

30th
ANNUAL REPORT
2011-2012



FILTRON
ENGINEERS LTD.

FILTRON ENGINEERS LIMITED

30th ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS	Sadanand Hegde	(CHAIRMAN & MANAGING DIRECTOR)
	Gajanan Hegde	DIRECTOR (Upto 04/08/2012)
	Joachim Friedsch	DIRECTOR
	Padmakar Kashyapi	DIRECTOR
	Prabhakar Hegde	DIRECTOR
	Yashwantrao Mali	WHOLE TIME DIRECTOR (w.e.f. 21/01/2012)

AUDITORS : A. A. Bhat & Co.
Chartered Accountants, Pune

BANKERS : Bank of Maharashtra

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

30th ANNUAL GENERAL MEETING

Day & Date : Saturday, 22nd September, 2012

Time : 4.00 P.M.

Place : Registered Office

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

CONTENTS

	Page Nos.
Notice	2
Directors' Report	3
Compliance Certificate	5
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Notes	14

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of the Company will be held on 22nd September, 2012 at the Registered Office at 'Filtron House', 6 Sitabag Colony, Sinhagad Road, Pune 411030 at 4.00 p.m. 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, 2012 and the Balance Sheet as on that date, together with the Directors Report, and Auditors Reports thereon and the cash flow statement for the year ended on 31st March 2012.
2. To appoint a director in place of Mr. Prabhakar Hegde, who retires by rotation and being eligible has offered 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.

By order of the Board of Directors
For Filtron Engineers Limited

Place : Pune
Date : 04/08/2012

SADANAND 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 18TH SEPTEMBER, 2012 to 22ND SEPTEMBER, 2012 BOTH DAYS INCLUSIVE.
4. MEMBERS ARE REQUESTED TO NOTIFY TO THE COMPANY IMMEDIATELY ANY CHANGE IN THEIR ADDRESS.
5. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION CONCERNING THE ACCOUNTS AND OPERATIONS OF THE COMPANY ARE REQUESTED TO ADDRESS THEIR QUESTIONS IN WRITING TO THE COMPANY ATLEAST 7 DAYS BEFORE THE DATE OF THE MEETING SO THAT THE INFORMATION REQUIRED MAY BE MADE AVAILABLE AT THE MEETING

EXPLANATORY STATEMENT IN PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE ITEMS STATED IN NOTICE CALLING ANNUAL GENERAL MEETING OF FILTRON ENGINEERS LIMITED TO BE HELD ON 22ND SEPTEMBER, 2012 AT FILTRON HOUSE 6 SITABAUG COLONY, SINHGAD ROAD, PUNE: 411030 AT 04.00 P.M

For FILTRON ENGINEERS LIMITED

Place : Pune
Date : 04/08/2012

SADANAND HEGDE
Chairman and Managing Director

DIRECTOR'S REPORT

For the year ended on 31st March, 2012

**Dear Members of
Filtron Engineers Limited**

Your Directors are pleased to present their Thirtieth Annual Report and the Audited Statement of Accounts for the financial year ended on 31st March, 2012.

1. FINANCIAL RESULTS & OPERATIONS :

Particulars	(Rs. In Lacs)	
	2011-2012	2010-2011
Sales & other Income	440.18	401.24
Expenditure	433.84	372.49
Profit before Depreciation & Tax	30.02	28.75
Profit (+) Loss (-) before taxation	6.34	4.99
Provision for Taxation	1.15	0.615
Net Profit (+) Loss (-) after taxation	5.19	4.38

OPERATIONS:

During the financial year under this report the company has satisfactorily executed Local & Export order worth Rs. 425.92 Lacs (previous year Rs.328.32 Lacs). Your Company reported a Profit after Tax of Rs. 5.19 Lacs as against a Profit after tax of Rs.4.38 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.

The Company has undertaken process for revocation of suspension of the Company's securities (Equity shares) on BSE. The scrip code of the company on BSE is 531191. The internal committee of the BSE vide its letter dated 25/05/2012 has informed the Company of its in-principal approval for revocation of suspension of trading in equity shares subject to certain conditions. The Company is trying all its efforts to comply with the same. The Company is also taking steps to dematerialize its securities. The members will be issued necessary communication from the Company in the matter. The Company requests the co-operation of members in the matter.

2. DIRECTORS:Reappointment of directors by rotation:

In accordance with the provisions of the Companies Act, 1956 Mr. Prabhakar Hegde is due to retire by rotation, and being eligible, has offered himself for reappointment. Members are requested to reappoint him as the Director of the Company.

Managing Director and Whole time director:

Mr. Yashwantrao Mali has been appointed as additional director in the Board meeting dated 21/01/2012, his appointment as whole - time - director of the company w.e.f on 21/01/2012 for a period of 3 years has been confirmed by the shareholders in their extra ordinary general meeting held on 24/02/2012 and his remuneration was fixed thereon. Mr.Sadanand Hegde has been reappointed as managing director in the board meeting dated 21/01/2012 w.e.f. 01/01/2012 for a period of 5 years. The said appointment has been confirmed by the shareholders in their extra ordinary general meeting held on 24/02/2012 and his remuneration was fixed thereon.

3. 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, 2012.**a) 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.

b) 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.

c) TECHNOLOGY ABSORPTION:

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

d) FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars	2011-2012 in Rs.	2010-2011 in Rs.
Foreign Exchange earnings	23,262,721.00	1,60,09,834.00
Foreign Exchange outgo	Nil	2,33,547.00

e) 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.

4. 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 2012-2013.

5. 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 2012 the directors of the Company do state as under:

1. In preparation of the annual accounts for the financial year ended 31st March 2012 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 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, 2012 on going concern basis.

6. OBSERVATION IN AUDITOR'S REPORT :

In respect to observations made by the Auditors regarding the doubtful debts in their report dated 30/05/2012 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.

