

**Transcript of the 47th Annual General Meeting of Fluidomat Limited
held on 26th September, 2023 through Video Conferencing (“VC”) or Other
Audio Visual Means (“OAVM”)**

CS:

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 47th AGM on behalf of Fluidomat Limited.

The Ministry of Corporate Affairs (MCA) has, vide its Circular extended the time line for holding of AGM and 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 / IPads for better experience and to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please also note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network.

It is therefore recommended to use Stable Wi-Fi or LAN Connection to avoid any kind of difficulties.

Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM and shareholders who have registered themselves as a speaker will only be allowed to express views/ask questions during the meeting.

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,

Shri Kunal Jain, Executive Director,

Shri Mahendra Kumar Shah, Independent Director of the Company and he is also the Chairman of Audit Committee,

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

Shri Praful Turakhia, Independent Director

Shri Promod Kumar Jain, Vice President of the Company is also sharing our Board Room.

Mrs Radhica sharma, Deputy Managing Director, Shri Sharad Panot and Shri Samyak Modi Additional Independent Director of the Company are attending this meeting from other location

I request to Mrs Radhica sharma please introduce yourself.

Mrs Radhica Sharma:

Yes. Hello everybody. I am Radhica Sharma, Deputy Managing Director of the Company. I am online from Dewas, factory office of the company.

CS:

Thank you, Ma'am,

Shri Sharad Panot Please confirm your presence,

Shri Sharad Panot:

Good afternoon everybody, this is Sharad Panot and joining from Indore. Thank you

Thank you Sir,

Shri Samyak Modi Please confirm your presence.

Shri Samyak Modi:

Good afternoon everyone I am Samyak Modi. Thank you.

CS:

Thank you Sir,

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

Apart from the Directors, Mrs. Monica Jain, CFO, Shri J.P. Saraf, 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.

CMD:

Thank You Devendra.

“Dear Shareholders, Ladies and gentlemen,

It gives me immense pleasure in welcoming you to the 47th Annual General Meeting of your Company.

The post covid disturbance and continued Ukrain war has led to continued depression of world economy.

Contrary to it the Bharat Economy continues to thrive and grow with projected growth exceeding 6.5% during current fiscal year.

Various positive factors contributing to strong Bharat economy include – political stability, good governance at Central Government, continued infrastructure growth sustained economy growth and high credibility enjoyed by our country internationally.

All such positive factors have also led to continuous capital investment in Pvt. & Public sector industries.

Success of G20 summit and Chandrayan 3 greatly enhanced Bharat credibility which will also boost our exports to Africa by creation of strong goodwill following inclusion in G20 countries by strong initiative by Bharat.

The new infrastructure corridor agreement with collaboration and support by USA has significant geopolitical positive impact in favour of our country.

The make in India initiative has already given a high boost to Bharat manufacturing sector particularly to MSME sector and boosted production capacity with capital investment.

The Engineering sector in Bharat enjoys competitive advantage in terms of manufacturing cost, technology, and innovation. Demand in the engineering sector is expected to remain healthy primarily on account of the Government's increased thrust on infrastructure development. Further the Macro Economic environment has witnessed stability on various fronts including improved current account deficit and easing inflation pressure.

The AGM Notice and the Annual Report of your Company for the year ended 31st March, 2023 have already been mailed to your registered e-mail ids. With your permission I take them as read.

Against the back drop of continued global uncertainty, your company displayed creditable performance and registered appreciable improvement across key performance parameters.

The Company has recorded revenues of Rs. 4742.93 Lakhs during F.Y. 2022-23, as against Rs. 3565.35 Lakhs in the previous financial year 2021-22, registering a growth of 33%.

A healthy operational Profit after Tax at Rs. 962.07 Lakhs as against Rs. 548.88 Lakhs in the previous financial year, represents a growth of 75% over the previous year and achieved highest profit.

Our order inflow for the year stood at 5556 Lakhs as against Rs. 4125 Lakhs in the previous financial year 2021- 22 registering a growth of 35%, and as at March 31,2023, the pending order carry over or at Rs. 5079 Lakhs.

Your Company is debt free and carried a free reserve of Rs. 4429.61 lakhs as on 31st March, 2023.

It gives me great pleasure to inform you that the Board of Directors has recommended dividend of 45% (Rs. 4.50 per share) for the financial year 2022-23 subject to your approval in this meeting, as against dividend payment of 35% (Rs. 3.50 per share) in the previous financial year 2021-22.

Your company has contributed Rs. 11.28 lakhs to the Society by contributing in Corporate Social Responsibility (CSR) activities for the financial year 2022-23 under its CSR program.

