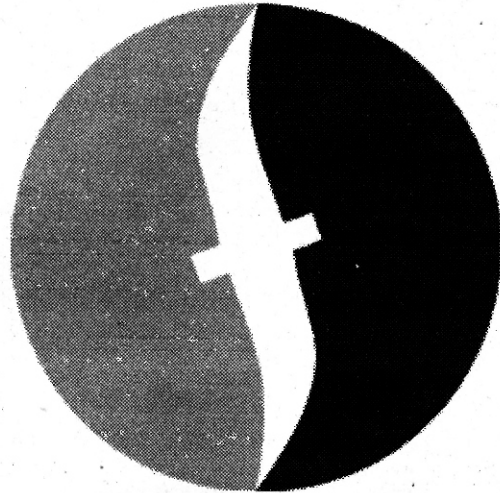


**35<sup>th</sup>**  
**ANNUAL REPORT**  
**2016 - 2017**



**FILTRON**  
**ENGINEERS LTD.**

# FILTRON ENGINEERS LIMITED

## 35th ANNUAL REPORT 2016-2017

**BOARD OF DIRECTORS** : Sadanand Hegde ( CHAIRMAN & WHOLE TIME DIRECTOR )  
( w.e.f.9.4.2015 )

Padmakar Kashyapi Independent Non Executive Director

Prabhakar Hegde Independent Non Executive Director

Venkat Giri EXECUTIVE DIRECTOR

Hemali Alandkar Independent Non Executive Director

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

**BANKERS** : Bank of Maharashtra

**REGISTERED OFFICE** : Plot No. 36, WMDC Industrial Area,  
Ambethan Road, Chakan,  
Pune - 410501

**REGISTRAR AND SHARE  
TRANSFER AGENTS** : Purva Share Registry (INDIA) Pvt. Ltd.  
Unit No. 9, Shiv Shakti Estate  
J.R. Boricha Marg Lower Parel  
( East ) Mumbai  
022- 23016761  
Email - [support@purvashare.com](mailto:support@purvashare.com)

### 35th ANNUAL GENERAL MEETING

Day & Date : Thursday, 30th December 2021

Time : 12. A.M

Place : Filtron House, 6, Sitabaug Colony,  
Sinhagad Road, Pune 411030.

## NOTICE

Notice is hereby given that the **35<sup>th</sup> Annual General Meeting** of the Members of **Filtron Engineers Limited** will be held on **Thursday, 30<sup>th</sup> December, 2021** at 12:00 noon at the at the Office of the company at 6, Sitabag Colony, Sinhagad Road, Pune - 411030 to transact the following business:

### **I. ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 together with the Board's Report and the Auditors' Report thereon.
2. To appoint Auditors M/s S. H. Sane & Co., Chartered Accountants in the place of retiring Auditors M/s. A. A. Bhat, Chartered Accountants.

**RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. S. H. Sane & Co., Chartered Accountants (FRN: 114491 W), be and is hereby appointed as the Statutory Auditors of the Company for the period of 5 years (one term) i.e from the conclusion of the ensuing Annual General Meeting for FY 2016-17 till the Annual General Meeting to be held for the year 2022 at such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

**By Order of the Board of Directors  
Of Filtron Engineers Limited**

**Sadanand Hegde  
Whole Time Director  
DIN: 00195106**

**Date: 1<sup>st</sup> December, 2021  
Place: Pune**

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### **NOTES:**

- i. **A member of the company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the company.**
- ii. Members/proxies should bring duly attendance slip sent herewith to attend the meeting.
- iii. Explanatory Statement pursuant to section 108 is annexed to this Notice
- iv. In case of joint holders attending the Meeting, only such joint holder who is

higher in the order of names will be entitled to vote at the meeting.

- v. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
  - vi. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with Purva Sharegistry (India) Pvt Ltd (Purva Sharegistry) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by Purva Sharegistry.
  - vii. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company's Registrar and Transfer Agent
  - viii. C. S. Kelkar & Associates, Pune, have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - ix. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall not make later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - x. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, viz [www.fiktronindia.com](http://www.fiktronindia.com) and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). The results shall also be immediately forwarded to the BSE Limited, Mumbai.
  - xi. The Route Map is annexed in this Notice
- i. **Permanent Account Number (PAN)**  
The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members are requested to submit their PAN to their DPs Members are requested to inform change in address or Bank mandate to their respective DPs with whom they are maintaining their DEMAT accounts and with the R & T Agent.
  - ii. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.
  - iii. Members are requested to register their changed addresses/email addresses with

the concerned DPs for holding shares in dematerialized form. Members are requested to immediately inform about their change of address, change of e-mail address, if any, to the Company's Share Transfer Agent. Please note that as per the MCA Circulars the Company will be sending copies of Annual Reports in soft form only hence it is requested to intimate the changed e-mail addresses as early as possible to the Company's Share Transfer Agent.