7. 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
For Filtron Engineers Limited

Place : Pune
Date : 04/08/2012

SADANAND HEGDE
Chairman and Managing 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 L57909MH1982PLC026929 and having the scrip code 531191 on Bombay Stock Exchange) 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 as stated more particularly in Annexure `A' to this certificate, for the year ended on 31st March, 2012 (01.04.2011 to 31.03.2012). The Authorized share capital of the Company as on 31st March, 2012 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. Our certificate relates to compliances made by the Company in respect of "The Companies Act, 1956" and the rules laid down there under and no other Acts, rules, regulations and laws. In our opinion and to the best of our information and according to the examinations carried out by us of 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 authorities as may be as prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company, listed on Mumbai 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 11 (Eleven) times on 20/04/2011, 19/05/2011, 05/07/2011, 30/07/2011, 12/08/2011, 03/09/2011, 09/09/2011, 13/10/2011, 22/10/2011, 21/01/2012 and 17/03/2012 in respect of which meetings the proceedings were recorded. The remuneration committee of the Board duly met on 21/01/2012 in respect of which meeting the proceedings were recorded. No circular resolutions were passed during the year.
5. The Company closed its Register of Members from 30/08/2011 to 03/09/2011 both days inclusive during the year; however the advertisement in this respect was not given in the news paper.
6. The 29th Annual General meeting for the financial year ended on 31st March, 2011 was held on Saturday, 3rd September 2011. The resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. One Extra ordinary General meeting was held on 24/02/2012 during the financial year ended as on 31st March, 2012 for reappointment of Managing Director, appointment of Whole-Time Director and fixing their remuneration, and the resolutions passed thereat were duly recorded in Minutes Book Maintained for the purpose.
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 has made 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 is duly constituted and Mr. Yashwantrao Mali was appointed as additional director in the Board meeting dated 21/01/2012, and appointed as whole - time - director of the company w.e.f on 21/01/2012 for a period of 3 years has been confirmed by the shareholder in their extra ordinary general meeting held on 24/02/2012 and his remuneration was fixed thereon. Mr.Sadanand Hegde has been reappointed as managing director in the board meeting dated 21/01/2012 w.e.f. 01/01/2012 for the period of 5 years the said appointment has been confirmed by the shareholders in their extra ordinary general meeting held on 24/02/2012 and his remuneration was fixed thereon. There was no appointment of alternate directors, directors to fill casual vacancy during the year.
 15. The appointment of Managing Director & Whole time Director has been made in compliance with the provision of section 269 read with schedule XIII to the Act and other applicable provisions of the Act if any. The details of which are given in sr.no 14 above. The company does not have any 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 ending as on 31/03/2012.
 20. The Company has not bought back any shares during the financial year ending as on 31/03/2012.
 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 31/03/2012.
 24. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending as on 31st March, 2012 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 31/03/2012.
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed during the financial year.
32. The Company has not received any money as security from its employees during the year under certification.
33. 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.

Matters after 31/03/2012 with respect to trading of securities :

34. The Bombay Stock Exchange vide their letter no DCS/COMP/OT/TB/46/2012-13 dated 25/05/2012 as stated that the application made by the company for revocation of suspension has been considered by its internal committee on 25/05/2012 and that on the basis of submissions made by the company, the Internal Committee has decided to revoke the suspension in the trading of securities of the company subject to the conditions stated in the said letter.

**For Kale Chikodikar & Associates
Company Secretaries**

Shantanu A. Kale Manish M.Chikodikar
Partner Partner

Place : Pune

Date : 30/05/2012

C. P. No. 3334

C. P. No. 3976

**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 2012.**

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
6. Register of Transfer of securities.
7. Books of Accounts u/s 209 (We have relied upon the Auditors Report for the same).
8. Minutes for the meeting of the Board of Directors of the Company.
9. Minutes for the meeting of the Shareholder/members of the Company

**For Kale Chikodikar & Associates
Company Secretaries**

Shantanu A. Kale Manish M.Chikodikar
Partner Partner

Place : Pune

Date : 30/05/2012

C. P. No. 3334

C. P. No. 3976

Annexure B: - Forms and Returns as filed by the Company with the Registrar of companies, during the financial year ending on 31st March, 2012. Form at sr.no. 4 to 9 have been filed after the financial year ending as on 31st March, 2012.

Forms filed with ROC

Sr.No	Form No.	Filed u/s	Event Date	Filing Date	Challan No.
1	Form 20B	159	03/09/2011	23/11/2011	P80128911
2	Form 66	383A	19/05/2011	23/11/2011	P80749393
3	(XBRL) Form 23AC & ACA	220	19/05/2011	23/11/2011	P83321661
4	Form 23	192	24/02/2012	03/05/2012	B38246179
5	Form 23	192	26/02/2008	03/05/2012	B38243713
6	Form 32	303	21/01/2012	03/05/2012	B38248696
7	Form 25C	269	01/01/2012	03/05/2012	B38247946
8	Form 25C	269	01/01/2008	03/05/2012	B38245437
9	Form 25C	269	21/01/2012	03/05/2012	B38258166

**For Kale Chikodikar & Associates
Company Secretaries**

Shantanu A. Kale
Partner

Manish M.Chikodikar
Partner

Place : Pune
Date : 30/05/2012

C. P. No. 3334

C. P. No. 3976

A.A.BHAT & CO.
Chartered Accountants
6,Harmony House
797/1A, Bhandarkar Institute Road
PUNE 411004

AUDITOR'S REPORT

To,
The Members of
FILTRON ENGINEERS LIMITED

We have audited the attached Balance Sheet of M/s. FILTRON ENGINEERS LIMITED at 6, Sitabag Colony, Sinhadgad Road, Pune - 411 030 as on 31st March 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 written representations 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 13 & 14, 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 and attached thereto. 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 2012.
 - (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.