Your company continues to enjoy accreditation of ISO 9001-2015, ISO 14001-2015 & ISO 45001-2018.

I sincerely thank our directors on board for their support and guidance sharing their expertise and their wise counsel and look forward to their continued support.

I would like to thank all the shareholders for reposing confidence in Fluidomat management. I would also like to thank the governments, customers, suppliers and Banks for their relentless support to the Company.

I would like to acknowledge and thank Fluidomat Employees and distribution partners for their dedication and commitment.

Finally, I look forward to your continued and valuable support in the years to come.

It will certainly be our endeavor to put in our best efforts for sustained growth, expansion and prosperity of the Company benefiting all stakeholders in times to come.

With this I conclude my address. Stay safe. Stay healthy.”

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

CS:

Thank You Sir,

Dear Members,

Electronic copies of the Notice & Annual Report for the financial year 22-23 have been sent to all the members whose Email Ids were registered with the Company or Depository Participant(s).

The Notice of this Annual General Meeting is given on Page No. 3 to 26 of the 47th Annual Report.

The Auditors Report on the Standalone & Consolidated Financial Statements of the Company is given by the Statutory Auditors J. P. Saraf & 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 22-23 is given by D.K.Jain & Co., Practicing Company Secretaries, Indore. Same is given in Annual Report. Secretarial Audit Report does not contain any qualification.

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 that the voting is done in a fair and transparent manner.

I would like to further inform you that Company has availed service of Central Depository Services (India) Limited (CDSL) 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 Friday 23rd September, 2023 at 9.00 A.M. (IST) and have already been completed on Sunday, 25th September, 2023 at 5.00 P.M. (IST).E-voting at this AGM has already been 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, 2023 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, 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.

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 item No. 1

Type of Resolution: Ordinary

Consideration and Adoption of the Standalone and Consolidated Audited Financial Statements which include the Audited Balance Sheet as at 31st March, 2023, Statement of Changes in Equity, the Statement of Profit & Loss, and Cash Flow Statement of the company for the financial year ended 31st March, 2023 and the Reports of the Board's and Auditors thereon.

Business item No. 2

Type of Resolution: Ordinary

Declaration of dividend on 49,27,000 equity shares of Rs. 10/- each of the Company for the financial year ended 31st March, 2023

Business item No. 3

Type of Resolution: Ordinary

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

Business item No. 4

Type of Resolution: Special

Re-appointment of Shri Ashok Jain (DIN: 00007813), as the Chairman and Managing Director for a further period of 3 years w.e.f. 1st July, 2024.

Business item No. 5

Type of Resolution: Special

Revision in the remuneration payable to Shri Ashok Jain (DIN: 00007813) the Chairman & Managing Director w.e.f. 1st October, 2023 for the remaining period of his current tenure.

Business item No. 6

Type of Resolution: Special

Revision in the remuneration of Shri Kunal Jain (DIN: 01475424), Whole-Time Director of the Company designated as an Executive Director.

Business item No. 7

Type of Resolution: Special

Revision in the remuneration of Mrs. Radhica Sharma (DIN: 06811597), Whole-Time Director of the Company designated as Deputy Managing Director.

Business item No. 8

Type of Resolution: Special

Confirmation the appointment of Shri Ashok Kumar Patni (DIN 10251353), as a director under the category of Non-Executive Independent Director for the period first term of five consecutive years.

Business item No. 9

Type of Resolution: Special

Confirmation the appointment of Shri Samyak Modi (DIN 07359320), as a director under the category of Non-Executive Independent Director for the period first term of five consecutive years.

Business item No. 10

Type of Resolution: Special

Confirmation the appointment of Shri Sharad Panot (DIN 10262641), as a director under the category of Non-Executive Independent Director for the period first term of five consecutive years.

Dear Shareholders,

we have already informed about the procedure to get registered yourself as a speaker and express their views or ask questions during the AGM.

Adequate time was provided for registration. However, three shareholders have request for enrollment themselves as a speaker.

Now I invite the speaker.

Our 1st speaker is: **Prabhjot Singh Sahani**

CDSL:

It seems he is not yet join the meeting.

Move on to our next speaker.

2 Keshav Garg

Please ask your question.

Keshav Garg :

Thank you So much sir for providing me this opportunity, I hope our chairman is in good health and sir, I have already sent my questions of which I have received most of the answers. So,

1st question that what is the expectation for top line and bottom line for the current year so, your answer is that we are expecting 10% growth in top line and bottom line.

So, if we see that in the 1st quarter itself, we have grown significantly. we have already reached. So does that mean that in the remaining 3 quarters, we are not expecting any growth and Sir also, sir our order book as of 23rd September has been 59 Cr. Is this 59 Cr order book executable within 12 months, or Some of it is expected to spill over to the next year also.