- iv. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2015-16 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2015-16 is available on Company's website and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- v. Those shareholders who have not registered their email address with the Company or wish to update a fresh email address may do so by contacting the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other documents in electronic form at the said e-mail address.  
The Notice along with the Annual Report will also be available on the Company's website, viz., [www.filtronindia.com](http://www.filtronindia.com)
- vi. **The instructions of shareholders for remote e-voting and e-voting during AGM/EGM are as under:**
  - (i) The voting period begins on 27<sup>th</sup> December, 2021 at 9.00 am and ends on 29<sup>th</sup> December, 2021 at 5.00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off 23<sup>rd</sup> December, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.  
Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their

demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting</li> </ol>   |

|   |   |
|---|---|
|   | <p>period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| <b>Login type</b>   | <b>Helpdesk details</b>  |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30               |

(v) Login method for e-Voting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

|  | <b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>  |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>                 |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul> |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@filtronindia.com](mailto:info@filtronindia.com) (designated email address by company) , if

they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS VOTING DURING MEETING ARE AS UNDER:**

- (i) Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed with the Notice) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, at M/s C. S. Kelkar & Associates, Practising Company Secretaries at 102, Manikprabhu Apartments 40/3 Bhonde Colony, Near Sonal Hall, Next to Prime Furnishings, Off. Karve Road, Erandawane Pune 411004 not later than 29th December, 2021 (5.00p.m.). Ballot Forms deposited in person or sent by post or courier at the expenses of the Member will also be accepted. Ballot from received after this date will be treated as invalid.
- (ii) The facility for voting through ballot paper shall be made available at the AGM and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- (iii) A Member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Form No. MR-3****SECRETARIAL AUDIT REPORT**

For the financial year ended on 31<sup>st</sup> March, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To,  
The Members,  
Filtron Engineers Limited  
Plot No.36, WMDC Industrial Area,  
Ambethan Road, Chakan,  
Pune 410501**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Filtron Engineers Limited** ('the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 ("the financial year") to some extent complied with the statutory provisions listed hereunder and also that the Company needs to have Board-processes and compliance mechanism in place, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:
  - 1) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified;
  - 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rule made thereunder;
  - 3) The Depositories Act, 1996 and the Regulations & Bye-Laws framed thereunder;
  - 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment - Not applicable for the year under report
  - 5) The following Regulations & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Listing Obligation Disclosures Requirements) Regulations, 2015
  - f. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
2. No other Laws are specifically applicable to your Company on which our comment is required.
3. We have also examined compliance with the applicable clauses and regulations of the following:
- a. Secretarial Standards issued by the Institute of Company Secretaries of India;
  - b. The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. During the period under review, in our opinion, Company has generally complied with the Company Law Provisions, MCA Regulations, SEBI Regulations, Depositories Regulations except as below:
- i. The Company has applied to the Registrar of Companies in terms of the provisions of Section 96 of the Companies Act, 2013, for granting extension of time for a period of 3 months, i.e., till December 30, 2016, for holding the Annual General Meeting of the Company. Despite the same, the Company did not conduct the Annual General Meeting of the Company for FY 2015-16 and accordingly the Company made a default under section 96 of the Companies Act, 2013.
  - ii. The Company made a default under section consequently under section 101 of the Companies Act, 2013 by not issuing notices of Annual General Meeting to shareholders for FY 2015-16
  - iii. The Company did not follow compliance of Secretarial Standards.
  - iv. The Company has not appointed Internal Auditor for the period under review.

- v. The Company has not appointed Whole Time Company Secretary as per provisions of section 203 of the Companies Act, 2013
- vi. The Borrowing limits of the Company could not be verified under section 180(1)(c) due to unavailability of information.
- vii. The Company has not kept and maintained adequate system for recording Attendance of Directors/ Members of Committee.
- viii. As per information provided by the Company, the Company has failed to conduct a separate meeting of the Independent Directors during the year as per Schedule IV of the Companies Act, 2013
- ix. We did not find the Board evaluation process as per section 178 of the Companies Act, 2013 implemented by the Company.
- x. No information or approval of related party transactions was found in the Audit Committee or Board Meeting minutes.
- xi. The approval of unaudited quarterly financial statements for the quarters October to December and January to March were not obtained in Audit Committee.

