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FLUIDOMAT LTD., INDORE

Twenty Third Annual Report
1998-99

BOARD OF DIRECTORS :

ASHOK JAIN

CHAIRMAN AND MANAGING DIRECTOR

D.K. KEMKAR

SHANTILAL KOTHARI

L.N. DUBE

S.C. CHHAJED

K.A. SIVARAMAN (NOMINEE OF IFCI)

AUDITORS

J.P. SARAF & CO.

BANKERS :

CENTRAL BANK OF INDIA

CORPORATE LAW ADVISOR

D.K. JAIN & COMPANY

COMPANY SECRETARIES

REGISTERED OFFICE :

117, 1st Floor, Navneet Darshan,
16/2, Old Palasia,
INDORE (M.P.) 452 001

WORKS :

7C-8J, Industrial Area,
Agra -Bombay Road,
DEWAS (M.P.) 455 001
Tel : 58582, 58583
Fax : 07272, 58581



FLUIDOMAT LTD., INDORE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 23rd Annual General Meeting of the Members of the FLUIDOMAT LIMITED will be held at the Registered Office of the Company at 117, 1st Floor, Navneet Darshan, 16/2, Old Palasia, Indore (M.P.) on Monday, the 27th day of September, 1999 at 2.00 P.M. to transact the following business :

1. 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, 1999 and the report of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri S.C. Chhajed, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S.M. Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD
FOR, FLUIDOMAT LIMITED

INDORE
30th July, 1999

ASHOK JAIN
CHAIRMAN & MANAGING DIRECTOR

NOTES

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. Register of Members and Share Transfer Book of the Company will remain closed from 16.09.1999 to 27.09.1999 both days inclusive).
3. Members desire 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 information required may be made available at the Meeting.



FLUIDOMAT LTD., INDORE

DIRECTORS REPORT TO THE MEMBERS

The Directors have pleasure in presenting their 23rd 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, 1999.

FINANCIAL RESULTS :

	1998-99 Rs. in Lkhs	1997-98 Rs. in Lkhs
Sales and income from operation	345.17	469.37
Other Income	8.10	11.13
Total Income	353.27	480.50
Total Expenses	341.33	423.33
Operating Profit (PBIDT)	11.94	57.17
Interest	73.41	78.08
Depreciation	28.33	29.47
Profit / loss before tax	(-) 89.80 (-)	(-) 50.38
Provision for Taxation / Paid for earlier year	-	-
Previous year adjustment	0.08	0.34
Profit / loss after Tax	(-) 89.72	(-) 50.04

DIVIDEND :

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

REVIEW OF THE WORKING & FUTURE PROSPECTS

Indian economy is clouded by unprecedented recession and pessimism which is continuing since past 4-5 years. All Industries particularly Engg. Industries are affected most adversely due to this economic situation and are facing great difficulties or reduced margins, liquidity crunch and capacity utilisation with escalating cost.

Your Company is no exception and is affected equally by the prevailing situation. The turnover of the Company reduced to Rs. 345.17 Lacs during the year 1998-99 because of the above situation.

According to one of MIE study as many as 71 Mega Projects envisaging investment of Rs. 82,447.00 crores are lying stalled and 51 projects envisaging an outlay of Rs. 46,630.00 Crores were dropped/deferred by Pvt. sector. There are no investments and growth coming in either from Government, Public Sector or the Private Sectors.

Your Company has been able to survive in this difficult situation because of its intrinsic strength, credibility and conscious management. Your Company suffered a loss of Rs. 89.80 lacs which is contributed by interest and depreciation while there is no working loss.

Your Company is an important Engineering industry manufacturing Power Transmission equipments which are unique and are important energy saving devise are used in all core Industries like Power Generation, Steel, Cement, Coal and Ore Mining and Port Trusts etc. The Company has reached to the present status of Technology and Product Excellence with hard work of past 27 years and is one amongst 20 manufacturers of fluid couplings in the world and amongst 6 industries manufacturing the Fluidomat range of KW and types.

At this moment of time your Company look forward for strong support from Financial Institutes in respect of reduction in interest rate and re-schedulement of loans and waiver of Penal interest etc. The Company has already made a request to IFCI for the above and hopes to get a sympathetic consideration.

Your Company is working hard for turnaround in next 12-18 months and is focussing its efforts for export market. It takes lot of time and efforts to establish Engineering products in the International market.

Your Company grabbed an important and prestigious project order of MECON for TNEB-North Chennai External Coal handling Plant under a tough global competition. The order value is approximately Rs. 105.00 Lacs. This order opens many opportunities for the Company in domestic and international market.



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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 :

Earning : Rs. 4,05,607

Outgoing : Rs. 8,276

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. 9,65,332/-
Experience	: 29 Years
Last Employment	: -

LISTING OF SHARES :

The shares of the Company are listed with the M.P. Stock Exchange (Regional) and also with the Stock Exchange, Mumbai & the Delhi Stock Exchange Association Ltd. The Company is regular in payment of listing fee to all the above said Stock Exchanges.

Y2K COMPLIANCE :

Most of the hardware and software used in critical business operation of the Company are Y2K Compliant. The Company have not incurred any substantial cost for the above said purpose.

DIRECTORS :

Shri S.C. Chhajed & Shri S.M. Kothari, the Directors of Company, who retires by rotation in this Annual General Meeting, being eligible offers himself for re-appointment.

Shri K.A. Sivaraman was nominated by the IFCI as a Director in the Board of Directors of the Company, your Directors welcome the nominee Director.

DEPOSITS :

The Company has accepted deposits from the Directors of the Company only within the meaning of Section 58 A of the Companies Act, 1956.

AUDITOR'S 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 Finance 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.

For & On Behalf of the Board

INDORE

Dated : 30th July, 1999

ASHOK JAIN

CHAIRMAN & MANAGING DIRECTOR



FLUIDOMAT LTD., INDORE

AUDITOR'S REPORT

TO
THE MEMBERS OF
M/S FLUIDOMAT LIMITED

We have audited the attached Balance Sheet of M/s FLUIDOMAT LIMITED as at 31st March, 1999 and the annexed Profit & Loss Account of the Company for the year ended on 31st March, 1999 and report that :

1. As required by the Manufacturing and other companies (Auditor's Report) order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the company as were considered appropriate, and on basis of the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further, to our comments in the Annexure referred to in paragraph (1) above :
 - (a) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, for proper books of account as required by the law have been kept by the company, so far as appears from our examination of the books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account of the company.
 - (d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the requirements of the Accounting Standard referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject to :
 - Note No. 1 of Notes on Account regarding non-provision of Sales Tax liability in respect of interest free Sales Tax (Deferment) Loan of Rs. 5,37,297.
 - Note No. 10 of Notes on Account regarding non-provision of liability for encashment of earned leave by it employees,
 - (i) in so far it relates to the Balance Sheet, of the State of affairs of the Company as at 31st March, 1999. and
 - (ii) in so far it relates to the Profit & Loss Account, of the LOSS of the Company for the year ended on that date.

for J.P. SARAF & COMPANY
CHARTERED ACCOUNTANTS

Place : Indore
Date : This 31st Day of May, 1999

(J.P. SARAF)
PARTNER