For and on behalf of
A.A.BHAT & CO.
Chartered Accountants
Firm Registration No. 101282W

Pune
Dated : 30/05/2012

CA. N.V. BADWE
Partner
Membership No. 31637

ANNEXURE TO THE AUDITORS' 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 explanation 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 examination 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 explanation given to us the Company has granted Loans/ Advances to the parties covered in the register maintained U/s. 301 of The Companies Act, 1956. The maximum amount of Loans/Advances during the year was Rs. 74.78 Lacs P.Y. Rs. 46.50Lacs)
 - (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 is prima facie prejudicial to the interest of the company.
- (iv) In our opinion there is an adequate internal control procedure 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 explanation given to us, where each of such transactions is in excess of Rs. 5 Lacs 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. (P.Y. Rs. NIL)
- (x) The accumulated losses of the company as at the end of the year are not 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) According to the records of company examined by us and as per audit procedures and on the basis of information and explanation 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 explanation 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 Provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- (xvi) In our opinion, and the information and explanation given to us the term loans were applied on an overall basis, for the purpose for which they obtained.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanation 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 explanation 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) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we have been informed of any such case by the management.

For and on behalf of
A.A.BHAT & CO.
Chartered Accountants
Firm Registration No. 101282W

CA. N.V. BADWE
Partner
Membership No. 31637

Pune
Dated : 30/05/2012

BALANCE SHEET AS ON 31ST MARCH, 2012

	Note No.	As at 31.3.2012 (Rs.)	As at 31.3.2011 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	28,146,500.00	28,146,500.00
(b) Reserves and surplus	4	(197,786.62)	(716,889.76)
		<u>27,948,713.38</u>	<u>27,429,610.25</u>
Non-current liabilities			
(a) Long-term borrowings	5	2,395,619.64	3,692,896.00
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	6	1,191,346.00	948,173.00
		<u>3,586,965.64</u>	<u>4,641,068.99</u>
Current liabilities			
(a) Short-term borrowings	7	6,820,295.22	8,692,010.70
(b) Trade payables	8	23,763,189.15	16,844,060.32
(c) Other current liabilities	9	22,508,229.30	8,373,365.30
(d) Short-term provisions	10	978,793.00	1,416,306.00
		<u>54,070,506.67</u>	<u>35,325,742.33</u>
		<u>85,606,185.69</u>	<u>67,396,421.57</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	22,212,042.00	24,519,389.00
(ii) Capital work-in-progress		-	-
		<u>22,212,042.00</u>	<u>24,519,389.00</u>
(b) Non-current investments	12	-	-
(d) Long-term loans and advances	13	9,166,444.43	7,132,813.01
(e) Other non-current assets	14	8,262,103.42	8,833,411.31
		<u>39,640,589.85</u>	<u>40,485,613.32</u>
Current assets			
(b) Inventories	15	12,251,178.00	10,532,812.00
(c) Trade receivables	16	19,404,425.79	4,521,427.26
(d) Cash and cash equivalents	17	6,423,341.04	2,642,317.06
(e) Short-term loans and advances	18	7,768,291.01	9,214,251.93
(f) Other current assets	19	118,360.00	-
		<u>45,965,595.84</u>	<u>26,910,808.25</u>
		<u>85,606,185.69</u>	<u>67,396,421.57</u>
TOTAL			

See accompanying notes forming part of the financial statements

As per our Report attached of even date
For and on behalf of

A. A. Bhat & Co.
Chartered Accountants
(Firm Reg. No. 101282W)

Nishikant V. Badwe
Partner
Membership No. 31637
Pune, 30 May 2012

For and on behalf of the Board of Directors

MR. SADANAND HEGDE
MANAGING DIRECTOR
Pune, 30 May 2012

MR. YASHWANTRAO MALI
WHOLE TIME DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	For the year ended 31.3.2012 (Rs.)	For the year ended 31.3.2011 (Rs.)
CONTINUING OPERATIONS			
Revenue from operations (gross)	20	42,592,522.00	32,831,730.50
Less: Excise duty	20	-	-
Revenue from operations (net)		42,592,522.00	32,831,730.50
Other income	21	1,425,618.75	7,292,240.30
Total revenue		44,018,140.75	40,123,970.80
Expenses			
(a) Cost of materials consumed	22 a	24,547,777.00	25,211,981.00
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22 b	31,157.00	(6446990.00)
(d) Employee benefits expense	23	6,596,891.00	8,068,558.00
(e) Finance costs	24	2,252,047.62	1,803,782.39
(f) Depreciation and amortisation expense	11	2,368,241.00	2,375,174.00
(g) Other expenses	25	7,587,923.99	8,611,882.29
Total expenses		43,384,037.61	39,624,387.68
Profit / (Loss) before exceptional and extraordinary items and tax		634,103.14	499,583.12
Exceptional items	26	-	-
Profit / (Loss) before tax		634,103.14	499,583.12
Tax expense:			
(a) Current tax expense for current year		-	-
(b) (Less): MAT credit		115,000.00	61,500.00
(c) Current tax expense relating to prior years		-	-
(d) Net current tax expense		115,000.00	61,500.00
(e) Deferred tax		-	-
		115,000.00	61,500.00
Profit / (Loss) from continuing operations		519,103.14	438,083.12
TOTAL OPERATIONS			
Profit / (Loss) for the year		519,103.14	438,083.12

See accompanying notes forming part of the financial statements

As per our Report attached of even date
For and on behalf of

A. A. Bhat & Co.
Chartered Accountants
(Firm Reg. No. 101282W)

Nishikant V. Badwe
Partner
Membership No. 31637
Pune, 30 May 2012

For and on behalf of the Board of Directors

MR. SADANAND HEGDE MR. YASHWANTRAO MALI
MANAGING DIRECTOR WHOLE TIME DIRECTOR
Pune, 30 May 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS.**NOTE - 1**

Established in 1982, the Company is a manufacturing and suppliers of Food, Dairy, Beverages and Chemical Equipment. The Company currently operates through its facilities located at Pune and Chakan.

I) SIGNIFICANT ACCOUNTING POLICIES**NOTE - 2****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 prescribed under Sec. 211(3C) of the Companies Act 1956 except Accounting Standard 15 in respect of Retirement Benefits

A) 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.

B) 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.

C) 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.

D) 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 31/03/2012 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.

E) Retirement Benefits - Accounting Standard 15:

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

F) 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.

G) 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.

H) 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.

I) 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.

J) 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.