**Under SEBI Regulations:**

- i. Since the Company did not conduct Annual General Meeting for FY 2015-16, the Company has made default under Regulation 30, 34, 36 42, 44 & 46 of the Securities and Exchange Board of India (Listing Obligation Disclosures Requirements) Regulations, 2015
- ii. As informed by the Company, the Promoters of the Company did not trade during the period under report and as such reporting under Regulation 7(2) was not required to be intimated to the Stock Exchange.
- iii. The Outcome of Board Meetings as per Regulation 30 were not intimated on time.
- iv. The Company did not intimate the following events to the Stock Exchange:
  - Certificate from Practicing Company Secretary (PCS) under section 55(A) of the SEBI (Depositories and Participant) Regulations for any of the quarters
  - Annual Disclosures under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- v. Payment of Listing Fees was made beyond April, 2017.
- vi. Since the Company Secretary of the Company resigned in the year 2000, the Company is in default of Regulation 47 to appoint Company Secretary as Compliance Officer.
- vii. The website of the Company is not updated as per Listing Regulations
- viii. Since the Company has not provided any information about transfers and transmissions maintained with the Company's Registrar & Transfer Agent, we cannot comment upon its compliance.

- ix. The Certificates from Practicing Company Secretary under Listing Regulations regarding confirmation of transfer/ transmission were not intimated the Stock Exchange
5. We further report that based on the information provided by the Company and records maintained by the Company and as per our findings and subject to above mentioned reservations, we cannot comment on the adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors except that Mr. Sadanand Hegde, Whole -Time Director has been disqualified under section 164(2) of the Companies Act, 2013 due to non-filing of Balance Sheets and Annual Returns w.e.f 1<sup>st</sup> October, 2016 to 31<sup>st</sup> October, 2021 for a period of 5 years Audit Committee, Nomination and Remuneration Committee are properly constituted since. Further, the Managing Director of the Company resigned during the year under report.
7. Adequate notice of seven days as well as at shorter notice was generally sent to directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
8. We cannot comment on the adequacy of the system for recording all decisions at the Board meetings and Committee meetings as recorded in the minutes of the meetings of the Board of Directors or the Committee of the Board of Directors, as the case may. Our observations on minutes are as follows:
- i. Minutes were not kept in a separate binder
  - ii. Some Minutes of Board/ Committee Meetings were not available for inspection.
  - iii. In some instances, we could locate the notice and agenda of the Board Meetings, however, the minutes of the meetings were not found. We hence assume that those meetings were not held.
9. We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:



- i. The Company has applied to the Registrar of Companies in terms of the provisions of Section 96 of the Companies Act, 2013, for granting extension of time for a period of 3 months, i.e., till December 30, 2016, for holding the Annual General Meeting of the Company.

**For C.S. Kelkar & Associates**

**Company Secretaries**

**Tanaya Erande**

**Partner**

**Membership No.: 37261 C. P. No. : 23552**

**UDIN: A037261C001617752**

Date: 1<sup>st</sup> December, 2021

Place: Pune

## DIRECTOR'S REPORT

To,  
**The Members**  
**Filtron Engineers Limited**

Your Directors have pleasure in presenting to you the 35<sup>th</sup> Annual Report together with the Balance Sheet and Statement of Profit and Loss for the year ended 31st March, 2017.

### 1. Financial Highlights:

*(Amount in Rs.)*

| Particulars   | 2016-17                 | 2015-16                 |
|---|-------------------------|-------------------------|
| Revenue from operations (Net)                       | 3,13,302.00             | 84,11,530.00            |
| Other Income  | 0.00                    | 1,49,195.65             |
| <b>Total Revenue</b>                                | <b>3,13,302.00</b>      | <b>85,60,725.65</b>     |
| Profit/ (Loss) before exceptional item and taxation | <b>(1,24,63,563.29)</b> | <b>(1,30,41,744.36)</b> |
| Exceptional Items                                   | -                       | -                       |
| Tax Expense   | -                       | -                       |
| Profit/ (Loss) after tax                            | <b>(1,24,63,563.29)</b> | <b>(1,30,41,744.36)</b> |

### **Review of Performance:**

The Company is in lookout for new projects and accordingly the Management is taking steps for the same.

