just saw the history. I'm a new shareholder actually and so the history, I mean.

You got a strong positioning in the products, whatever we have.

And we have a long history, unfortunately, the size is limited may be because of the user industries. Those are large projects.

And a lot of places, the projects are stuck because of different reasons.

Just wanted to understand Outlook, sir I mean, people expect that isn't when things improve in India itself, There'll be a huge number of projects across various industries, whatever we get it to.

And same thing would happen in other developing economies in Africa and some of the other issue in economies.

So, I mean, what are we looking at actually, I mean, we have some new products we have on the old products. So what are we planning? I mean, can anything be done, which will change the size of this company significantly next 3 to 5 years.

That's the main question, sir. And 2nd thing was, I mean, how do you plan to use whatever resources you have in the company cash.

Do you foresee a creation of some company or business somewhere, which can add to our thing.

Or may be setting up our own a, or says a distribution kind of a thing if it's possible.

So, I'm not sure what are the plans for the cash that we are generating in what we have. These are the 2 main questions, sir, thank you. For the opportunity sir.

Thank you, sir now, I request to CMD sir please reply.

Questions on Outlook market side of the metric and changes you see Mr. Manoj.

We have introduced a new product line of FNC companies.

Which go on the combustion engines and. There is only 1 player for that, those type of companies in the world.

And which is Italian company, so that is 1 of our plans to introduce our companies in the European and American market. For the next 2 or 3 years, and we hope that we'll get some good business on those companies.

Similarly, the new introduction of the high speed couplings. That is our scoop couplings. We have redesigned a completely new series of complaints for high speed.

And for that, also, we are going to, of course, we have a limited range of power.

Within 4500 kilowatts, but there is a good market for those kind of links in the world. And we expect to get some there are a lot of companies in India who are also.

Using these small couplings for their wider feed pumps in small power plants or captive. So there also, there seems to be a potential which can manifest. Which will come in next 1 or 2 years.

So, they is going to be a good. Because the, the world market is now looking at to India.

And we are trying to get some business in also in foreign countries, like. Australia and African countries, and we are making efforts.

Through our UK office, also, our presence in the UK of in United Kingdom is only for this purpose that we can enter into the European and Africa market from their.

So that people generate confidence in. Availability of spare parts and the technical support and the stocks, et cetera.

So, basically, these are the forecast, or these are our thinking of the future.

1 more question size of company.

Increase cash, cash, cash, excess case was saved capital expenditures. We are planning for modernization expansion. by utilizing about 4 groupies, our offer cash, our level.

So this is 1 of our plans, and this will improve the. Product quality and quick production. So these are the 2 objectives are doing this kind of expansion and investing into the. Capital goods, size of the company, you know.

Thank you sir and No other speaker we have, Now I request the chairman for concluding the meeting.

Now I would like to inform all the members of the Company that the results of the E-Voting along with the report of the scrutinizer will be announced within 48 (Forty Eight) hours from the conclusion of 44th Annual General Meeting and shall also be placed at the Company's, BSE and CDSL Website and the recorded transcript of the AGM shall also be made available on the website of the company as soon as possible after the meeting is over.

Since all the business to be conducted at this Annual General Meeting has been transacted, I hereby declare that the 44th Annual General Meeting as close.

I further confirm that the meeting was conducted as per the requirement of the Companies Act, 2013, SEBI (LODR) Regulation, 2015 and Secretarial Standard.

I would like to thank all the shareholders, Directors and Invitees for attending today's meeting.

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