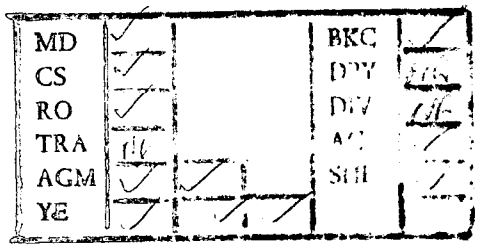
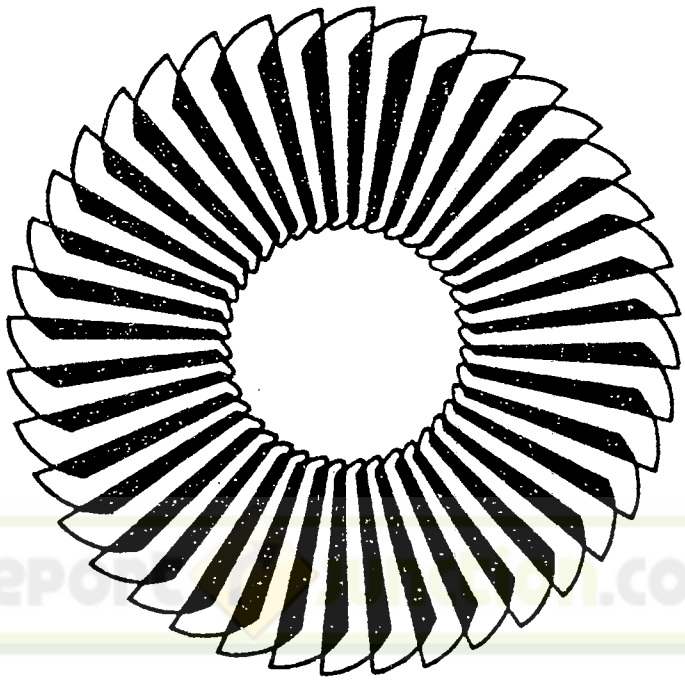
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FLUIDOMAT LTD., INDORE

Twenty First Annual Report
1996-97

Certified True Copy

FOR FLUIDOMAT LIMITED,

Managing Director

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BOARD OF DIRECTORS :

ASHOK JAIN
CHAIRMAN AND MANAGING DIRECTOR

D.K. KEMKAR
SHANTILAL KOTHARI
L.N. DUBE
S.C. CHHAJED

AUDITORS :
J.P. SARAF & CO.

BANKERS :
CENTRAL BANK OF INDIA

CORPORATE LAW ADVISOR :
D.K. JAIN & COMPANY
COMPANY SECRETARIES

Report Junction.com

REGISTERED OFFICE :

C-14, H.I.G. Colony,
Ravishankar Shukla Nagar,
INDORE-452 008
Tel.: 537468, 538770
Gram : HYDNAMICS
Fax : 0731-560248

WORKS :

7C-8J, Industrial Area,
Agra-Bombay Road,
DEWAS (M.P.) 455 001
Tel.: 75582, 75583
Fax : 07272-75581

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FLUIDOMAT LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 21st Annual General Meeting of the Members of the **FLUIDOMAT LIMITED** will be held at the Registered Office of the Company at C-14, H.I.G., Ravishankar Shukla Nagar, Indore (M.P.) on Friday, the 26th day of September, 1997 at 2.00 P.M. to transact the following business :

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended 31st March, 1997 and the report of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri L.N.Dube, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

II. SPECIAL BUSINESS BY SPECIAL RESOLUTION :

4. To consider and if thought fit, to pass the following Resolution, with or without modification, as Special Resolution.

   RESOLVED THAT subject to the approval of the Stock Exchanges and any other concerned authorities ,the permission of the Company be and is hereby accorded to delist its Equity Shares of Rs. 10/- each from the Delhi Stock Exchange.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to apply to such stock exchanges/ Govt. of India/ SEBI and all the concerned authorities as may be necessary for delisting of the Equity Shares of the Company from the Delhi Stock Exchange and to settle any question or dispute that may arise thereon and to do all such acts, deeds and things as may be required by the appropriate authorities for and on behalf of the Company.

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FOR FLUIDOMAT LIMITED.
Managing Director

BY ORDER OF THE BOARD
FOR, **FLUIDOMAT LIMITED**
ASHOK JAIN
Chairman & Managing Director

INDORE
29th July, 1997

NOTE :

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 Meeting.
2. Explanatory Statement setting out the material facts in respect of item no. 4 is annexed hereto.
3. Register of Members and Share Transfer Book of the Company will remain closed from 15.09.1997 to 26.09.1997 (both days inclusive)
4. All documents refered to in the accompanying Notice and Explanatory Statement 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.
5. Members desires 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.
6. Unpaid Dividend for the year 1993-94 have been kept in a separate Bank A/C and the Members are requested to please approach for re-validation / issuance of Duplicate Dividend Warrant to the Company. The Company shall proceed to transfer the amount of unpaid Dividend to the Central Govt. after expiry of the stipulated time.

