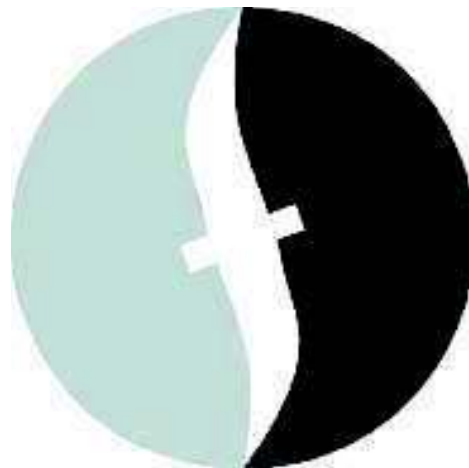


28th
ANNUAL REPORT
2009-2010



FILTRON
ENGINEERS LTD.

FILTRON ENGINEERS LIMITED

28th ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS :

Sadanand Hegde	(Chairman & Managing Director)
Gajanan Hegde	DIRECTOR
Joachim Friedsch	DIRECTOR
Padmakar Kashyapi	DIRECTOR
Prabhakar Hegde	DIRECTOR

AUDITORS : A. A. Bhat & Co.

BANKERS : Bank of Maharashtra

REGISTERED OFFICE : Filtron House,
6 Sitabag Colony
Sinhagad Road,
Pune 411 030.

28th ANNUAL GENERAL MEETING

Day & Date : Saturday, 18th September, 2010

Time : 4.00 P.M.

Place : Registered Office

Filtron House, 6 Sitabag Colony,
Sinhagad Road, Pune 411 030.

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NOTICE

NOTICE is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the members of the company will be held at 04.00 p.m. on Saturday the 18th September, 2010 at Registered Office at Filtron House, 6 Sitabag Colony, Sinhagad Road, Pune 411030 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the audited Profit & Loss Account of the Company for the financial year ended on 31st March, 2010 and the Balance Sheet as on that date, together with the Directors and Auditors Reports, thereon.
2. To appoint a Director in place of Mr. Gajanan Hegde, Director of the Company who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS :

4. To reappoint Mr. Padmakar Vidyadhar Kashyapi, additional director of the Company who retires at ensuing annual general meeting and being eligible , offers himself for reappointment.
5. To reappoint Mr. Prabhakar Ganesh Hegde, additional director of the Company who retires at ensuing annual general meeting and being eligible, offers himself for reappointment.

By order of the Board of Directors
for Filtron Engineers Limited

Place : Pune
Date : 12/05/2010

S. HEGDE
Chairman and Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY
 2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHTY HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
 3. THE REGISTER OF THE MEMBERS AND THE SHARE TRANSFER BOOKS WILL REMAIN CLOSED FROM THURSDAY 16.09.2010 TO MONDAY 20.09.2010 BOTH DAYS INCLUSIVE.
 4. MEMBERS ARE REQUESTED TO NOTIFY TO THE COMPANY IMMEDIATELY ANY CHANGE IN THEIR ADDRESS.
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DIRECTOR'S REPORT

To
The Members
Filtron Engineers Limited

Dear Members of
Filtron Engineers Limited

Your Directors are pleased to present their 28th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2010

1. FINANCIAL RESULTS & OPERATIONS:

Particulars	2009-2010	2008-2009 (Rs. in Lakhs)
Sales & other Income	600.65	545.31
Expenditure	565.21	514.81
Profit before Depreciation & Tax	35.44	30.49
Profit (+) Loss (-) before taxation	15.30	11.35
Provision for Taxation	2.31	1.40
Net Profit (+) Loss (-) after taxation	12.99	9.95

OPERATIONS:

During the financial year under this report the company has satisfactorily executed Export order worth Rs. 2.13 Crores (previous year Rs.2.27 Crore) & local order worth Rs.3.73 Crores (Rs. 1.13Crores). Thus this represents a substantial increase in domestic market though the exports remained almost same over the previous year. Your Company reported a Profit after Tax of Rs. 12.99 lacs as against a Profit after tax of Rs.9.95 lacs in the previous year.

The order booking is picking up, and it is hoped that your Company will achieve better turnover and profitability in the next year.

2. OBSERVATION IN AUDITOR'S REPORT :

In respect of observations made by the Auditor regarding the doubtful debts their report dated 28.06.2010 is self explanatory, your Director's wish to state as per management's perception the doubtful debts are recoverable in near future. This year overall efficiency has been improved a lot and Management improved its internal control system and able to address & attend most of the observations/qualifications and satisfactorily answered the same. The Company shall undertake activity of regularizing the agreements and transactions under section 295/296, 297 & other related sections.

3. DIRECTORS:

- 1) In accordance with the provisions of the Companies Act, 1956 Mr. Gajanan Hegde , director of the Company is due to retire by rotation, and being eligible, has offered himself to be reappointed. Members are requested to reappoint him as the Director of the Company.
- 2) To Mr. Padmakar Vidyadhar Kashyapi, was appointed as additional director of the Company on 9/12/2009 he retires at ensuing annual general meeting and being eligible offers himself for reappointment. Members are requested to reappoint him as the Director of the Company.
- 3) To Mr. Prabhakar Ganesh Hegde was appointed as additional director of the Company on 9/12/2009 he retires at ensuing annual general meeting and being eligible offers himself for reappointment. Members are requested to reappoint him as the Director of the Company.

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE

DIRECTORS REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2008

4. CONSERVATION OF ENERGY

Your Company has successfully maintained energy efficient lighting has been at a low level, it also implemented the plan to utilize energy efficient welding sets in the Factory

5. RESEARCH & DEVELOPMENT :

The Company undertakes turnkey Project Works. The plants commissioned and installed at Customer's site. This activity involves peculiar designing work which entails high precision and continuous R & D.

6. TECHNOLOGY ABSORPTION:

Required technology is absorbed, adapted wherever necessary to keep the Company competitive

7. FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars	2009-2010	2008-2009
	in Rs	in Rs.
Foreign Exchange earnings	21,260,247.66	27,943,174.00
Foreign Exchange outgo	Nil	68,370.00
Gain due to fluctuation	552,190.00	35,611.00
Loss due to fluctuate	573,898.00	56,866.00

8. EMPLOYEES RELATIONS:

Relations between the employees and the management continued to be cordial throughout the year under report. Information as required under the provisions of sections 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, has not been annexed since there are no employees to whom the said provisions are applicable.