K) Capital Commitment -

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. NIL (P.Y. Rs. NIL)

L) 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) Bertron Equipments Pvt. Ltd.
- 5) Schimdt Bretten India Pvt. Ltd.
- 6) 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
Mr. Yashwantrao Mali	:	Whole Time Director

Relatives

Mr. Anil Gajanan Hegde : Son of Mr. Gajanan Hegde

M) AS 26 Accounting for intangible Assets**Details relating to intangible Assets:**

Intangible assets represents cost of non competition fee paid. It is to be amortized equally over a estimated useful life as below:

	31.03.2012	31.03.2011
Useful life:	07 years	
Amortization method:	Straight line method	
Carrying amount at the beginning	Rs.11,00,000	Rs.19,75,000
Amortization during this year	Rs. 8,75,000	Rs. 8,75,000
Carrying amount at the end of the year	Rs. 2,25,000	Rs.11,00,000

N) 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 then those stated in above note No.26

For FILTRON ENGINEERS LIMITED

As per our report of even date
For A. A. BHAT & COMPANY
 CHARTERED ACCOUNTANTS
 Firm Registration No. 101282W

(S. HEGDE)
 MANAGING DIRECTOR

(YASHWANTRAO MALI)
 WHOLE TIME DIRECTOR

C.A. N. V. BADWE
 PARTNER
 Membership No.031637

DATE : 30/05/2012
 PLACE : PUNE

Notes on Financial Statements for the Year Ended 31st March 2012.

The Previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

Note 3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	(Rs.)	Number of shares	(Rs.)
(a) Authorised Equity shares of Rs.10 each with voting rights	35,00,000	35,00,000.00	35,00,000	35,00,000.00
	35,00,000	35,00,000.00	35,00,000	35,00,000.00
(b) Issued Equity shares of Rs.10 each with fully Paid voting rights	2,616,500	26,165,000.00	2,616,500	26,165,000.00
	2,616,500	26,165,000.00	2,616,500	26,165,000.00
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	2,616,500	26,165,000.00	2,616,500	26,165,000.00
	2,616,500	26,165,000.00	2,616,500	26,165,000.00
(d) Subscribed but not fully paid up Forfeited Equity shares of Rs 5 Paid Up	396,300	1,981,500.00	396,300	1,981,500.00
	396,300	1,981,500.00	396,300	1,981,500.00
Total	3,012,800	28,146,500.00	3,012,800	28,146,500.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other charges	Closing Balance
Equity shares with voting rights								
Issued, Subscribed and fully Paid Up								
Year ended 31 March, 2012								
- Number of shares	2499960	-	116540	0	0	0	0	2616500
- Amount @ Rs.10/- each	24999600	-	1165400	0	0	0	0	26165000
Year ended 31 March, 2011								
- Number of shares	2499960	-	116540	0	0	0	0	2616500
- Amount @ Rs.10/- each	24999600	-	1165400	0	0	0	0	26165000

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Sadanand Hegde	1154980	44.14%	1154980	44.14%
S.G. Hegde (HUF)	142500	5.45%	142500	5.45%

(iii) Details of forfeited shares

Class of shares	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount originally paid up	Number of shares	Amount originally paid up
Equity shares with voting rights	396300	1981500	396300	1981500

Note 4 Reserves and surplus

(Figures in Rs.)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) General reserve		
Opening balance	58,857.00	58,857.00
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	<u>58,857.00</u>	<u>58,857.00</u>
(b) Securities Premium Account		
Opening balance	9,037,544.94	9,037,544.94
Add: Premium on Shares issued during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	<u>9,037,544.94</u>	<u>9,037,544.94</u>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(9,813,291.70)	(10,251,374.82)
Add: Profit / (Loss) for the year	519,103.14	438,083.12
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (Rs. 10 per share)	-	-
Tax on dividend	-	-
Prior period Appropriation	-	-
Transferred to:		
General reserve	-	-
Reserve for Doubtful Debts	-	-
Closing balance	<u>(9,294,188.56)</u>	<u>(9,813,291.70)</u>
Total	<u><u>(197,786.62)</u></u>	<u><u>(716,889.76)</u></u>

Note 5 Long-term borrowings

(a) Term loans Secured		
From banks	2,395,619.64	3,692,896.00
(b) Deferred payment liabilities Unsecured		
	0.00	0.00
Total	<u><u>2,395,619.64</u></u>	<u><u>3,692,896.00</u></u>

The above long term borrowings have been guaranteed by the Managing Director
The Company has not defaulted in repayment of the above loans and interest thereon.

(ii) Details of terms of repayment and security for the long-term borrowings.			(Figures in Rs.)	
Particulars	Terms of repayment and security*	Security	As at 31 March, 2012	As at 31 March, 2011
Term loans from banks:				
Bank of Maharashtra	Monthly installment payable by 10th of every month.	Secured by mortgage of immovable property situate at Chakan Plot No. 36, WMDC Industrial Area, Ambethan Road, Chakan, & Pune & Apt 6 & 7 Sr. No. 124, Sitabag Colony, Parvati Pune - 30 and hypothecation of Plant & Machinery and other moveable fixed assets and current Assets and against the Personal Guarantee of a Managing Director	2395619.64	3692896.00
Total			<u><u>2395619.64</u></u>	<u><u>3692896</u></u>

Note 6 Other long-term liabilities

(Figures in Rs.)

Particulars	As at	
	31 March, 2012	31 March, 2011
(a) Others:		
(i) Compensated absences (net of funding)	-	-
(ii) Gratuity (net of funding)	1,191,346.00	948,173.00
(iii) Unclaimed Dividends	-	-
(iv) Security Deposit received	-	-
Total	1,191,346.00	948,173.00

- Note - 1) The Company has not ascertained the amount of Compensated absences
 2) Gratuity - The Liability has been ascertained by the company. The Company does not have funding arrangements.
 3) No Provision is made for the amount towards earned leave.