   All unpaid amount of Dividend upto the year 1992-93 have already been transferred to the Central Govt., Members desirous to claim may proceed directly to the Central Govt.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS :

ITEM NO. 4 :

As the Members are aware that the Company's Equity Shares of Rs. 10/- each, have been listed in Madhya Pradesh, Delhi & Bombay Stock Exchanges in India. The Company had come into the Capital Market through its Public Issue of 25,50,000 Equity Shares of Rs. 10/- each at par and the Share were got listed in all the Stock Exchanges in terms of the prospectus of the Company.

The Board have considered that the Company's Equity Shares are traded only at the Mumbai Exchange and there is no trading of its equity shares in MP and Delhi Stock exchange since 1993. Therefore there is no use to continue listing with Delhi & MP Stock Exchange.

Since the MP Stock Exchange is Regional Stock Exchange for the Company therefore its statutory requirement to continue listing of share in MP. In view of above the Board consider that the Company should approach to delist its Shares from Delhi Stock Exchange, which will also reduce paper working and save Annual Listing Fee.

The Board proposed the resolution as set out in Item No. 4 of the Notice for approval as a Special Resolution.

All material documents, copy of the Listing Agreements are open for inspection to the Members till the conclusion of the Meeting at the Registered Office of the Company.

None of the Directors of your Company are concerned or interested in the Resolution except in the capacity of the Members.

BY ORDER OF THE BOARD
FOR, **FLUIDOMAT LIMITED**
ASHOK JAIN
Chairman & Managing Director

INDORE
29th July, 1997

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FOR FLUIDOMAT LIMITED.

Managing Director

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DIRECTORS REPORT TO THE MEMBERS

The Directors have pleasure in presenting their 21st Annual Report on the business and operation of the Company together with the Audited Balance Sheet & Profit and Loss Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS :

	(Rs. in Lakhs) 1996-97	1995-96
Sales and income from operations	**459.60**	508.36
Other Income	**4.32**	14.54
Total Income	**463.92**	522.90
Total Expenses	**439.37**	425.98
Operating Profit (PBIDT)	**24.55**	96.92
Interest	**68.56**	62.51
Depreciation	**29.93**	29.15
Profit before tax/loss	**(-) 73.94**	5.26
Provision for Taxation/Paid for earlier year	**11.09**	-
Previous year adjustment	**0.02**	(-)0.04
Profit after Tax	**(-) 85.01**	5.22
Paid up Capital	**447.85**	447.85
Reserve excluding Revaluation Reserves	**14.12**	76.88

DIVIDEND :

Since the Company could not earn profit during the year under review, therefore it is not possible for Directors to recommend any dividend for this year.

REVIEW OF THE WORKING & FUTURE PROSPECTS :

The year 1996-97 under review was a very difficult year for Indian Industries. Indian Industries were under state of great confusion with loss of confidence of future prospects. Severe demand recession, liquidity crunch, high cost of borrowing, increased input cost and infrastructural bottle-necks along with political uncertainty and lack of clear direction of the economic policies resulted into postponement or cancellation of envisaged projects. This was more pronounced in the core sector responsible for infrastructural development for building up a platform for future industrialisation and economic growth. Confidence of Indian Industries was greatly shaken up about future prospects, in view of political uncertainty and Union Government incentive for import of foreign products in the name of globalisation of Indian Economy but without providing equal infrastructure and environment facility to the Indian industry.

As per the Statistics released by the Central Statistical Organisation industrial growth had declined from 11.6% to 6.7% in the year 1996-97. The slow down was also evident in all the segments of the industry more particularly in manufacturing sector which grew only by 8% in 96-97 as against 13% in previous year. Growth in mining sector had declined to 1.2% in the year 1996-97 from 7.4% and in power sector it had declined to 3.8% from 8% in the previous year. It seems that the current financial year will also be a difficult year for the Indian Industry, with negative growth in first quarter.

Your Company manufacture fluid couplings which find its use mainly in core - sector industries like Power generation, Port trust, Mining, Cement, Steel, Metal, Fertilizer and Chemical industries. All these sector of Industries have registered a negative growth and experienced great operational difficulties resulting in down sizing Planned investment and even deferring of essential spares for routine operation of Plant and Machinery. There were few orders in the market which every manufacturer wanted to grab and this resulted in crash of selling prices and compulsion to book the orders even at loss so that industries keep running.