9. AUDITORS:

M/s. A.A Bhat & Co. Chartered Accountants will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Board requests you to reappoint them for the year 2010-2011.

10. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under the section 217(2AA) of the Companies Act 1956, with respect to Directors responsibility statement for the year ended on 31st March 2010 the directors of the Company do state as under:

- 1) In preparation of the annual accounts for the financial year ended 31st March 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures. Also necessary disclosures are made in the Notes to the Accounts.
- 2) That the directors have selected such accounting policies and applied them consistently so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for the year under review.
- 3) That the directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on going concern basis.

11. ACKNOWLEDGMENT:

The directors place on record their appreciation for the whole hearted and sincere co-operation received by the company during the year from Employees, Customers, Investors, Bankers and various Government authorities at all levels.

On behalf of Board of Directors

Place : Pune
Date : 12/05/2010

S. HEGDE
Chairman and Managing Director

G. HEGDE
Director

COMPLIANCE CERTIFICATE**(see rule 3)**

To,

The Members,

Filtron Engineers Limited

We, have examined the registers, records, books and papers of Filtron Engineers Limited (having registration number as CIN U57909MH1982PTC026929 the scrip code of the Company as Bombay Stock Exchange is 531191) required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company and as stated more particularly in Annexure 'A' to this certificate, for the year ended on 31st March, 2010 (01.04.2009 to 31.03.2010). The Authorized share capital of the Company as on 31st March, 2010 is Rs.3,50,00,000/- and paid up capital is Rs. 2,61,65,000/- and the company has Rs.19,81,500 towards shares forfeited by it. The Company is a listed company however it is suspended from trading due to penal reason. In our opinion and to the best of our information and according to the examinations carried out by us of the documents provided to us and explanations furnished to us by the Company, its officers and agents, we certify that, in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies or such authorizes as may be as prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company, listed on Bombay Stock Exchange and has the minimum prescribed paid-up capital as required by the Act, under scrutiny however has been suspended by the said stock exchange.
4. The Board of Directors duly met 14 (Fourteen) times on 07/04/2009, 19/06/2009, 25/06/2009, 24/08/2009, 24/07/2009, 25/07/2009, 25/09/2009, 22/10/2009, 02/11/2009, 01/12/2009, 09/12/2009, 27/12/2009, 27/01/2010 and 31/03/2010 in respect of which meetings the proceedings were recorded. The remuneration committee was form 27/01/2010 of three Directors. The meeting of the remuneration committee was held on 29/01/2010. No circular resolutions were passed during the year.
5. The Company closed its Register of Members from Tuesday 25/09/2009 to Tuesday 29/09/2009 both days inclusive during the year; however the advertisement in this respect was not given in the news paper.
6. The Annual General meeting for the financial year ended on 31st March, 2009 was held on 29th September, 2009. The resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary meeting was held during the financial year.
8. As informed to us the Company has not advanced loan to its directors and /or persons or firms / companies referred in the section 295 of the Act.
9. The Company is required to comply with the provisions of section 297 of the Act in respect to the contracts specified in that section.
10. The Company is in the process of updating the necessary entries in the register maintained under section 301 of the Act.
11. There were no instances during the year wherein the Company was required to obtained approvals pursuant to section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the year.
13. The Company has:
 - i. delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act. The company has not issued any securities other than equity shares therefore no comment is required in the matter;

- ii. not deposited any amount in a separate Bank Account as no dividend was declared during the financial year under review of this report;
 - iii. not posted warrants to any member of the Company as no dividend was declared during the year under the review;
 - iv. no unpaid dividend, share application money due for refund, matured deposits, matured debentures, any interest accrued thereon which has remained unpaid or unclaimed for a period of 7 years to be transferred to the Investor Education and Protection Fund;
 - v. duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company comprises of five directors, however one of the director is yet to acquire the Director Identification Number. Mr.Prabhakar Hegde and Mr. Padmakar Kashyapi were appointed as additional director on 9th December, 2009. There was no appointment of alternate directors, directors to fill casual vacancy during the year.
 15. The appointment and remuneration of Managing Director need compliance with the provision of section 269 read with schedule XIII to the Act and other applicable provisions of the Act if any. The company does not have any whole time director or manager.
 16. The Company has not appointed any sole-selling agent.
 17. The Company was required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act; The company is required to take approval under section 295/296, 297 and other related sections read together with other notes thereon.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under except for one director.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year ending as on 31/03/2010.
 21. There was no redemption of preference shares/debentures during the year as the Company has not issued any redeemable preference shares/debentures.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not accepted/ invited any deposit including unsecured loans during the year ended as on 31/03/2010.
 24. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending as on 31st March, 2010 are within the borrowing limits of the Company.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year scrutiny.
 27. The Company has not altered the provisions of the memorandum of Association of the Company with respect to the object of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the memorandum with respect to the authorized share capital of the Company during the year under scrutiny.
 30. The Company has not altered its articles of association during the financial year ended as on 31/03/2010.
 31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment on the Company during the financial year, for offences under the Act. The Company has been suspended by Bombay Stock Exchange.
-

32. The Company has not received any money as security from its employees during the year under certification.
33. The Company has been suspended by the Bombay Stock Exchange for want for compliances and penal reason under Listing agreement. The company needs to improve on the making compliances of listing agreement and are therefore unable to comment or report any thing in the matter.
34. The Company has not set up its own scheme of Provident fund wherein it was required to deposit both employers and employees contribution to Provident fund with the prescribed authorities pursuant Section 418 of the Act.

For Kale Chikodikar & Associates Company Secretaries

Shantanu A. Kale
Partner

Place : Pune
Date : 12/05/2010

C. P. No. 3334

**ANNEXURE FOR COMPLIANCE CERTIFICATE UNDER SECTION 383 A
OF THE COMPANIES ACT, 1956 OF FILTRON ENGINEERS LIMITED
FOR THE YEAR ENDED AS ON 31ST MARCH 2010.**

Annexure A : Register under the Companies Act, 1956

1. Register of Member u/s 150.
2. Register of Contracts, companies and firms in which directors are interested u/s 301.
3. Register of Directors u/s 303.
4. Register of Directors Shareholding etc. 307.
5. Register of Transfer of securities.
6. Books of Accounts u/s 209 (We have relied upon the Auditors Report for the same).
7. Minutes for the meeting of the Board of Directors of the Company.
8. Minutes for the meeting of the Shareholder/members of the Company.