Note 7 Short-term borrowings

Particulars	As at	
	31 March, 2012	31 March, 2011
(a) Loans repayable on demand		
From banks		
Secured		
HDFC Bank Ltd	89,440.22	223,680.67
Bank of Maharashtra	6,730,855.00	8,468,330.03
	-	-
Total	6,820,295.22	8,692,010.70

The Company has not defaulted in repayment of the above loans and interest thereon

Notes: (i) Details of security for the secured short-term borrowings from banks:

Particulars	Nature of security
Loans repayable on demand from consortium bankers:	
HDFC Bank Ltd	Secured against Hypothecation of Managing Director's Vehicle
Bank of Maharashtra	1. Includes Rs. 13.80 Lacs being the instalment due within one year for the repaying date refer. Note No.5 2. One Time Packing Credit - Secured by mortgage of immovable property situate at Chakan Plot No. 36, WMDC Industrial Area, Ambethan Road, Chakan, & Pune & Apt 6 & 7 Sr. No. 124, Sitabag Colony, Parvati Pune - 30 and hypothecation of Plant & Machinery and other moveable fixed asset and current assets and against the Personal Guarantee of a Managing Director

Note 8 Trade payables

Particulars	As at	
	31 March, 2012	31 March, 2011
Trade payables:		
Acceptances	23,763,189.15	16,844,060.32
Other than Acceptances	-	-
Due to Subsidiary Company	-	-
Total	23,763,189.15	16,844,060.32

Note 9 Other current liabilities

(Figures in Rs.)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Current maturities of long-term debt	-	-
(b) Interest accrued and due on borrowings	-	-
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	234,932.00	225,910.00
(ii) Advances from customers	16,276,462.00	3,069,204.00
(iii) Income Tax Payables	-	-
(iv) Payables on Purchase of Fixed Assets	-	-
(v) Security Deposit Received	-	-
(vi) Others	65,394.00	146,810.00
Total	<u>16,576,788.00</u>	<u>3,441,924.00</u>
(a) Term loans		
(i) From banks Secured	0.00	0.00
	0.00	0.00
(ii) From other parties Unsecured	5,931,441.30	4,931,441.30
	5,931,441.30	4,931,441.30
Total	<u>22,508,229.30</u>	<u>8,373,365.30</u>

Note 10 Short-term provisions

(a) Provision for employee benefits:		
(i) Provision for bonus	275,567.00	306,723.00
(ii) Provision for other defined benefit plans (Superannuation)	-	-
(iii) Provision for other employee benefits	617,342.00	496,520.00
	892,909.00	803,243.00
(b) Provision - Others:		
(i) Provision for tax (net of advance tax /TDS Rs.29116/-)	85,884.00	38,508.00
(ii) Provision for warranty	-	574,555.00
(iii) Provision for proposed equity dividend	-	-
(iv) Provision for tax on proposed dividends	-	-
(vi) Provision - others	-	-
	85,884.00	613,063.00
Total	<u>978,793.00</u>	<u>1,416,306.00</u>

Note 11 Fixed assets

		Gross block									
		Balance as at 1 April, 2011	Additions	Disposals	Acquisition through business combinations	Reclassified held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 Mar, 2012
a.	Tangible assets										
	(a) Land Freehold Leasehold	919820.00	0.00								919820.00
	(b) Buildings Own use Flat	477000.00	0.00								477000.00
	(c) Plant and Machinery Owned Vehicles Owned	16379639.00	0.00								16379639.00
	(d) Office equipment Owned	416575.00	0.00								416575.00
	(e) Officer Furniture Owned	13339874.00	0.00								13339874.00
	(f) Technical Book	2699132.00	0.00								2699132.00
	(g) Total	1842450.00	8700.00								1851150.00
	Intangible assets	517592.00	37500.00								555092.00
	Non-Competition	0.00	14694.00								14694.00
	Total	36,592,082.00	60,894.00								36,652,976.00
	Previous year	8,750,000.00	60,894.00								8,750,000.00
	Total	45,342,082.00	9,508,358.00								45,402,976.00
	Previous year	35,833,724.00	9,508,358.00								45,342,082.00
b.	Tangible assets	Balance as at 1 April, 2011	Depreciation/amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification for sale	Impairment losses recognised in statement of P & L	Reversal of impairment losses recognised in statement of P & L	Other adjustments	Balance as at 31 Mar., 2012	Balance as at 31 Mar., 2011	
	(a) Land Freehold Leasehold *	87,128.00	5,126.00						919,820.00	919,820.00	
	(b) Buildings Own use Flat	2,772,536.00	548,578.00						384,746.00	389,872.00	
	(c) Plant and Equipment Owned Vehicles Owned	109,679.00	6,808.00						13,058,525.00	13,607,103.00	
	(d) Office equipment Owned	6,914,814.00	633,192.00						300,088.00	306,896.00	
	(e) Officer Furniture Owned	1,617,710.00	148,194.00						5,791,868.00	6,425,060.00	
	(f) Technical Book	1,282,700.00	108,775.00						933,228.00	1,081,422.00	
	(g) Total	388,126.00	27,874.00						459,675.00	559,750.00	
	Intangible assets	—	14,694.00						416,000.00	129,466.00	
	Non-Competition	13,172,693.00	1,493,241.00						14,694.00	0.00	
	Total	7,650,000.00	875,000.00						21,987,042.00	23,419,389.00	
	Previous year	20,822,693.00	2,368,241.00						8,525,000.00	1,100,000.00	
	Total	18,447,520.00	2,375,174.00						22,212,042.00	24,519,389.00	
	Previous year	18,447,520.00	2,375,174.00						20,822,694.00	24,519,388.00	

(Figures in Rs.)

Note 11 Fixed assets (contd.)

(Figures in Rs.)

b. Depreciation and amortisation relating to continuing operations:

Particulars	As at 31 March, 2012	As at 31 March, 2011
Depreciation and amortisation for the year on tangible assets as per Note 11 a	2,368,241.00	2,375,174.00
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to continuing operations	<u>2,368,241.00</u>	<u>2,375,174.00</u>

Note 12 Non-current investments

(Figures in Rs.)