Sir, is it possible for us to work on 3 shifts provided demand is there in future.

we are already doing 50 goals. So, and which are the other competitors, which are getting rest of the business.

What is the fluid coupling market size in India.

Sir, you had mentioned few years back that during the past years, a lot of Chinese power equipment was set up in which Chinese couplings were used, but for which now after sales is not available and so, we were trying to sell couplings to those Chinese. Complaints so, but has there been any movement until now.

Are we getting significant orders for spares of Chinese couplings installed in various power plants across India

If you could just give us a rough break up of our current order book that which are the major sectors from which we are getting orders. So that shareholders can understand that when the capex is announced in a certain sector there be any spillover or trickledown effect on our audible.

Thank you very much. And I, once again want to, thank our Chairman, and I pray to Good for health Thank you. So thank you very much.

CS:

Thank you sir.

I request to CMD, sir to reply.

CMD:

You see the working on our product is dependent on many factors. As far as the spreadsheets and top line, our control. The 1st thing is how many project orders you have in hand. And then how what is going to be there. Supply pattern and restriction in the word friction becomes a really major Issue in trying to display the material because there are at a time 3 or 5 agencies were coming for inspection of the goods and synchronizing them together and doing all of the material ready together.

Quarter to quarter forecast has no meaning. So, there is no definite answer to any forecast we cannot say anything about that, but what we always try to do is that we try to.

We, keep the lot ready and invite them for inspection. As fast as possible, and every inspection of a project takes about 6 to 7 days.

Completing the friction then after inspection, the painting and packing takes 15-20 days. So, again, coming back to the same point that there is no definite patterns of forecasting top line quarter to quarter basis.

Project orders take a lot of time in execution, because. That is to undergo many processes like, it has to be approved by the user because the user consultant and the inspection authorities, so that's a very long process and it is not sure that when a project order would be. It all depends on our client how much time they will take to approve the drawings and technical parameters have to be frozen. We should be working as a little difficult because of the nature of the product was it needs a technical interaction and we need time to production also needs technical introduction.

So generally, a good idea is to do our contract to shift basis. On the 3 shift, but still. If we are able to standardize. In such a manner that we can work 3 shifts. Certainly trying to do that,

Yeah, we have other competitors as premium transmission. We are major contributor. The 2nd competitor is Woith Germany. But for its range on a very large. He doesn't normally compete into our range of products.

No, we have no no plan to enter into larger range, but we have plans to enter into. Type of companies will be for the auto applications, for the special mining applications and we are also expanding what our range into the, our type of companies Because they are also really going to open up.

So, we are getting about 20-30 companies. May be sometimes a bulk of requirement. It is, it will uncertain. Cannot be predicted. So, there is not a very big scope on those. Pending order breakup, I have

not really worked on that, but approximately, you can say. That, about 10 to 15% is the project order and 45% from spares business.

Indian market is approx. 300 crores per annum. In our kw range the market is approx. 150 to 200 crores depending on new projects.

No, we are not getting significant orders for spares of Chinese couplings installed in various power plants across India.

CS:

Our next speaker is: **Madathil Sasi Vinod**

He did not join the meeting.

Our next speaker is: **Pratyush Mittal**

Please ask your question:

Pratyush Mittal:

We are new to the company, so our questions will be A little basic, but what we want to understand, when we go into the past of our company So, we, our company grew very well from 2010 to 2013 and sales went up from just 430 cr. and milestones also expanded. Of course. But post 2013, we did not see growth until 2021. So, if you can talk a little about what happened during those 7-8 years, and why could we not grow.

But another thing, what we see is that for those 7-8 years between 2013 to 2021 sales remain between 25 to 30 cr. so, does this mean that there is a lot of replacement demand also in our industry and, how much of our revenues come from replacement demand. What is the kind of replacement of our products. 3 years, 5 years, or, you know, in what time do these fluid couplings get replaced if we can talk about that that will be really helpful and the last 2 years, we have seen good growth. So what is changing and why are we seeing this growth and, you what kind of growth are we expecting for the next 2 to 3 years given.

products that we have installed earlier. you also mentioned that spare part is a large part of our order book. So, roughly, in our revenues, how much would be the spare part business. I mean, again maybe the entire flute coupling would not be replaced, but thus, we, we do have the spare parts business. So, in a year, generally, how much how much percentage is from spare parts business and again, what is the replacement cycle there in 1 of the past annual reports, it was mentioned that, our capacity is 1500 units. And what is that capacity now.