Annexure B : Forms and Returns as filed by the Company with the Registrar of companies. Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010

Forms filed with ROC

Form No	Filed u/s	Event Date	Filing Date	Challan No.
32	303	09/12/2009	24/12/2009	A75254037

For Kale Chikodikar & Associates Company Secretaries

Shantanu A. Kale
Partner

Place : Pune
Date : 12/05/2010

C. P. No. 3334

Annexure C - Stock Exchange Compliances during the financial year ending on 31st March, 2010.

Particulars	Adopted at Board of directors meeting	Submission As per company letter submitted
Unaudited results for quarter April-May-June 2009	24/07/2009	24/07/2009
Submission of shareholding pattern for quarter April-May-June 2009	24/07/2009	24/07/2009
Unaudited results for quarter July- August-September 2009 receipt of submission of available.	22/10/2009	23/10/2009
Submission of shareholding pattern for quarter July- August-September 2009 receipt of submission of available.	22/10/2009	23/10/2009
Unaudited results for quarter October - November- December 2009	27/01/2010	29/01/2010
Submission of shareholding pattern for quarter July- August-September 2009	27/01/2010	29/01/2010
Unaudited results for quarter January – February – March 2010	12/05/2010	Not sent as on date of this certificate.
Submission of shareholding pattern for quarter January – February – March 2010	12/05/2010	Not sent as on date of this certificate.

Pune: 12/05/2010

For Kale Chikodikar & Associates
Company Secretaries

Shantanu A. Kale
Partner
C. P. No. 3334

AUDITOR'S REPORT

To

**The Members of
Filtron Engineers Limited**

We have audited the attached Balance Sheet of **M/s. FILTRON ENGINEERS LIMITED** as at 6, Sitabag Colony, Sinhadag Road, Pune - 411 030 as on 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The balance sheet and profit and loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 AS - 22 in respect of Deferred Tax Asset & Liability & AS - 15 in respect Retirement Benefits.
- (v) On the basis of confirmations received from the directors and taken on record by the Board of Directors, none of the director is disqualified from being appointed as director as on dates certified by the directors under sections 274(1) (g) of the Companies Act, 1956.
- (vi) In our opinion and the best of our information and according to the explanations given to us, the said accounts subject to note no V, relating to non confirmation of balances of debtors, creditors, loans & advances, non provision of doubtful debts and pending approval from Central Government under section 295/296, 297 & other related sections and read together with other notes thereon. The said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010.
 - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that Date;
 - (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified at the year end by the management.
 - (b) In our opinion and according to the information and explanation given to us the procedure for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examinations of records of inventory in our opinion the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory and book records.
- (iii) (a) In our opinion and according to the information and explanations given to us the Company has granted Loans/

- Advances to the parties covered in the registered maintained U/s. 301 of The Companies Act, 1956. The maximum amount of Loans/Advances during the year was Rs. 94.57/- Lacs (Pr.Yrs. Rs. .48/- Lacs) and the year ended balance was Rs12.02/- Lacs (Pr. Yrs. Rs. 12.02/-).
- (b) As per the information and explanation given to us we are unable to express our opinion in respect of whether the rate of interest and other terms & condition of the Loans/Advances, repayments thereof and over dues amount of more than rupees one lacs of Loans/Advances given by the Company are prima facie prejudicial to the interest of the company.
- (iv) In our opinion there exist an adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and sale of goods and services.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
- (b) According to the information and explanations given to us, where each of such transactions is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from public within the meaning of section 58A & 58AA of the Act and rules framed there under.
- (vii) The Company does not have an internal audit system. We are informed that the steps are being taken for implementation of internal audit.
- (viii) According to the information and explanation given to us, The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the company.
- (ix) According to the information and explanations given to us in respect of the Statutory and other dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty, Cess and other statutory dues except Sales Tax with the appropriate authorities during the year. Undisputed dues in respect of sale tax outstanding for the period of more than 6 month from the date they become payable is nil. (Pr.Yrs. Rs. NIL/-)
- (x) The accumulated losses of the company as at the end of the year are more than 50% of its net worth. The Company has not incurred cash losses during the financial period covered by our audit in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders as at the balance sheet date.
- (xii) According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Provision of any special statute as specified under Clause (xiii) of the order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) As per the information and explanation given to us the loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) According to the information and explanations given to us and the records examined by us, the company has not made any debenture issue.
- (xx) The Company has not raised money by public issues during the year and hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For and on behalf of
A.A.BHAT & CO.
Chartered Accountants

N.V.BADWE
(Partner)

Place : Pune
Date : 12/05/2010

Membership No. 31637.

BALANCE SHEET AS ON 31ST MARCH, 2010

Particulars	Sch Ref.	Amount	Year Ended 31.3.2010 (Rs.)	Amount	Year Ended 31.3.2009 (Rs.)
<u>SOURCE OF FUNDS</u>					
Share Capital	A		28,146,500.00		28,146,500.00
Reserves & Surplus	B		9,096,401.94		9,096,401.94
<u>LOAN FUNDS</u>					
Secured Loans	C		13,218,844.98		8,728,524.62
Unsecured Loans	D		0.00		0.00
Total		TOTAL	<u>50,461,746.92</u>		<u>45,971,426.56</u>
<u>APPLICATION OF FUNDS</u>					
Fixed Assets					
Gross Block	E		17,386,205.00	35,146,056.00	
Less : - Depreciation		35,833,724.00	18,447,519.00	16,373,424.00	
Net Block					
Total			17,386,205.00		18,772,632.00
Capital WIP			8,696,777.00		7,711,794.00
Investments	F		0.00		0.00
<u>CURRENT ASSETS LOANS & ADVANCES</u>					
Inventories		8,752,495.00		5,996,628.00	
Sundry Debtors	G	16,029,679.52		16,595,855.15	
Cash & Bank Balance		2,778,694.06		2,741,018.06	
Advances Recoverable in Cash or Kind or value Receivable.	H	17,139,277.20		13,748,917.18	
		<u>44,700,145.78</u>		<u>39,082,418.39</u>	
<u>LESS:-CURRENT LIABILITIES & PROVISIONS</u>					
Sundry Creditors	I	30,157,133.34		30,348,133.84	
Provisions					
Income Tax		408,530.00		269,330.00	
FBT		Nil		50,636.00	
		<u>30,565,663.34</u>		<u>30,668,099.84</u>	
			14,134,482.44		8,414,318.55
<u>Profit & Loss Account</u>					
Opening Balance			11,072,682.01	12,159,232.38	
Less: Profits for the year			828,399.53	1,086,550.37	
Closing Balance			<u>10,244,282.48</u>	<u>11,072,682.01</u>	
Notes	R				
		TOTAL	<u>50,461,746.92</u>		<u>45,971,426.56</u>

For Filtron Engineers Ltd.