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A Other investments						
(a) Investment in equity instruments						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of others	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
(b) Investment in preference shares						
(i) of subsidiaries	-	-	-	-	-	-
(c) Investment in Govt. Securities	-	-	-	-	-	-
Total	-	-	-	-	-	-
Less: Provision for diminution in value of investments			-			-
Total				-		-
Aggregate amount of unquoted investments			-			-

Note 13 Long-term loans and advances

(Figures in Rs.)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(i) Capital Advances		
Secured, considered good	-	-
(ii) Other loans and advances		
Unsecured, considered good	9,166,444.43	7,132,813.01
Total	<u>9,166,444.43</u>	<u>7,132,813.01</u>

Note - 1) In our Opinion the realisability of this amount is doubtful.

2) Out of above amount the Company has filed a suits for recovery against the Harvest Financial Ltd Rs. 35,91,760/- and Harvest Infrastructure Ltd. for Rs. 35,41,053/-

Note 14 Other non-current assets

(Figures in Rs.)

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Unamortised expenses		
(i) Deferred Revenue expenditure	-	-
(b) Others		
(i) Income Tax refund receivable	-	-
(ii) Others	8,262,103.42	8,833,411.30
Total	<u>8,262,103.42</u>	<u>8,833,411.30</u>

Note 15 Inventories

(At lower of cost and net realisable value)

(Figures in Rs.)

Particulars	As at	
	31 March, 2012	31 March, 2011
(a) Raw materials	2,676,735.00	927212.00
Goods-in-transit	-	-
	2,676,735.00	927212.00
(b) Work-in-progress (Refer Note below)	9,574,443.00	9605600.00
(c) Finished goods	-	-
(d) Stock-in-trade	-	-
(e) Stores and spares	-	-
Total	12,251,178.00	10532812.00
Note: Details of inventory of work-in-progress Others	9,574,443.00	9,605,600.00
Total	9,574,443.00	9,605,600.00

Note 16 Trade receivables

Trade receivables outstanding for a period less than six months from the date they were due for payment

Unsecured, considered good	18,484,802.76	774,206.00
Doubtful	919,623.03	3,747,221.26
	-	-
	19,404,425.79	4,521,427.26
Less: Provision for doubtful trade receivables	-	-
	19,404,425.79	4,521,427.26
Other Trade receivables	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Total	19,404,425.79	4,521,427.26

Note 17 Cash and cash equivalents

(a) Cash on hand	25,262.00	2,539.00
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	1,965,344.04	25,294.06
(ii) In deposit accounts	4,432,735.00	2,614,484.00
Total	6,423,341.04	2,642,317.06

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements.

6,423,341.04 2,642,317.06

Note - Deposits with Banks Rs. 44.32 Lacs (P.Y. Rs. 26.14 Lacs) as margin money are against the Bank Guaranteed given and LCs issued

Note 18 Short-term loans and advances

(Figures in Rs.)

Particulars	As at	As at
	31 March, 2012	31 March, 2011
(a) Security deposits Unsecured, considered good	1,679,033.00	1,751,118.00
(b) Loans and advances to employees	71,507.00	-
(c) Prepaid expenses	291,169.00	-
(d) Balances with government authorities		
(i) VAT credit receivable	3,922,748.21	4,113,201.71
	-	-
	<u>3,922,748.21</u>	<u>4,113,201.71</u>
(e) Advance to suppliers	1,803,833.80	3,349,932.22
Less: Provision for doubtful loans and advances	-	-
	<u>1,803,833.80</u>	<u>3,349,932.22</u>
Total	<u>7,768,291.01</u>	<u>9,214,251.93</u>

Note 19 Other current assets

(a) Unamortised expenses		
(i) Deferred Revenue expenses	-	-
(b) Accruals		
(i) Interest accrued on deposits	118,360.00	-
(ii) Dividend receivables	-	-
(c) Others		
(i) Insurance claims	-	-
(ii) Receivable in cash or in kind	-	-
Total	<u>118,360.00</u>	<u>-</u>

Note 20 Revenue from operations

(Figures in Rs.)

Particulars	For the	For the
	Year ended	Year ended
	31 March, 2012	31 March, 2011
(a) Sale of products (Refer Note (i) below)	42,592,522.00	32,831,730.50
(b) Sale of services (Refer Note (ii) below)	0.00	0.00
(c) Other operating revenues (Refer Note (iii) below)	0.00	0.00
	<u>42,592,522.00</u>	<u>32,831,730.50</u>
Less:		
(d) Excise duty	0.00	0.00
Total	<u>42,592,522.00</u>	<u>32,831,730.50</u>

Note

(i) Sale of products comprises of:**Manufactured goods**

Mini Dairy Plant	23,165,848.00	14,457,800.00
Tanks	4,611,628.00	2,691,125.00
Dying Chambers	3,061,000.00	0.00
Homogenizer	1,903,000.00	0.00
Plate Heat Exchanger	1,977,521.00	5,876,575.00
Others	7,873,525.00	9,806,230.50
Total - Sale of manufactured goods	<u>42,592,522.00</u>	<u>32,831,730.50</u>
Total - Sale of services	<u>0.00</u>	<u>0.00</u>

(iii) Other operating revenues comprises of:

Total - Other operating revenues	<u>0.00</u>	<u>0.00</u>
Total - operating revenues	<u>42,592,522.00</u>	<u>32,831,730.50</u>

Note 21 Other income

(Figures in Rs.)

