

NOTICE

Notice is hereby given that 38th Annual General Meeting of the members of **FLUIDOMAT LIMITED** will be held on Friday the 26th day of Sept., 2014 at 2.00 P.M. at the registered office of the Company at 117, "NAVNEET DARSHAN", 16/2 old Palasia, Indore (M.P.) 452018 to transact the following businesses:

ORDINARY BUSINESSSES:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended March 31, 2014 and the Reports of the Board of directors and Auditors thereon.
2. To declare dividend on equity share capital of the Company.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** subject to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s J.P. Saraf & Co., Chartered Accountants (ICAI Firm Registration No. 006430C), the retiring Auditors of the Company be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty First AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be fixed by the Board.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of sections 160 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, if any, Mrs. Radhica Sharma (DIN- 06811597), who was appointed as an additional director pursuant to the provisions of section 160 of the Companies Act, 2013 by the Board w.e.f. 10th Feb., 2014 to hold the office of the director till the date of the annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing her as a candidate for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution:**

RESOLVED THAT pursuant to the provisions of section 190, 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 and

other applicable provisions, if any, including any statutory modifications or re-enactment thereof for the time being enforced, the approval of the members of the Company be and is hereby accorded for increase in the remuneration of Shri Ashok Jain, Chairman and Managing Director of the Company w.e.f. 1st June, 2014 till the remaining part of his tenure till 30.06.2016 from Rs. 2,50,000/- P.M. to Rs.3,50,000/- P.M.

FURTHER RESOLVED THAT in addition of his aforesaid remuneration, Shri Ashok Jain, the Chairman & Managing Director shall also be entitled for the following benefits and shall not be considered for the purpose of calculation of the maximum permissible remuneration as it covers under the exempted category.

1. **Employers Contribution to PF:** As per the Rules of the Company.
2. **Gratuity:** As per the rules of the Company, subject to the 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.

FACILITIES TO PERFORM THE COMPANIES WORK:

1. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
2. **Telephone, Internet & Cell:** Free use of telephone, 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 & Managing Director.

FURTHER RESOLVED THAT in the event of there being any loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Ashok Jain shall be 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 terminate the above said appointment with six months notice in writing or salary in lieu thereof.

RESOLVED FURTHER THAT Shri Ashok Jain, the Chairman & Managing Director shall also be entitled to reimbursement of actual entertainment, travelling time to time to perform his duties as per rules 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 breakup 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.

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **special Resolution**:

RESOLVED THAT as recommended by Nomination and Remuneration Committee of the Board and pursuant to the provisions of section 190, 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 and the applicable provisions of the section 198, 199, 269, 302, 309 310 and the Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and is hereby granted for appointment of Mrs. Radhica Sharma (DIN- 06811597) as the Whole-time Director and designated as the Dy. Managing Director of the Company for a period of 3 years w.e.f. 10th February, 2014 on the following terms and condition.

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

Allowances/perquisites: as per Category A subject to the maximum of salary.

CATEGORY:A

1. **House Rent**: The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on her electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
2. **Medical Expenses**: Re-imburement of medical expenses of the Dy. Managing Director and her family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. **Leave travel assistance**: Expenses incurred for self and family in accordance with the Rules of the Company.
4. **Club Fees**: subject to a maximum of two clubs, this will not include admission and life membership.
5. **Personal accident insurance premium**: not exceeding Rs. 24000/- p.a.

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

CATEGORY B- EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:

1. **Employers Contribution to PF**: As per the Rules of the Company.
2. **Gratuity**: As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. **Leave encashment**: up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Dy. Managing Director.

CATEGORY C- FACILITIES TO PERFORM THE COMPANIES WORK:

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

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mrs. Radhica Sharma shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during her tenure.

FURTHER RESOLVED THAT there shall be clear relation of the Company with Mrs. Radhica Sharma as “the Employer-Employee” and each party may terminate the above said appointment with six months notice in writing or salary in lieu thereof.