S. HEGDE
MANAGING DIRECTOR

G. HEGDE
DIRECTOR

Place : Pune
Date : 12/05/2010

As per our report on even date
For A. A. BHAT & COMPANY
(Chartered Accountants)

(N.V.BADWE)
PARTNER
M.No. 31637

Place : Pune
Date : 12/05/2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Sch Ref.	Year Ended 31.3.2010 (Rs.)	Year Ended 31.3.2009 (Rs.)
A) INCOME			
1 Sales	J	58,519,827.66	39,209,086.00
2 Other Income	K	1,545,526.00	15,322,041.78
Total		<u>60,065,353.66</u>	<u>54,531,127.78</u>
B) EXPENDITURE			
1 Material Consumed	L	35,929,455.00	22,625,091.51
2 Manufacturing Expenses	M	6,182,584.00	5,226,282.50
3 Employee Cost	N	7,264,932.00	6,245,829.53
4 Administration Expenses	O	2,011,088.73	2,386,952.83
5 Selling Expenses	P	3,917,136.40	13,921,589.45
6 Interest	Q	1,216,282.37	1,075,717.59
Total		<u>56,521,478.50</u>	<u>51,481,463.41</u>
PROFIT BEFORE DEPRECIATION & TAX		<u>3,543,875.16</u>	<u>3,049,664.37</u>
7 Depreciation & Amortisation	E	2,074,095.00	1,914,018.00
Less - Prior Period Depreciation		60,521.00	0.00
PROFIT BEFORE TAXATION & EXCEPTIONAL ITEMS		<u>1,530,301.16</u>	<u>1,135,646.37</u>
1 Provision for Taxation- FBT		0.00	50,636.00
2 Provision for MAT		230,800.00	90,000.00
PROFIT AFTER TAXATION		<u>1,299,501.16</u>	<u>995,010.37</u>
1 Prior Period (Expenses)/Income		(471,101.63)	91,540.00
2 Notes	R		
BALANCE CARRIED TO BALANCE SHEET		828,399.53	1,086,550.37

For **Filtron Engineers Ltd.**

As per our report on even date
For **A. A. BHAT & COMPANY**
(Chartered Accountants)

S. HEGDE
MANAGING DIRECTOR

G. HEGDE
DIRECTOR

(N.V.BADWE)
PARTNER
M.No. 31637

Place : Pune
Date : 12/05/2010

Place : Pune
Date : 12/05/2010

SCHEDULE FORMING PART OF THE ACCOUNTS

Particulars	Amt. In Rs. Year Ended 31.3.2010 (Rs.)	Amt. In Rs. Year Ended 31.3.2009 (Rs.)
SCHEDULE "A" SHARE CAPITAL		
1 Authorised Capital 35,00,000 Equity Shares of Rs.10/- each (Previous year 35,00,000 Equity Shares of Rs.10/-)	35,000,000.00	35,000,000.00
Total	<u>35,000,000.00</u>	<u>35,000,000.00</u>
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL 26,16,500 Equity Shares of Rs.10/-each fully paid up (Including 116540/- Equity Shares of 10/- each issued as Bonus Shares)	26,165,000.00	26,165,000.00
3 ADD : Share Forfeiture	1,981,500.00	1,981,500.00
Total	<u>28,146,500.00</u>	<u>28,146,500.00</u>
SCHEDULE "B" RESERVES & SURPLUS		
1 General Reserves	58,857.00	58,857.00
2 Share Premium	9,037,544.94	9,037,544.94
Total	<u>9,096,401.94</u>	<u>9,096,401.94</u>
SCHEDULE "C" SECURED LOANS		
1 Loan from HDFC Bank (secured against hypothecation of Managing Director's Vehicle)	556,579.23	459,608.86
2 i) Working Capital : Bank Of Maharashtra	6,402,309.75	1,124,764.76
ii) Term Loan : Bank of Maharashtra (All the above loans are against security of Inventory Book Debts and Hypothecation of Plant & Machinery and Land & Building at Chakan Plot No. 36, WMDC Industrial Area, Ambethan Road, Chakan, Pune & Apt. 6 & 7 Sr.No. 124, Sitabag Colony, Parvati Pune - 411 030. and further Secured against the Personal Guarantee of a Director)	6,259,956.00	7,144,151.00
Total	<u>13,218,844.98</u>	<u>8,728,524.62</u>
SCHEDULE "D" UNSECURED LOANS		
Total	<u>Nil</u>	<u>Nil</u>
Total	<u>Nil</u>	<u>Nil</u>

SCHEDULE E : FIXED ASSETS & DEPRECIATION

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As on 1.4.2009	Addition 2009-2010	Deduction 2009-2010	As on 31.03.2010	As on 01.04.2009	For 2009-2010	As on 31.03.2010	As on 31.03.2010	As on 31.03.2009
1	Lease Hold Land	477000.00	0.00	0.00	477000.00	76876.00	5126.00	82002.00	394998.00	400124.00
	Land	919820.00	0.00	0.00	919820.00	0.00	0.00	0.00	919820.00	919820.00
2	Flat	416575.05	0.00	0.00	416575.05	96291.90	6598.00	102889.90	313685.00	325590.00
3	Plant & Machinery	13277874.22	62000.00	0.00	13339874.22	5652293.72	631058.00	6283351.72	7056521.00	7625579.00
4	Office Equipment	1636101.52	168825.00	0.00	1804926.52	1013714.52	139974.00	1153688.52	651238.00	622387.00
5	Office Furniture	485591.89	32000.00	0.00	517591.89	316939.47	43984.00	360923.47	156670.00	168654.00
6	Vehicles	2274289.44	424843.00	0.00	2699132.44	1339748.36	130174.00	1469922.36	1229211.00	934542.00
7	Factory Building	6908804.00	0.00	0.00	6908804.00	1977561.00	242181.00	2219742.00	4689062.00	4931243.00
	Total Rs.	26396056.12	687668.00	0.00	27083724.12	10473424.97	1199095.00	11672519.97	15411205.00	15927939.00
B)	Intangible Assets									
1	Non Competition Charges for acquisition of Designs & Drawings	8750000.00	0.00		8750000.00	5900000.00	875000.00	6775000.00	1975000.00	2850000.00
	Total	8750000.00	0.00		8750000.00	5025000.00	875000.00	6775000.00	1975000.00	2850000.00
C)	Capital WIP Building								8696777.00	