With above background, lower order booking, heavy discounting on sales prices, rising cost of all inputs including that of power, salaries and wages, raw material inputs and extremely poor power supply by M.P.

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Electricity Board, your Company also suffered badly. Profit before depreciation and interest was lowered to Rs. 24.55 Lacs as against previous year profit of Rs. 96.92 Lacs.

High cost of interest and depreciation during the year under review affected profitability adversely. Your Company had also to pay additionally Rs. 11.09 Lacs against Income Tax demand after appeal effect for the year 93-94 which includes interest of more than Rs. 6.00 Lacs.

Further, to establish itself, your Company booked many orders under heavy competition at low prices for its variable speed scoop type coupling which have a large input of bought-out item and large manufacturing cycle. Once these couplings are more and more installed in various industries, they shall bring in more opportunity of sales and at the same time for supply of spare parts and replacement of coupling.

Your Company continues its efforts to establish exports and have participated in the Hannover Fair 1997. This participation was by selection of your Company by CBI(An Organisation of Netherlands Government dedicated to assist exporters from the developing Countries). This participation in the International Trade Fair provided awareness of your Company and its products in the Global market. Number of enquiries and information requests were generated during the participation which are being followed up regularly. However, for hi-tech products and engineering products, it takes a very long time to establish the products and credibility in the Global market. As a result of previous participation your Company has started exporting to Korea regularly though small in quantity. Also a selling Agent has been appointed in Australia during the year under review.

The Union Government is aware of detoriating Industrial and Economic scenario in the country. The Financial Institutions and Banking sector have also accepted that there has been slow pace/postponement in implementation of various projects particularly in infrastructure sector in the year 1996-97. Keeping in view the present status of capital market, the Prime Minister has announced speedy clearance of power projects and other projects in infrastructure sector. Number of positive steps and measures taken by the Finance Minister together with the credit policy announced by the RBI Governor will provide necessary fillip to the economy. This will create confidence in the Indian Industry and improve upon liquidity crunch and re-instate investors confidence in the capital market.

The result of such steps are expected to show improvements around November/December'97. With the growth of these sectors yours Company expects to do a better business in the financial year 1997-98.

Your Directors are confident of improving the working during the current financial year with dedicated efforts of the Management to increase order booking, reduction in cost and establishing Company's better credibility in export market.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION :

1. Information in respect of Form 'A' is not applicable to our Unit.
2. Information in respect of R & D and Technology absorption as required to be given is : NIL
3. Information in respect of Foreign Exchange Earning & Outgo is as under

Earning	:	Rs. 3,13,237
Outgoing	:	Rs. 1,18,122

PARTICULARS OF EMPLOYEES :

Particulars of the employees as required under Section 217 (2A) of the companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975 are as under :

Name	:	Ashok Jain
Qualification	:	B.E. (Electrical)
Date of Employment	:	1.7.1982
Designation	:	Chairman & Managing Director
Remuneration	:	Rs. 7,98,210
Experience	:	27 Years
Last Employment	:	-

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STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT :

Details in terms of Clause 43 of Listing Agreement, regarding the projections made in the prospectus dated 20th May, 1994 and actual performance for the year under review are as under:

	(Rs. in Lakhs) 1996 - 97 Projected as per Prospectus	Actual
Operations :		
Total Income	1560.63	463.92
Profit before Interest and Tax	494.84	24.55
Profit After tax	261.12	(-)85.01

DIRECTORS :

Shri L.N. Dube,the Director of Company ,who retires by rotation in this Annual General Meeting ,being eligible offers himself for re-appointment.

DEPOSITS :

The Company has not accepted any deposits from the Public within the meaning of Section 58 A of the Companies Act, 1956.

AUDITORS REPORT :

The Auditors in their report have referred to the Notes forming part of the Account, considering the principal of the materiality, the notes are self explanatory and need no comments.

AUDITORS :

M/S J.P.Saraf & Company, Chartered Accountants of Indore retiring at the ensuing Annual General Meeting, are eligible offers himself for re-appointment. Your Directors recommend their re-appointment on such remuneration as may be fixed by the Board.

INDUSTRIAL RELATIONS :

Relation between the workers and management remained cordial during the year. There has been no loss of production on account of industrial relations.

ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for the support given by the Industrial Financial Corporation of India and the Central Bank of India, Bankers to the company. Your Directors also acknowledge the continued support extended by the Investors. Your Directors also wish to place on record their sense of appreciation for the devoted services rendered by the employees of the Company for its continuous growth and success.

Certified True Copy
FOR FLUIDOMAT LIMITED
Managing Director

For & On Behalf of the Board

INDORE
Dated : 29th July, 1997

ASHOK JAIN
Managing Director

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