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

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

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **special Resolution:**

RESOLVED THAT as recommended by Nomination and Remuneration Committee of the Board and pursuant to the provisions of section 190, 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and is hereby granted for re-appointment of Shri Kunal Jain (DIN- 01475424) as the Whole-time Director and designated as the Executive

Director of the Company for a period of 3 years w.e.f. 1st May, 2015 on the following terms and condition.

Salary in the scale of Rs.1,50,000/- per month with an annual increment of Rs. 15,000/- per year.

Allowances/perquisites: as per Category A, subject to the maximum of salary.

CATEGORY: A

1. **House Rent:** The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
2. **Medical Expenses:** Re-imbursement of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. **Leave travel assistance:** Expenses incurred for self and family in accordance with the Rules of the Company.
4. **Club Fees:** subject to a maximum of two clubs, this will not include admission and life membership.
5. **Personal accident insurance premium:** not exceeding Rs. 24000/- p.a.

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

CATEGORY B- EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:

1. **Employers Contribution to PF:** As per the Rules of the Company.
2. **Gratuity:** As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

CATEGORY C- FACILITIES TO PERFORM THE COMPANIES WORK:

1. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
2. **Telephone, Internet & Cell:** Free use of telephone, 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 Executive Director.

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Shri Kunal Jain shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

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

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

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

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, CA Mahendra Kumar Shah (DIN- 00014556), who was holding positions of the Independent Directors and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided under section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Shri Khushal Chand Jain (DIN- 00007916), who was holding positions of the Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the

Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided under section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation.”

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Shri Praful Ratilal Turakhia (DIN- 00366398), who was holding positions of the Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided under section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation.”

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution**:

“**RESOLVED THAT** consent of the Company be and is hereby accorded in terms of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, if any, (including any statutory modifications, amendments or re-enactments thereto for the time being in force) to the Board of Directors of the Company (hereinafter referred to as “the Board”) to mortgaging and/hypothecation, pledge or charging by the Board of directors of the Company of all or any of the immovable and movable properties of the Company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company in such form and in such manner as the Board of directors may think fit for securing any loans and/or advances already obtained or that may be obtained time to time from any financial Institutions/banks/insurance companies, bodies corporate, firms or association or person or persons, and/or to secure any debentures issued, deposits and/or that may be issued and all interest, compounding interest/additional interest, commitment charge, cost, charges, expenses and all other moneys payable by the Company to the concerned secured lenders within the overall borrowing limit as per provisions of section 180(1)(c) of the Companies Act, 2013 as may be applicable from time to time.

RESOLVED FURTHER THAT the securities created or to be created by the Company as aforesaid may rank prior/pari passu/subservient with/to the

mortgages and/or charges already created or to be created by the Company as may be agreed to between the Board of Directors of the Company and the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized create or revise / renew the securities / or release the securities and to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

By Orders of the Board

Date: 14th August, 2014

Place: Indore

Fluidomat Ltd.

CIN: L74210MP1978PLC001452

117, First Floor, Navneet Darshan

16/1, Old Palasiya,

Indore (M.P.) 452018

RITU TIWARI

COMPANY SECRETARY

ACS 35342

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 OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
4. The Company has notified closure of register of members and share transfer books from September, 22nd 2014 to September 26th 2014 (both days inclusive).
5. The Members are requested to:
 - a) Intimate changes, if any, in their registered addresses immediately.
 - b) Quote their ledger folio number in all their correspondence.
 - c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
 - d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
 - e) Send their Email address to us for prompt communication and update the same with their D.P to receive softcopy of the Annual Report of the Company.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
7. Members seeking any information are requested to write to the Company by email at info@fluidomat.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.

8. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.).
9. Electronic copy of the Annual report is being sent to the members whose email IDs are registered with the Company /Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2013-14 will also be available for downloading on Company's website www.fluidomat.com.
11. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting needs to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
12. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the meeting.