SCHEDULE FORMING PART OF THE ACCOUNTS

Particulars	Amt. In Rs. Year Ended 31.3.2010 (Rs.)	Amt. In Rs. Year Ended 31.3.2009 (Rs.)
SCHEDULE "F" INVESTMENTS (At Cost)		
Investments (In Quoted & Unquoted Securities)	Nil	Nil
Total	Nil	Nil
SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES		
Inventories (At Cost)		
1) Raw Material	5,139,685.00	1,282,787.00
2) Work In Progress (as certified by Managing Director)	3,612,810.00	4,713,841.00
Total	8,752,495.00	5,996,628.00
Sundry Debtors (Unsecured Considered Good)		
1 Out Standing for More than six months	8,174,130.02	8,069,882.50
2 Other Debts	7,855,549.50	8,525,972.65
Total	16,029,679.52	16,595,855.15
Cash & Bank Balance		
1 Cash on Hand	1,321.00	25,639.00
2 Bank Balance		
Current Account	33,054.06	151,376.06
Fixed Deposit Account (against Bank guarantees & LC)	2,744,319.00	2,564,003.00
Total	2,778,694.06	2,741,018.06
SCHEDULE "H" LOANS & ADVANCES Recoverable in Cash or Kind or Value to be Received Considered Good, Unless Otherwise Stated		
1 Advance - Lead Managers	7,132,813.01	7,132,813.01
2 Balance With Government Authorities	3,434,240.97	2,180,997.95
3 Advance Income Tax	218,755.00	181,429.00
4 Other Advances	6,353,468.22	4,253,677.22
Total	17,139,277.20	13,748,917.18
SCHEDULE "I" CURRENT LIABILITIES AND PROVISIONS		
I		
1 Provision for Expenses	1,288,492.00	719,126.00
2 Sundry Creditors	18,118,879.42	16,820,010.84
3 Statutory dues	247,179.00	53,395.00
4 Advance from Customers	2,687,351.92	5,185,553.00
5 Other Liabilities	6,794,096.00	6,883,890.00
6 Provision for Warranty against Claims	1,021,135.00	686,159.00
Total	30,157,133.34	30,348,133.84
II PROVISIONS		
7 Provision For Income Tax (MAT)	408,530.00	269,330.00
8 Provision For FBT Tax	0.00	50,636.00
Total	30,565,663.34	30,668,099.84

SCHEDULE FORMING PART OF THE ACCOUNTS

	Amt. In Rs. 31.03.2010	Amount Year Ended 31.3.2009
SCHEDULE "J" SALES		
1 Sales :		
Exports	21,260,247.66	27,943,174.00
Local	37,259,580.00	11,265,912.00
Total	58,519,827.66	39,209,086.00
SCHEDULE "K" OTHER INCOME		
Expenses Reimbursement	22,626.00	80,000.00
Foreign Fluctuation Income	552,190.00	35,611.00
Interest Received	222,908.00	216,869.00
Misc. Income/Receipt	61,643.00	56,761.42
Excess Provision Write Back	686,159.00	14,932,800.36
Total	1,545,526.00	15,322,041.78
SCHEDULE "L" MATERIAL CONSUMED		
Finished Goods		
1 Opening Stock	448,314.00	448,314.00
2 Add : Purchases	11,957,226.00	5,553,246.06
3 Less: Closing Stock	454,200.00	448,314.00
	11,951,340.00	5,553,246.06
Manufactured Goods		
1 Opening Stock	5,548,314.00	4,859,406.00
2 Add : Purchases	26,728,096.00	17,760,753.45
3 Less: Closing Stock	8,298,295.00	5,548,314.00
	23,978,115.00	17,071,845.45
	35,929,455.00	22,625,091.51
SCHEDULE "M" MANUFACTURING EXP		
1 Crane Charges	2,100.00	10,032.00
2 Diesel Expenses	29,072.00	7,710.00
3 Electricity Expenses	293,843.00	307,035.00
4 Erection & Commissioning	656,448.00	1,104,357.50
5 Inspection Charges	16,482.00	136,902.00
6 Labour Charges	2,392,443.00	1,784,472.00
7 Repairs & Maintenance-Plant & Machinery	219,419.00	76,481.00
8 Security Charges	192,965.00	91,376.00
9 Testing Charges	23,152.00	7,574.00
10 Transport & Octroi	1,318,225.00	1,001,534.00
11 Warranty Claim	1,021,135.00	686,159.00
12 Water Charges	17,300.00	12,650.00
Total	6,182,584.00	5,226,282.50

SCHEDULE FORMING PART OF THE ACCOUNTS

	Amt. In Rs.	Amount Year Ended
	31.03.2010	31.3.2009
SCHEDULE "N" EMPLOYEE COST		
1 Salaries	6,243,267.00	5,055,609.53
2 Provident Fund & E.S.I Contribution	231,571.00	173,098.00
3 Other Benefits	687,528.00	959,593.00
4 Staff welfare exp	102,566.00	57,529.00
Total	7,264,932.00	6,245,829.53
SCHEDULE "O" ADMINISTRATIVE EXPS		
1 Auditor's Remuneration	71,562.00	72,400.00
2 Books & Periodicals	4,959.00	11,814.00
3 ECGC Premium	0.00	28,955.00
4 Filing Fees	19,686.00	89,007.00
5 Insurance	90,466.00	122,836.00
6 Labour Welfare Fund	1,116.00	384.00
7 Legal Expenses	192,724.00	395,297.00
8 Membership & Subscription fees	52,218.00	49,819.00
9 Office Expenses	218,708.73	529,225.33
10 Pooja Expenses	7,309.00	96,018.00
11 Printing & Stationary	93,273.00	127,377.00
12 Professional & Legal Fees	463,943.00	162,900.00
13 Rent, Rates & Taxes	28,697.00	70,336.50
14 Repairs & Maintenance	186,442.00	177,883.00
15 Society Charges	5,000.00	5,650.00
16 Tea Snacks & Lunch Exp.	139,574.00	79,119.00
17 Telephone, Postage & Courier	309,275.00	270,525.00
18 Vehicle Running & Maintenance	126,136.00	97,407.00
Total	2,011,088.73	2,386,952.83
SCHEDULE "P" SELLING EXPS		
1 Advertisement & Sales Promotion	184,677.00	90,866.00
2 Commission & Service Charges	1,808,775.00	878,352.00
3 Foreign Fluctuation Expenses	573,898.00	56,866.00
4 Foreign Travelling	178,074.00	104,130.00
5 Penalty Charges	62,134.00	269,866.00
6 Sundry Bal w/off	0.00	11,626,017.95
7 Tender Fees / Discount on Sale	10,910.00	5,966.00
8 Travelling & Conveyance Exps	1,098,668.40	889,525.50
Total	3,917,136.40	13,921,589.45
SCHEDULE "Q" INTEREST		
1 Bank Interest	522,764.00	433,183.00
2 Bank charges	599,111.00	592,966.26
3 Other Interest	94,407.37	49,568.33
Total	1,216,282.37	1,075,717.59