Particulars	For the Year ended 31 March, 2012	For the Year ended 31 March, 2011
(a) Interest income (Refer Note (i) below)	269,840.00	403,271.00
(b) Dividend income:		
from long-term investments		
subsidiaries -	-	-
others	-	-
(c) Net gain on foreign currency transactions and translation	211,548.00	2,670.00
(d) Other non-operating income (Refer Note (ii) below)	944,230.75	6,886,299.30
Total	1,425,618.75	7,292,240.30
Note		
(i) Interest income comprises:		
Interest from banks on:		
Deposits	269,840.00	403,271.00
Interest on loans and advances	-	-
Total - Interest income	<u>269,840.00</u>	<u>403,271.00</u>
(ii) Other non-operating income comprises:		
Rental income from operating leases	-	-
Liabilities / provisions no longer required written back	-	-
Miscellaneous income :		
Sundry balances written back	903,841.75	6,268,164.30
Bad debts recovered	-	-
Expenses Reimbursement	-	581,691.00
Miscellaneous income	40,389.00	36,444.00
Total - Other non-operating income	<u>944,230.75</u>	<u>6,886,299.30</u>

Note 22. a Cost of materials consumed

Opening stock	927,212.00	5,587,999.00
Add: Purchases	26,297,300.00	20,551,194.00
	<u>27,224,512.00</u>	<u>26,139,193.00</u>
Less: Closing stock	2,676,735.00	927,212.00
Cost of material consumed	<u>24,547,777.00</u>	<u>25,211,981.00</u>
Material consumed comprises:		
Homogeniser Spares	1,339,000.00	503,694.00
Plate Heat Exchanger	1,019,957.00	393,473.00
Cream Separator	-	-
Others	23,938,343.00	19,647,683.00
Total	26,297,300.00	20,544,850.00

Note 22. b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	(Figures in Rs.)	
	For the Year ended 31 March, 2012	For the Year ended 31 March, 2011
Inventories at the end of the year:		
Finished goods	-	-
Work-in-progress	9,574,443.00	9,605,600.00
Stock-in-trade	-	-
	<u>9,574,443.00</u>	<u>9,605,600.00</u>
Inventories at the beginning of the year:		
Finished goods	-	-
Work-in-progress	9,605,600.00	3,158,610.00
Stock-in-trade	-	-
	<u>9,605,600.00</u>	<u>3,158,610.00</u>
Net (increase) / decrease	<u>31,157.00</u>	<u>(6,446,990.00)</u>

Note 23 Employee benefits expense

Salaries and wages	5,503,932.00	7,262,403.00
Contribution to provident fund and other funds	1,013,249.00	708,752.00
Staff Welfare expenses	79,710.00	97,403.00
Total	<u>6,596,891.00</u>	<u>8,068,558.00</u>

Note 24 Finance costs

(a) Interest expense on:		
(i) Borrowings - Term Loans	698,244.19	752,237.95
(ii) Borrowings - others	874,315.00	990,786.00
(b) Other borrowing costs (Bank charges and other FinanceCharges)	679,488.43	60,758.44
Total	<u>2,252,047.62</u>	<u>1,803,782.39</u>

Note 25 Other expenses**Manufacturing Expenses**

Consumption of stores and spare parts & Packing & Forwarding	43,389.00	36,580.00
Power and fuel	183,979.00	222,104.00
Transport & Octroi	694,767.00	458,173.00
Labour Processing Charges	1,279,780.00	1,614,917.00
Erection & Commissioning	134,565.00	281,352.00
Repairs and maintenance - Machinery	111,934.00	56,207.00
Repairs and maintenance - Others	204,810.61	438,221.00
Insurance	33,772.00	63,127.00
Water charges	25,899.00	7,530.00

Administrative Expenses

Rates and taxes	52,338.00	105,439.00
Travelling and conveyance	814,027.51	1,431,697.00
Printing and stationery	82,121.00	82,678.00
Sales commission	1,374,759.00	413,626.00
Books and Periodicals	7,840.00	2,859.00
Testing and Inspection	6,833.00	8,934.00
Legal and professional	931,963.00	1,276,383.00
Membership and Subscription	37,852.00	64,979.00
Communication	212,394.00	284,007.00
Miscellaneous expenses	389,274.58	355,069.29

Note 25 Other expenses (Contd.)

(Figures in Rs.)

Particulars	For the Year ended 31 March, 2012	For the Year ended 31 March, 2011
Payments to auditors (Refer Note (i) below)	47,809.00	53,657.00
Registration and Licence Fees	46,212.00	135,307.00
Labour Welfare Fund	756.00	900.00
Sundry balances written off	393,810.85	234,744.00
Foreign Fluctuation Expenses	26,871.00	20,697.00
Tea Snacks & Lunch Expenses	160,113.44	117,465.00
Provision for warranty	—	574,555.00
Security Charges	290,054.00	270,675.00
Total	7,587,923.99	8,611,882.29
 (i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	45,000.00	45,000.00
For taxation matters	—	—
Reimbursement of expenses	2,809.00	8,657.00
Total	47,809.00	53,657.00

Note 27 Additional information to the financial statements**27.1 Contingent liabilities and commitments (to the extent not provided for)**

(i) Contingent liabilities		
(a) Bank Guarantees	16,711,564.00	19,275,000.00
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	-	-

27.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

27.3 Value of imports calculated on CIF basis :

Raw materials	-	233,547.00
Spare parts and Components	-	-
Capital goods	-	-
Stock In Transit	-	-

Note 27 Additional information to the financial statements (Contd.)

(Figures in Rs.)

Particulars	For the Year ended 31 March, 2012	For the Year ended 31 March, 2011
27.4 Expenditure in foreign currency :		
Gain Due to Fluctuation	211,548.00	2,670.00
Loss due to Fluctuation	26,871.00	20,697.00
27.5 Details of consumption of imported and indigenous items	For the year ended 31 March, 2012	
	Amount	%
Imported		
Raw materials	-	-
	-	-
Total	-	-
	-	-
Indigenous		
Raw materials	7,448,104.00	28.32
	18,849,196.00	71.68
Spare parts & Components		
Total	7,448,104.00	28.32
	18,849,196.00	71.68
Note: Figures / percentages in brackets relates to the previous year		
	For the Year ended 31 March, 2012	For the Year ended 31 March, 2011
27.6 Earnings in foreign exchange :		
Export of goods calculated on FOB basis	23,262,721.00	16,009,834.00

27.7 In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

Note 28 Disclosures under Accounting Standards**28.1** Related party transactions**28.2** Details of related parties:

Description of relationship	Names of related parties
Relative	Bertron Equipment Pvt Ltd
Common Director	Schmidt Bretten India Pvt Ltd
Relative	Real Centrifuge Asia Pvt Ltd
Relative	Fristam Pumps (I) Pvt Ltd
Relative	Filtron India
Common Director	Nerb India Pvt Ltd

Note: Related parties have been identified by the Management.