13. Voting through electronic means

In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 38th annual general meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL) the instructions for e-voting are as under:

A. In case a Member receives an email from NSDL: [for members whose email IDs are registered with the Depository Participants(s)]

- (i) Open email and open PDF file viz; (File Name) The said PDF file contains your user ID and password/ PIN for e-voting.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) If you login first time, Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” (E-voting Event Number) of Fluidomat Ltd..
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting@fluidomat.com with a copy marked to evoting@nsdl.co.in

B. In case Email I.D. of the member is not registered with the depository participant and members holding shares in Physical Form:

(i) Initial password will be provided/intimated through Letter from our Registrar:

EVEN(E Voting Event Number)	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The e-voting period commences on 22nd September, 2014 (9:00 am) and ends (6:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th August, 2014 may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8th August, 2014.
- VI. CS Ishan Jain, Practising Company Secretary (ACS No. 29444 CP 13032) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The results of e-voting, and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorized in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.fluidomat.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- IX. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents Ankit Consultancy Pvt. Ltd.

Plot No. 60, Electronic Complex, Pardeshipura Indore (M.P.) 452010 Tel-0731-3198601,3198602 Fax-0731-40657 98 Email id: ankit_4321@yahoo.com

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
IN THE ENSUING ANNUAL GENERAL MEETING**

Name of Directors	Mrs. Radhica Sharma	Shri Kunal Jain	CA Mahendra Kumar Shah	Shri Khushal Chand Jain	Shri Praful R. Turakhia
Date of Birth	14/09/1979	27/04/1982	19/07/1958	08/01/1943	21/04/1948
Date of Appointment	10/02/2014	01/05/2007	26/09/2000	01/02/2004	30/01/2009
Expertise / Experience in specific functional areas	13 years experience in the field of commercial matters and Industrial Management	12 years experience in commercial matters.	More than 29 years experience in Auditing and Taxation.	50 years Corporate experience in the field of Accounts, Finance, Taxation and Industrial Management.	41 years experience in Engineering Pharma Bulk Drugs and Chemical Industries.
Qualification	BBA,PGDBM	B.Com	Chartered Accountant	M. Com DIT	BE Mechanical
No. & % of Equity Shares held	* 30,950 (0.62%)	11,78,131 (23.92%)	-	200 (0.004%)	-
List of outside Company's directorship held	-	Redwood Packaging Pvt. Ltd.	Aawas Finance Ltd.	P.E.A.C. Education Pvt. Ltd.	Ratilal Chemark Pvt. Ltd.
Chairman / Member of the Committees of the Board of Directors of the Company	CSR Committee	-	1. Nomination and Remuneration Committee 2. Stakeholder Relationship Committee 3. Audit Committee 4. CSR Committee	1. Nomination and Remuneration Committee 2. Stakeholder Relationship Committee 3. Audit Committee 4. CSR Committee	1. Nomination and Remuneration Committee 2. Stakeholder Relationship Committee 3. Audit Committee 4. CSR Committee
Chairman / Member of the Committees of the Board, Directors of other Companies in which he is director	-	-	-	-	-

*Holding shares jointly with Shri Sundeep Sharma.

By Orders of the Board

**RITU TIWARI
COMPANY SECRETARY**

Place: Indore

Date: 14th August, 2014

ACS 35342

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE
COMPANIES ACT, 2013.**

Item No. 3

This explanatory statement is provided though strictly not required as per section 102 of the Act. M/s J.P. Saraf & Co., Chartered Accountants (ICAI Firm Registration No. 006430C), Indore have been the Auditors of the Company since more than 15 years.