NOTES FORMING PART OF THE ACCOUNTS**SCHEDULE NO- R****I) SIGNIFICANT ACCOUNTING POLICIES****A) Basis of Accounting:-**

Accounts of the company are prepared under the historical cost convention and accrual basis as a going concern. The Company has complied with Accounting standards recommended by Institute of Chartered Accountants of India & as per prescribed under sub Sec 3 C of Sec. 211 of the Companies Act 1956 except 0 Accounting Standard 15 in respect of Retirement Benefits.

B) Inventories:

Valuation of Inventories: Inventories are valued at cost or at net realisable value which ever is lower. Scrap generated in manufacturing process is accounted for on sale.

C) Revenue Recognition:

1. Sales: Sales are accounted as soon as material is dispatched and are shown net of MVAT
2. Income arising out of Erection and Installation and Commissioning of equipment is accounted for on completion.
The erection and/ or commissioning of
 - i) The Composite and independently functional portion of the project
 - Or
 - ii) On completion of the project itself, as is applicable.
3. Benefit against exports made under Advance License Scheme of the EXIM Policy are recognized when utilised against import purchases.

D) Fixed Assets :

Fixed assets are stated at cost of acquisition and other attributable costs to bring the Assets to their working condition

- 1) Depreciation is charged on all the assets on straight-line method at rates and manner prescribed in schedule XIV of the Companies Act. Prorata depreciation is provided in the year of installation as also in the year of sale or disposal of the assets.
- 2) The cost of Leasehold land is amortized over the period of the lease

E) Foreign currency Transactions:

Foreign Currency transactions of income and expenditure are accounted for at the exchange rate prevailing as on the date of the transaction. Debtors & Creditors in respect of Foreign Currency transactions outstanding as on 31/03/2010 have been expressed at the foreign exchange rates prevailing as on the year end date. The difference between the rate prevailing on the transaction date and settlement /year ended is recognized as Income or Expenses as the case may be.

F) Retirement Benefits - Accounting Standard 15.

Contributions are made to provident fund. Provision for gratuity is made as per the amount ascertained by the management. No provision is made for amount towards earned leave.

G) Taxation - Accounting Standard 22.

- i) Provision for taxation includes current income tax.
- ii) The Company follows - Accounting for taxes on income' issued by the Institute of Chartered Accountants of India'. The Company has timing difference between accounting & tax profits on account of accumulated losses and unabsorbed depreciation. As per the perception of the management since there is no convincing evidence which demonstrates the virtual certainty of realisation of such 'Deferred tax assets', the Company has presently decided not to recognize any deferred tax asset or deferred tax liability either.

- H) Segment Reporting under Accounting standard 17.
The company operates in one business segment namely dairy and beverage equipment and hence reporting under this accounting standard is not applicable to the company.
- I) Lease Accounting As per Accounting Standard 19.
This is not applicable to the company since no new lease transaction took place during the year under report.
- J) Consolidated Financial Statement & Investment in Associate as per Accounting Standard 21 & 23 - Not applicable to the Company as the Company does not have any subsidiary.
- II) Impairment of Assets as per Accounting Standard 28 :- As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is less than the recoverable amount of those assets. Hence there is no impairment loss on the assets of the company.
- III) Capital Commitment - Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 60.00/- Lacs approx (Pre. Yr. Rs. – 40.00/-Lacs)
- IV) Contingent Liability - Contingent Liability not provided for in respect of
- 1) Bank Guarantees Rs. 45,22,500. /- (Pre.Yr. Rs. 57,41,800/-).
- V) In respect of Sundry Debtors, Loans & Advances we have to state as under:
- a) Balances of Debtors, Creditors and Loans & Advances are subject to Confirmations.
 - b) Receivables from Various parties against which the Company has initiated legal action and/or sent notices and the matters are pending before legal authorities Rs. 32.21/- Lacs. (Pre. Yr. 32.21lacs)
 - c) No provision has been made in respect of other debtors of Rs.44.08/- lacs (Pre.Yr. 44.08/- Lacs) and advances Rs. 12,02,564/- which are outstanding for the more than 3 years. We are unable to comment on the ultimate realisability of this amount.
 - d) Loans and advances include Rs. 71.32 lacs due from lead managers to the public issue carried out by the Company. The Company has filed a suit for recovery of principal amount reliability of this debt could not be confirmed.
 - e) Deposits with bank Rs. 27,44,319/- are towards margin money against the bank guarantees given and LC's issued on behalf of Company.
- As per the perception of the management, the above receivables are good and will be recovered in full.
- VI) Amounts payable to Small Scale Industries (Sundry Creditors) outstanding Rs. Nil (Pre. Yr Nil/-)
- VII) Related party disclosures as per A.S. 18
- A) Subsidiaries: Nil
- B) Associates and Joint Ventures:
1. Real Centrifuges Asia Pvt. Ltd.
 2. Fristam Pumps India Pvt. Ltd.
 3. Filtron India
 4. Sparc (Partnership)
 5. Vicarb Thermaltek (I) Pvt. Ltd.
 6. Bertron Equipments Pvt. Ltd.
 7. Schimdt Bretten India Pvt. Ltd.
 8. Nerb India Pvt Ltd.