### **Operational Highlights and Future Outlook:**

The Company is in lookout for new projects and accordingly the Management is taking steps for the same.

### **Transfer to Reserves:**

During the financial year, the Company did not transfer any amount to reserve.

### **Dividend:**

Considering the fact, that the Company has suffered a loss, your Directors have decided not to recommend any dividend on the equity shares for the year ended March 31, 2017.

### **Change in the nature of business:**

There was no change in the nature of business of the Company during the financial year.



**Public Deposits:**

During the financial year 2016-17, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

**Subsidiaries, Associate and Joint venture Companies:**

As on March 31, 2017, the Company does not have any Subsidiary Company, Associate Company and joint venture Company.

**Directors and Key Managerial Personnel:**

During the period under review following changes took place in the Board Structure:

1. Mr. Venkateswararao Pitchhia Mothukuri (Mr. M.V. Rao) resigned as Managing Director of the Company w.e.f. 7<sup>th</sup> July, 2016.

None of the Directors are liable to retire by rotation.

Mr. Sadanand Hegde, Whole-time Director of the Company is disqualified under section 164 (2) of the Companies Act, 2013 for non-filing of Balance Sheet and Annual Return of the Company since FY 2015-16 w.e.f 1<sup>st</sup> October, 2016 for a period of 5 years till 31<sup>st</sup> October, 2021

**Declaration by Independent Directors.**

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013, stating that the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement has been met.

**Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future**

During the financial year, there were no such orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**Adequacy of Internal Financial Control**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosure.

**Committees of the Board:**

The Board of Directors of your Company has constituted the following committees in terms of the provisions of the Companies Act, 2013 and the Listing Regulations:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee.

The details regarding composition and meetings of these committees held during the year under review as also the meetings of the Board of Directors are given in the Corporate Governance Report which may be taken as forming part of this Report.

**Composition of Audit Committee**

The Audit Committee comprises of three Directors. Composition of the Audit Committee during the financial year 2016-17 is as follows:

| Sr. No. | Name of the Committee Members | Designation |
|---------|-------------------------------|-------------|
| 1       | Padamakar Vidyadhar Kashyapi  | Chairman    |
| 2       | Prabhakar Ganesh Hegde        | Member      |
| 3       | Mr. Venkat Giri               | Member      |

There were no matters during the financial year 2016-17, wherein the Board did not accept recommendations given by the Audit Committee.

**Particulars of remuneration to employees**

Pursuant to the provisions of section 197 of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of employees are required to be provided in the Directors' Report. However, having regard to the provisions of section 136 of the Companies Act, 2013, the Annual Report, excluding the aforesaid particulars, is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining these particulars will be provided with the same upon receipt of a written request delivered at the Registered Office of the Company.

### Management Discussion and Analysis

The Management Discussion and Analysis forms part of the Directors' Report is annexed herewith as 'Annexure A'.

### Corporate Governance Report

As required by clause 49 of the Listing Agreement with the Stock Exchange (s), a report on Corporate Governance and a certificate confirming compliance with requirement of Corporate Governance forms part of this Annual Report as 'Annexure -B'.

### Auditors and their Reports

#### a) Statutory Auditors

The Company's Auditors, M/s. A.A. Bhat, Chartered Accountants, having FRN - 101282W retire at the ensuing Annual General Meeting of the Company. They have completed their tenure of and are not eligible for reappointment. M/s. S.H. Sane & CO, Chartered Accountants, having Firm Registration No. 114491 W are proposed to be appointed as a Statutory Auditor in the ensuing Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment as a Statutory Auditors of the Company.

#### b) Secretarial Auditor

M/s Arun Deshpande, Company Secretary in Practice, was appointed as Secretarial Auditor of the Company to conduct the Secretarial Audit for FY 2015-16. However, due to some prior professional commitments, M/s Arun Deshpande intimated their inability to continue with the Audit and hence M/s. C. S Kelkar & Associates, Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2015-16 with the consent of the previous Auditor, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for financial year 2015-16 forms part of the Directors Report as 'Annexure C' to the Board's report.

### **Explanations by the Board on qualification, reservation or adverse remark or disclaimer made by the**

#### **• Statutory Auditors in their report**

##### **Point (7) (a) of Annexure B to Independent Auditors Report:**

According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is *not* regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, and any other statutory dues with the appropriate authorities

### **Management Reply:**

During the financial year 2016-17, the Company could not pay its statutory dues with Profession Tax Department within time due to shortage of sufficient funds. However, the Company ensure to pay its statutory dues within the time provided by the statutory authorities in the ensuing financial year.