As per the provisions of section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Companies Act, 2013 to comply with this requirement. In view of the above, M/s J.P.Saraf & Co., Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of directors has, at its meeting held on 30th May, 2014 proposed the re-appointment of M/s J.P.Saraf & Co., Chartered Accountants as the statutory auditors for a period of three years up to the conclusion of the 41st annual general meeting to be held in the calendar year 2017 and to hold office from the conclusion of this AGM (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution as set out in Item No. 3 for approval by the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) or their relatives are concerned or interested in any manner in the Resolution.

Item No. 4 & 6:

As per the provisions of section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement, which provides that the Company shall have atleast one Women director in the Board. Therefore, the Board of directors at their meeting held on 10th Feb., 2014 has appointed Mrs. Radhica Sharma as an additional director pursuant to the provisions of section 260 of the Companies Act, 1956 to hold the office of the director till the date of this annual general meeting.

Mrs. Radhica Sharma is post graduate in Business Management and having 13 years of experience in the field of commercial matters and Industrial Management. She has served the Company as a Vice President for more than nine years.

A notice has been received in writing from a member as required under section 160 along with the deposit of requisite amount proposing Mrs. Radhica Sharma as a candidate for the office of Director. In the opinion of the Board, she fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a director. The Board recommends to pass necessary resolution as set out in Item No. 4 of the notice.

The Board of directors at their meeting held on 10th February, 2014 has also appointed her as the Whole-time director and designated, Dy. Managing Director for a period of three years upon the recommendation of the Remuneration Committee of the Board.

The Board considered that the terms and conditions the salary and perquisites as given in the Item No. 6 of the notice is commensurate with her high responsibilities, status and image of the Company. The Board recommends to pass necessary special resolution as set out in Item No. 6 of the notice.

Mrs. Radhica Sharma, being appointee is considered as financially interested in the resolution to the extent of the remuneration as may be paid to her. Further, Shri Ashok Jain, Chairman and Managing Director and Shri Kunal Jain, Whole-time Director and Mrs. Monica Jain , Chief Financial Officer being her relatives may also be deemed as concerned or interested

otherwise in the resolutions. Except that none of the directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

Mrs. Radhica Sharma is holding 30,950 shares jointly with her husband Shri Sundeep Sharma in the Company.

Item No. 5

Shri Ashok Jain was re-appointed at their Annual General Meeting held on 26th Sept., 2012 as the Chairman cum Managing Director for a period of 3 years w.e.f.1st July, 2013 on the total monthly remuneration not exceeding Rs.2,50,000/- per month.

Shri Ashok Jain is a technocrat and is a qualified graduate Electrical engineer with more than 39 years all-round experience of design, development of fluid couplings and management of industry. He has developed the fluid coupling technology indigenously and brought India amongst few selected Companies in the world possessing this technology. He is considered the 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 the 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. The Fluid coupling industry in the Country is having special category and the Company's activities cannot be compared with others.

The Nomination and Remuneration Committee and the Board at their meeting held on 30th May, 2014 considered that the Company should increase the remuneration payable to him not exceeding Rs. 3,50,000 per month, w.e.f. 1st June, 2014 till the remaining part of his tenure upto 30.06.2016 on the terms and conditions and remuneration as set out in the Item No. 5 of the notice and recommend to pass necessary special resolution at the Meeting.

Shri Ashok Jain, may be considered as financially interested in the resolution to the extent of the remuneration as may be paid to him. Further that Shri Kunal Jain, Mrs. Radhica Sharma Whole-time Directors and Mrs. Monica Jain , Chief Financial Officer being his relatives may be deemed as concerned or interested otherwise in the resolutions. Except that none of the directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

Shri Ashok Jain is also holding 1103426 equity shares of Rs. 10/- each consisting of 22.4% of the total paid up capital of the Company.

Item No:7

Shri Kunal Jain is graduate in commerce and is a Whole-time director and his tenure shall be expired on 30th April, 2015 upon completion of 3 years of his appointment. He is having adequate experience in industries and is acquainted with through knowledge of business. His experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus upon the recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 14th August, 2014 has re-appointed him for a further period of 3 years w.e.f. 1st May, 2015.