28.3 Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:

(Figures in Rs.)

	Berton Equipment Pvt Ltd	Schmidt Bretten India Pvt Ltd	Real Centrifuge Asia Pvt Ltd	Fristam Pumps (I) Pvt Ltd	Nerb India Pvt Ltd	Filtron India	Total
Purchases	2,424,153	1,356,170	0	3,111,978			6,892,301
	(1,327,449)	(1,659,077)	(1,711,955)	(2,041,040)	0	0	(6,739,521)
Balances outstanding at the end of the year	881,579	771,427	1,680,720	2,111,365	831,067	1,202,564	7,478,722
	(332,274)	(943,227)	(1,272,448)	(68,834)	(829,317)	(1,202,564)	(4,648,664)

Note: Figures in bracket relates to the previous year

Note 28 Disclosures under Accounting Standards (contd.)

(Figures in Rs.)

Particulars

	For the Year ended 31 March, 2012	For the Year ended 31 March, 2011
--	--	---

28.4 Earnings per share

Basic

28.4.a Continuing operations

Net profit / (loss) for the year from continuing operations	519,103.14	438,083.12
Less: Preference dividend and tax thereon	—	—
Net profit / (loss) for the year from continuing operations attributable to the equity shares	519,103.14	438,083.12
Weighted average number of equity shares (Nos.)	2616500.00	2616500.00
Par value per share (Rs.)	10.00	10.00
Earnings per share from continuing operations - Basic	0.20	0.17

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Figures in Rs.)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	634,103.14	499,583.00
Adjustments for:		
Depreciation and amortisation	2,368,241.00	2375174.00
Finance costs	2,252,047.62	1803782.00
Interest income	(269840.00)	(403271.00)
Dividend income	0.00	0.00
Prior period adjustemetns	0.00	0.00
	<u>4,350,441.18</u>	<u>3,775,685.00</u>
Operating profit / (loss) before working capital changes	4,984,544.32	4,275,268.00
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1718366.00)	1780317.00
Trade receivables	(6282998.23)	(2908252.00)
Short-term loans and advances	1445960.92	(644572.00)
Other current assets	(118360.00)	0.00
Other non-current assets	(1462323.53)	0.00
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	6,919,128.91	(2904129.00)
Other current liabilities	14,134,864.00	19,983.00
Other long-term liabilities	243173.00	
Short-term provisions	(437513.00)	
Tax provisions	(115000.00)	
	<u>12608566.07</u>	<u>(4656653.00)</u>
	<u>17,593,110.39</u>	<u>-381,385.00</u>
Cash flow from extraordinary items		-
Cash generated from operations	-	0.00
Net income tax (paid) / refunds		0.00
Net cash flow from / (used in) operating activities (A)	17593110.39	(381385.00)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances		
Payments for purchase of fixed assets	(60,887.00)	811581.00
Inter-corporate deposits (net)		
Interest received		
- Subsidiaries		
- Others	269,840.00	403,271.00
Dividend received		
- Subsidiaries	-	
- Others	-	
	<u>208952.99</u>	<u>1214852.00</u>
Net income tax (paid) / refunds		1214852.00
Net cash flow from / (used in) investing activities (B)	208952.99	1214852.00
C. Cash flow from financing activities		
Proceeds from long-term borrowings	(1297276.36)	833938.06
Repayment of long-term borrowings		
Proceeds from other short-term borrowings	(1871715.14)	0.00
Repayment of other short-term borrowings	-	-
Finance cost	(2252047.62)	(1803782.00)
Dividends paid	0.00	0.00
Tax on dividend		0.00
	<u>(5421039.12)</u>	<u>(969843.94)</u>
Cash flow from extraordinary items		(969843.94)
Net cash flow from / (used in) financing activities (C)	(5421039.12)	(969843.94)

Net increase / (decrease) in Cash and cash equivalents (A+B+C)	12381024.28	(136376.94)
Cash and cash equivalents at the beginning of the year	2642317.06	2778694.00
Cash and cash equivalents at the end of the year	15023341.34	2642317.06
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17		
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		
Cash and cash equivalents at the end of the year *	6,423,341.04	2,642,317.06
* Comprises:		
(a) Cash on hand	25,262.00	2,539.00
(b) Cheques, drafts on hand	-	
(c) Balances with banks		
(i) In current accounts	1,965,344.04	25294.06
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 1 Year	4,432,735.00	2614484
(iv) In earmarked accounts (give details) Refer Note (ii) below		
(d) Others (specify nature)	6,423,341.04	2,642,317.06

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

A. A. Bhat & Co.

Chartered Accountants
(Firm Reg. No. 101282W)

Nishikant V. Badwe

Partner
Membership No. 31637
Pune, 30 May 2012

Mr. SADANAND HEGDE
MANAGING DIRECTOR
Pune, 30 May 2012

Mr. YASHWANTRAO MALI
WHOLE TIME DIRECTOR

PROXY FORM

FILTRON ENGINEERS LIMITED

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

I/We _____ of _____
_____ being

member / members of FILTRON ENGINEERS LIMITED, hereby appoint or, filing him, _____ of _____ as my / our proxy to vote for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on 22nd day, of September 2012 at registered office of the company at Filtron House', 6, Sitabaug Colony, Sinhagad Road, Pune 411030, and at any adjournment thereof.

At witness my/our hand(s) this _____ day of _____ 2012.

Signed this _____ day of _____ 2012.

Signed by the said _____

Member's Folio no. _____

No. of Shares held _____

Affix
Re. 1/-
Revenue
Stamp

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the 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 30th Annual General Meeting of the Company held at the registered office of the company at Filtron House', 6, Sitabaug Colony, Sinhagad Road, Pune 411030 on 22nd day September, 2012 at 04.00 p.m.

Full Name of the Shareholder in BLOCK LETTERS _____

Ledger 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.

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BOOK-POST

If undelivered, Please return to :

FILTRON ENGINEERS LIMITED

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