**Secretarial Auditor in his Report:**

- i. The Company has applied to the Registrar of Companies in terms of the provisions of Section 96 of the Companies Act, 2013, for granting extension of time for a period of 3 months, i.e., till December 30, 2016, for holding the Annual General Meeting of the Company. Despite the same, the Company did not conduct the Annual General Meeting of the Company for FY 2015-16 and accordingly the Company made a default under section 96 of the Companies Act, 2013.
- ii. The Company made a default under section consequently under section 101 of the Companies Act, 2013 by not issuing notices of Annual General Meeting to shareholders for FY 2015-16
- iii. The Company did not follow compliance of Secretarial Standards.
- iv. The Company has not appointed Internal Auditor for the period under review.
- v. The Company has not appointed Whole Time Company Secretary as per provisions of section 203 of the Companies Act, 2013
- vi. The Borrowing limits of the Company could not be verified under section 180(1)(c) due to unavailability of information.
- vii. The Company has not kept and maintained adequate system for recording Attendance of Directors/ Members of Committee.
- viii. As per information provided by the Company, the Company has failed to conduct a separate meeting of the Independent Directors during the year as per Schedule IV of the Companies Act, 2013
- ix. We did not find the Board evaluation process as per section 178 of the Companies Act, 2013 implemented by the Company.
- x. No information or approval of related party transactions was found in the Audit Committee or Board Meeting minutes.
- xi. The approval of unaudited quarterly financial statements for the quarters October to December and January to March were not obtained in Audit Committee.

**Under SEBI Regulations:**

- i. Since the Company did not conduct Annual General Meeting for FY 2015-16, the Company has made default under Regulation 30, 34, 36 42, 44 & 46 of the Securities and Exchange Board of India (Listing Obligation Disclosures Requirements) Regulations, 2015
- ii. As informed by the Company, the Promoters of the Company did not trade during the period under report and as such reporting under Regulation 7(2) was not required to be intimated to the Stock Exchange.
- iii. The Outcome of Board Meetings as per Regulation 30 were not intimated on time.
- iv. The Company did not intimate the following events to the Stock Exchange:
  - Certificate from Practicing Company Secretary (PCS) under section 55(A) of the SEBI (Depositories and Participant) Regulations for any of the quarters
  - Annual Disclosures under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- v. Payment of Listing Fees was made beyond April, 2017.

- vi. Since the Company Secretary of the Company resigned in the year 2000, the Company is in default of Regulation 47 to appoint Company Secretary as Compliance Officer.
- vii. The website of the Company is not updated as per Listing Regulations
- viii. Since the Company has not provided any information about transfers and transmissions maintained with the Company's Registrar & Transfer Agent, we cannot comment upon its compliance.
- ix. The Certificates from Practicing Company Secretary under Listing Regulations regarding confirmation of transfer/ transmission were not intimated the Stock Exchange

**Management Reply:**

The Company will take necessary precaution to avoid such defaults and delays in future by establishing proper mechanism to track such compliances.

**Cost Records**

The Company is maintaining cost records under section 148(1) of the companies Act, 2013 for the products of the company.

**Extract of Annual Return**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual return in the prescribed format is annexed herewith as '**Annexure D**' to the Board's report.

**Number of Meetings of the Board**

During the financial year, 6 (Six) Board Meetings, meetings were held, the details of which are given in the Corporate Governance Report forming part of the Annual Report.

**Directors' Responsibility Statement:**

Pursuant to the requirements under 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the loss of the Company for the year ended as on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual accounts for the financial year ended 31st March, 2017, on a 'going concern' basis.
- e) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Policy on Nomination and Remuneration of Directors, KMPs and other employees:**

Policy for Selection and Appointment of Directors and their Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is annexed as 'Annexure E' to the Board's report.

**Particulars of loans, guarantees or investments under Section 186**

During the financial year 2016-17, there are no such transactions transacted by the Company and hence particulars of details of loans, guarantee, security or investments covered under Section 186 of the Companies Act, 2013 are not required to be furnished.