The Board considered that the terms and conditions the salary and perquisites as given in the Item No.7 of the notice is commensurate with his high responsibilities, status and image of the Company. The Board recommends to pass necessary special resolution as set out in Item No.7 of the notice.

Shri Kunal Jain, being the appointee may be considered as the financially interested in the resolution to the extent of the remuneration as may be paid to him, further, Shri Ashok Jain, Chairman & Managing Director Mrs. Radhica Sharma Whole-time Director and Mrs. Monica Jain, Chief Financial Officer being his relatives may be deemed as concerned or interested otherwise in the resolutions. Except that none of the directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

Shri Kunal Jain is also holding 1178131 equity shares of Rs. 10/- each consisting of 23.92% of the total paid up capital of the Company.

Item No: 8, 9 &10

The Board of directors of the Company comprises of six directors out of which, three are Non-Executive Independent Directors of the Company.

CA Mahendra Kumar Shah joined the Board on 26th September, 2000 as an Independent Director and has served as director of the Company for over 13 years. He is a Practicing Chartered Accountant and having expertisation in the finance and taxation matters.

CA M.K. Shah does not hold any Equity shares in the Company.

Shri Khushal Chand Jain joined the Board on 1st February, 2004 as an Independent director. He holds a degree of M.Com DIT. Shri K.C.Jain is having thorough experience in the field of accounts, taxation for exceeding 40 years.

Shri K.C.Jain, holds 200 Equity Shares in the Company.

Shri Praful Ratilal Turakhia joined the Board on 30th January, 2009 as an Independent Director. He holds a degree of BE Mechanical. Shri Praful Turakhia does not hold any shares in the Company.

The detailed profile of directorship and Committee position held by these three directors in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

As per the provisions of section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and shall not be liable to retire by rotation. Therefore, it is proposed to appoint them as Independent Directors at the ensuing annual general meeting for a period of 5 years, upto 31st March, 2019.

All the above said three Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board the above said three directors fulfills the conditions specified in the Act and the Rules made there under as the Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

The Company has received a notice in writing as required under section 160 of the Companies Act, 2013 from members for proposing the appointment of the above said directors.

All the 'Independent Directors' have expertise in specific functional areas and are eminent personalities in their respective fields .The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of these three directors as Independent Directors. Accordingly, the Board recommends the resolution as set out in the Item No. 8 to 10 as Ordinary Resolutions CA Mahendra Kumar Shah, Shri Khushal Chand Jain and Shri Praful Ratilal Turakhia, who are proposed appointees may be considered as concerned or interested financially in the Resolutions to the extent of the sitting fee as may be paid by the Company from time to time. Except that none of the other Directors nor Key Managerial Personnel or relatives thereof are, in any way, concerned or interested in the Resolutions.

Item No : 11

Section 180(1)(a) of the Companies Act, 2013 provides that the Board of directors of Company shall not, without the approval of shareholders in general meeting by way of special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The Company has earlier passed ordinary resolution as per provisions of section 293(1)(a) of the Companies Act, 1956, and now it is required to pass a special resolution.

As the assistance from the institutions/banks provided/agreed to be provided to the Company have to be secured by the mortgage and charge of the assets of the Company, both present and future and the whole of the undertaking of the Company and the aforesaid institutions would like to retain a power to take over the management of the business and concern of the Company in certain events, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013.

Hence, the members are required to authorize to the Board to create/renew charges on the movable and immovable assets and properties of the Company in favor of the lenders in accordance with the terms and conditions of the Loans and security documents as stated in the Resolution of item No. 11.

The Board accordingly recommends the Special Resolution at item no. 11 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel and their relatives is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution except in capacity of shareholder.

By Orders of the Board

Place: Indore
Date: 14th August, 2014

RITU TIWARI
COMPANY SECRETARY
ACS 35342