There are various types of couplings. We offer, like, flexible, coupling, fluid couplings, spare couplings and fluid couplings, gear couplings. Why do we only deal in fluid couplings? Is there any particular reason for that? And what is the market size? I mean, I think you mentioned 300 core in India, but globally, when we see it is a large market. So, any, any plans for, you know, also start exporting fluid couplings from India and have we explored you mentioned something about Malaysia? So what can be the export opportunity given export is not a large business for us right now.

CMD:

Because of the new infrastructure and also the reliability of our product enjoys the field growing.

Replacement demand replacement demand is for the German and the Chinese company. Both are a small request requirement and sometimes the woith Germany couplings also. Sometimes we also get a replacement requirement from there also we get some of this, but these are, you will see all these things. They've not been predicted or quantify.

Fluid Couplings can not be compared with other shortcomings, like flexible couplings it's a very high tech product and that, therefore, why we have a remain into this.

Whole marketing strategy is very different there. So that's the reason we have filled out.

Predicting because sometimes you get an order for very large companies, and a very small work and we tell a very large way, but generally you can say looking to the.

Approx. 35% revenue is coming from the spares and spares couplings sale as per the financial year 2022-23.

The product is a high tech product and market size is as per the product kw range. Our range is limited to 4000 kw. Available kw range in world market is up to 25000 kw. Future plans may be entering into other power transmission products at appropriate time.

Our next speaker is: **Nand Kishore Sharma**

Please ask your question:

Nand Kishore Sharma:

My questions have been answered and along with them, some of them have been asked and answered as well. But I have a few questions:

Can you just tell us about the life of a coupling you answered that replacement demand is small, but still, what is the life and

Do you see for a particular thermal plant, the couplings getting replaced after a period of time,

Based on the capex Outlook, how do you expect the demand. Are the strong demand to persist over the next 3 or 5 years, So. in in the cycle,, where are we, in terms of the growth cycle.

We said we are planning to focus on export. could you really give us some insight as to how big the market could be and what are the oppourtunities and exports Thank you.

CMD:

Using life depends on the maintenance practices and the sector into which it is like, in a live will be small. Depends on many practices of the maintenance and operation when therefore the life can be said to be 13 years to 15 years.

We will be adding some few more machinery or some CNC machines replacing some very old machine tools and other.

Thermal Power Plant brings good opportunity of project sales and later on for spares.

We are looking at growth potential in Brazil, Russia and East Europe. Our Sales in pacific countries and Middle East is established. Slowly Indian Hi-tech products are getting acceptance in world market which will have potential for higher sales.

Our next speaker is: **J. Abhishek**

Please ask your question:

J. Abhishek:

How many employees we have sacked, hired and salary cut in % if any.

What are the management efforts to reduce Other expenses, Legal Professional charges & Audit fees.

CMD:

No employee was sacked, also there is no salary cut during the lockdown period. We have hired new employees as per the requirement of the Company from time to time.

Management have its full control to minimize all expenses which can be seen from our annual accounts.

Our next speaker is: **Saurabh Jain**

Please ask your question:

Saurabh Jain:

Some of my questions have already been asked by the other participants, so I'll try to avoid those questions.

So my question is, you did mention about the exports, but can you talk more about the opportunity? And I was seeing in the annual report that your exports have grown to 3 Cr. from 1 Cr. last year. So, can you. Talk about, in which all geographies are you exporting your products and, if you can also talk about what kind of margins, uh, is there in the export business Is it higher as compared to your domestic business

So, my question is if you can talk about the, time period from order booking to revenue. So, what kind of time period is there for converting in order to the revenue. So, my next question is so, in this financial year, you have done almost, , 27% better margins. So, do you think this kind of margins are sustainable because in the past, you have done even a bit higher margin so everything you can even increase the margins further or will this be sustainable at this levels. Thank you.

CMD:

Basic margin and export business is generally higher. It is compared to, but I cannot quantify.

Order booking to conversion into revenue will take 3 months to 2 years. It depends on the type of order the project order or do we order, machinery or whatever it is. we did really differentiate Size of the company type of company for the customer data. Customer also after giving the order they go to the sleeping zone.

CS:

As there are no further questions I would request the chairman to conclude the meeting. However, if any member still has certain queries, they can raise their queries through email and we will reply them suitably.

CMD:

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 two working days from the conclusion of 47th 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 concluded.

Since all the business to be conducted at this Annual General Meeting has been transacted, I hereby declare that the 47th Annual General Meeting has come to an end. 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.

Stay Healthy and Stay Safe.

Thank you!

CS:

Thank you Sir, on behalf of fluidomat family. I would like to convey thanks to our board of directors, special invitees, thank you team CDSL for their technical support and participants for attending the meeting.