C) Key Management Personnel & Relatives

Mr. Sadanand Hegde	:	Chairman & Managing Director
Mr. Gajanan Hegde	:	Director
Mr. Joachim Friedech	:	Director
Mr. Prabhakar Hegde	:	Director
Mr. Padmakar Kashyapi	:	Director

Relatives

Mr. Anil Gajanan Hegde	:	Son of Mr. Gajanan Hegde
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D) Transaction with Related Parties

Name of Parties	Purchases	Outstanding as on 31/03/2010
1. Bertron Equipments Pvt. Ltd.	44,99,718.00	11,89,304.55 Cr. (Pr.Yr. Rs. 24.61 lacs)
2. Schmidt Bretten India Pvt. Ltd.	31,72,185.00	33,49,404.30 Cr. (Pr.Yr. Rs. 16.43 lacs)
3. Real Centrifuge Asia Pvt. Ltd.	06,24,614.00	- 22,32,679.80 Dr. (Pr.Yr.Rs. 11.61 lacs)
4. Fristam Pumps (I) Pvt. Ltd.	53,22,501.00	49,19,803.47 Cr. (Pr.Yr. Rs. 30.72 lacs)
5. Vicarb Thermaltek(I) Pvt. Ltd.	---	18,265.00 Cr. (Pr. Yr. Rs. .18 lacs)
6. Filtron India	---	12,02,564.42 Dr. (Pr.Yr. Rs. 12.02 lacs)

Year Ended	Year Ended
31.03.2010	31.03.2009
(Rs.)	(Rs.)

VIII) Remuneration paid to the Managing Director & whole time director

Salary	2,70,000.00	2,40,000.00
HRA	94,500.00	84,000.00
Conveyance	94,500.00	84,000.00
Incentive	81,000.00	72,000.00
Ex-gratia	60,491.00	53,500.00
Perquisites		
M.R.A.	27,000.00	24,000.00
L.T.A.	12,609.00	40,000.00
Bonus	2,500.00	2,500.00
Total Rs.	6,42,600.00	6,00,000.00

IX) Earnings per share as per A.S. 20

	<u>31.3.2010</u>	<u>31.3.2009</u>
Profit / Loss after tax	12,99,501	9,95,010.37
Weighted average number of shares		
Outstanding of Rs. 10 each	26,16,500	26,16,500
Basic and diluted EPS	00.49	00.38

X) As 26 Accounting for intangible Assets

Details relating to intangible Assets.- Intangible assets represents cost of non competition fee paid. It is to be amortised equally over a estimated useful life as below :

	<u>31.3.2010</u>	<u>31.3.2009</u>
Useful life	7 years	
Amortisation method :	Straight line method	
Carrying amount at the beginning	28,50,000	37,25,000
Amortisation during this year	8,75,000	8,75,000
Carrying amount at the end of the year	19,75,000	28,50,000

XI) Remuneration to the Managing Director & Whole time Director

As per IX above.

XII) Payment to Auditors

	<u>Year Ended</u> <u>31.3.2010</u>	<u>Year Ended</u> <u>31.3.2009</u>
Towards Statutory & Tax Audit Fees	45,000.00	45,000.00
Towards Reimbursement of Expenses	9,062.00	9,900.00
Other Services	0.00	0.00
	<u>54,062.00</u>	<u>54,900.00</u>

XIII)

A) Expenditure in Foreign Currency

CIF Value of Imports	NIL	68,370.00
Other Items	NIL	NIL

B) Earnings in Foreign Exchange

FOB Value of Exports	2,12,60,247.66	2,79,43,174.00
Other Items	NIL	NIL

C) Expenditure/Income on account of Foreign Exchange Fluctuation

Gain due to fluctuation	5,52,190.00	35,611.00
Loss due to fluctuation	5,73,898.00	56,866.00

XIV) A) Particulars

	<u>Opening Stock</u> <u>01/04/2010</u>	<u>Closing Stock</u> <u>31/03/2009</u>
Trading	4,48,314.00	4,54,200.00
(Pre. Year)	(4,48,314.00)	(4,48,314.00)
Manufacturing	55,48,314.00	82,98,295.00
(Pre. Year)	(48,59,406.00)	(55,48,314.00)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
B) Consumption of Materials		
Trading		
Homoginiser Spares	7,95,143.00	17,23,701.00
PHE Spares	4,98,376.00	3,82,143.00
Cream Seperator	NIL	NIL
Other Materials/Equipments	1,06,63,708.00	34,47,402.06
Manufacturing Goods		
Other Materials / Equipments	2,67,28,096.00	1,77,60,753.45

(* Note: None of the items individually account for more than 10% of total consumption value, hence quantitative details are not given.

C) Details of Turnover				
	Qty.		Qty.	
Trading Goods				
Homeginiser	04	21,08,900.00	10	12,48,869.00
Spiratoron		NIL		NIL
CIP System	02	43,45,900.00	1	12,04,390.00
Milk Chiller	03	4,31,760.00	1	3,12,018.00
Milk Storage Tank		NIL	4	10,08,984.00
PHE Plates	05	13,52,120.00	5	3,33,750.00
Other Materials & Equipments		2,09,74,106.66	*	36,59,559.00
	Total	2,92,12,786.66		77,67,570.00
Manufacturing Goods				
Tank	15	80,88,700.00	06	20,43,836.00
Syrup Systems	02	5,85,810.00	03	7,03,654.00
Heat Exchanger	04	5,44,510.00	00	NIL
Casting	0	NIL	00	NIL
Dying Chambers	0	NIL	00	NIL
Pasteurizers	04	34,99,950.00	04	95,25,901.00
Mini Dairy Plant	02	1,59,04,700.00	04	1,91,49,600.00
Weight Brand	0	NIL		NIL
Other Materials/Equipments		6,83,371.00		18,525.00
Total Sales-		2,93,07,041.00		3,14,41,516.00

(* Note: None of the items individually account for more than 10% of total sales value, hence quantitative details are not given.

D) Consumption of Material			
Imported		0	I
		(0%)	(0%)
Indigenous		3,59,29,455.00	2,26,25,092.00
		(100%)	(100%)

XV) In the opinion of the Board the balances in Current Assets, Loans & Advances are approximately of the value stated if realised in the ordinary course of business are taken as per books. The provision for depreciation and all known liabilities is adequate and not in excess of the amounts reasonably necessary. These are no Contingent Liabilities other than those stated in above note No. 3.

XVI) Previous year's figures have been regrouped or rearranged wherever necessary.

For **Filtron Engineers Ltd.**

As per our report on even date
For **A. A. BHAT & COMPANY**
(Chartered Accountants)

S. HEGDE
MANAGING DIRECTOR

G. HEGDE
DIRECTOR

(N.V.BADWE)
PARTNER
M. No. 31637
Place : Pune
Date : 12/05/2010

Place : Pune
Date : 12/05/2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Information pursuant to part IV of Schedule VI to the Companies Act, 1956.)

A) Registration Details

Registration Number dt. State Code
 Balance Sheet Date

B) Capital raised during the year (Amount in Rs. Thousand)

a) Public Issue b) Rights Issue
 c) Bonus Issue d) Private Placement

C) Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)

	(Amount in Rs. Thousand)	
	31.03.2010	31.03.2009
a) Total Liabilities	50,461.74	45,971.42
b) Total Assets	50,461.74	45,971.42
c) Sources of Funds		
i) Paid up Capital	28,146.50	28,146.50
ii) Reserves & Surplus	9,096.40	9,096.40
iii) Secured Loans	<u>13,218.84</u>	<u>8,728.52</u>
	<u>50,461.74</u>	<u>45,971.42</u>
d) Application of Funds		
i) Net Fixed Assets	26,082.98	26,484.43
ii) Net Current Assets	14,134.48	8,414.31
iii) Miscellaneous Expenditure	0.00	0.00
iv) Accumulated Losses	<u>10,244.28</u>	<u>11,072.68</u>
	<u>50,461.74</u>	<u>45,971.42</u>

D) Performance of Company

	(Amount in Rs. Thousand)	
a) Turnover	60,644.48	54,561.13
b) Total Expenditure:	59,194.70	53,395.48
c) Profit/Loss before Tax:	1,469.78	1,135.65
d) Profit/Loss after Tax	1,238.98	995.01
e) Earnings per Share (Rs.)	.47	.38
f) Dividend Rate (%)	Nil	Nil

E) Generic Norms of three principal Products/Services of Company as per Monetary Terms.

a) Item Code No. b) Product Description : Dairy Machinery
 c) Item Code No. d) Product Description : Food Processing Machinery
 e) Item Code No. & f) Product Description : Chemical & Pharmaceutical Equipment

For **Filtron Engineers Ltd.**

As per our report on even date
 For **A. A. BHAT & COMPANY**
 (Chartered Accountants)

S. HEGDE
 MANAGING DIRECTOR

G. HEGDE
 DIRECTOR

(N.V.BADWE)
 PARTNER

Place : Pune
 Date : 12/05/2010

Place : Pune
 Date : 12/05/2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars		Amount	Amount	Previous Year
A	Cash Flow from Operating activities			
	Net Profit before taxation		1,530,301.00	1135646
	Adjustment for Non Cash Expenses			
1	Depreciation	2,074,095.00		1914018
2	Financial Charges	1,216,282.00		1075718
3	Other Income	-1,545,526.00		-15322042
4	Prior Period Expenses	-60,521.00		0.00
5	Provision of Income Tax	-230,800.00	1,453,530.00	-140636
	Operating profit before WC changes		2,983,831.00	-11337296
1	Increase/Decrease in Inventories	-2,755,867.00		-688908
2	Decrease/Increase in Sundry debtors	566,175.00		1217935
3	Decrease /Increase in Advance recoverable in cash or kind	-3,390,360.00		3999380
4	Decrease/Increase in S. Creditors & Other Liabilities & Provisions	-102,437.00	-5,682,489.00	-2124942
	Net Cash Flow from Operative Activity		-2,698,658.00	-8933831
B	Cash Flow from Investing activities			
1	Purchase of Fixed Assets/WIP	-2083237.00		-2479352
2	Sale of Fixed Assets			
3	Sale of Investments		-2083237.00	
	Net Cash used in Investing Activities		-4781895.00	-11413183
C	Cash Flow from Financing Activities			
1	Secured & Unsecured Loans Paid	4,490,320.00		-707148
2	Unsecured Loans Aailed	0.00		0
2	Financial Charges	-1,216,282.00		-1075718
3	Other Income	1,545,526.00	4,819,564.00	15322042
	Net Cash Flow from Financing Activities		37,669.00	2125993
D	Net Increase in Cash & Cash Equivalents		37,669.00	2125993
E	Cash & Cash equivalent at begining of the year		2,741,025.00	615025
F	Cash & Cash equivalent at the end of the year		2,778,694.00	2741018

Notes:

- A) The above cash flow statements has been prepared under the 'Indirect method' as set out in the Accounting Standard 3 on cash flow statement issued by ICAE.
- B) Previous year's figures have been regrouped wherever necessary to confirm to current year classification

For **Filtron Engineers Ltd.**

As per our report on even date
For **A. A. BHAT & COMPANY**
(Chartered Accountants)

S. HEGDE
MANAGING DIRECTOR

G. HEGDE
DIRECTOR

(N.V.BADWE)
PARTNER

Place : Pune
Date : 10/05/2010

Place : Pune
Date : 10/05/2010

AUDITOR'S CERTIFICATE

To,
The Board of Directors
Filtron Engineers Ltd.
Pune 411 030

We have verified the attached Cash Flow Statement of Filtron Engineers Ltd., which has been complied from and is based on the audited statements for the year ended March 31,2003. To the best of our knowledge and belief and according to the information and explanation given to us, it has been prepared pursuant to clause 32 of the listing Agreement with the Stock Exchange, Mumbai.

For **A.A. BHAT & COMPANY**
(Chartered Accountants)

Place : Pune
Date : 10/05/2010

(N.V. BADWE)
Date : 10/05/2010

PROXY FORM

FILTRON ENGINEERS LIMITED

Registered & Corporate Office : Filtron House, 6 Sitabag Colony, Sinhagad Road, Pune 411 030.

I/We _____ of _____
_____ being

member / members of FILTRON ENGINEERS LIMITED, hereby appoint or, failing him, _____ of _____ as my / our proxy to vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on 18th September, 2010 at Registered Office, Filtron House, 6 Sitabag Colony , Sinhagad Road, Pune 411 030, and at any adjournment thereof.

At witness my/our hand(s) this _____ day of _____ 2010.

Signed by the said

Member's Folio no. _____

No. of Shares held _____

Note : The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

(TEAR HERE)

FILTRON ENGINEERS LIMITED

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company to be held at Registered Office, Filtron House, 6 Sitabag Colony, Sinhagad Road, Pune 411 030 on 18th September, 2010 at 04.00 p.m.

Full Name of the Shareholder in BLOCK LETTERS _____

Folio No. _____

No. of Shares held _____

Signature of the shareholder _____

Note : Only shareholders of the Company or their proxies will be allowed to attend the meeting.

(TEAR HERE)

BOOK-POST
Under Certificate of Posting

If undelivered, Please return to :

FILTRON ENGINEERS LIMITED

6 Sitabag Colony, Filtron House, Sinhagad Road, Pune 411 030.