**Particulars of contracts or arrangements made with related parties**

During the Financial Year 2016-17, all Related Party Transactions entered in to with Related Parties were at arm's length and were in the ordinary course of the business. The Company has proposed approval of the members in the ensuing Annual General Meeting for related party transactions to be entered into with interested parties for a period of 3 years w.e.f 1<sup>st</sup> April, 2016. AOC-2 is attached herewith as Annexure F.

**Corporate Social Responsibility:**

The Company is not falling in any criteria as mentioned in Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Act. Hence, provision of CSR is not applicable to the Company.

**Material changes and commitments affecting financial position between the end of the financial year and Date of Report**

No other material changes or commitments took place affecting the financial position of the Company.

**Vigil Mechanism:**

The Company has established a vigil mechanism to enable directors and employees to report genuine concerns and grievances about any incident of violation / potential violation of law or the Code of Conduct laid down by the Company. The mechanism lays down the overall framework and guidelines for reporting genuine concerns. The details of this mechanism are given in the Corporate Governance Report which may be taken as forming part of this Report.

**Risk Management:**

The details of the risk management framework adopted and implemented by the Company are given in the Corporate Governance Report which may be taken as forming part of this Report.

**Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

**(a) Conservation of Energy Technology Absorption:**

- ⊕ The Company has successfully maintained energy efficient lighting has been at a lower level it also implemented the plan to utilize energy efficient welding sets in the factory. The Company is making all efforts for better utilization of energy wherever possible.



**(b) Technology Absorption:**

- ⊕ Efforts made towards technology absorption, adaptation and innovation and Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc

The Company is in Process of Developing the ways for technology absorption, adaptation and innovation.

- ⊕ In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) : N.A
- ⊕ Expenditure Incurred on Research and Development : N.A

**(c) Foreign Exchange Earnings and Outgo:**

Earnings in foreign exchange: Nil

**(d) Outgo in foreign exchange: Nil****Risk Management Policy and Compliance Framework:**

Risk Management policy of the Company has been developed and implemented, recommended by the Audit Committee and approved by Board of Directors in their Meeting held on 07th February, 2015. In the opinion of the board the below given risks may threaten the existence of the Company:

**External Risk Factors:**

- a) Economic Environment and Market conditions
- b) Political Environment
- c) Competition
- d) Technology

**Internal Risk Factors:**

- a) Contractual Compliance
- b) Environmental Management
- c) Human Resource Management

**Board Evaluation:**

In accordance with the provisions of the Companies Act, 2013 read with the rules made there under and the Listing Regulations, is in process of carrying out formal annual evaluation of its own performance, performance of its various Committees and individual directors.

**Acknowledgements:**

Your Directors take this opportunity to express their appreciation to the Investors, Banks, Financial Institutions, Clients, Vendors, Central and State Governments and other Regulatory Authorities for their assistance, continued support, cooperation and guidance.



**Change in RTA**

The Company as on date of the AGM has appointed M/s. Purva Sharegistry (India) Pvt. Ltd. as Registrar and Transfer Agents having their office at:

Unit no. 9 Shiv Shakti Ind. Estt. J .R. Boricha marg Lower Parel (E) Mumbai 400 011.

Tel.No. +91 22 2301 2517 / 8261

Email Id: support@purvashare.com

**For Filtron Engineers Limited**

**Sadanand Hegde**  
**Chairman & Wholetime Director**  
**(DIN: 00195106)**

**Venkat Giri**  
**Wholetime Director**  
**(DIN: 06585289)**

**Place: Pune**

**Date: 1<sup>st</sup> December, 2021**

Encl.: Annexure A to F

**ANNEXURE - A to Directors Report**  
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRY STRUCTURE AND DEVELOPMENT**

Due to reduction in the revenue of the Company the Company has incurred loss during the year. The total revenue from the operations for the year ended March 31, 2017 amounted to Rs. 3,13,302.00 as against Rs. 92,59,051 has decreased by almost 80% over the last year as last year's revenue.

**OPPORTUNITIES & THREATS**

The most important threat continues to be competition from low cost imported products. Manpower costs are rising as many large companies are mopping the available talent pool supply of which is limited. Thus for small and mid-range companies, retaining high quality manpower is a concern.

**SEGMENT WISE OPERATIONAL PERFORMANCE**

Your Company has one main segments of business viz. The sale of Manufacture of Equipment and Turnkey Projects but due to overall recession in the manufacturing field the Company has incurred losses. During the year under review your Company has upgraded its existing products with better technology and features

**OUTLOOK:**

Your Company, keeping pace with the overall market scenario has grown significantly. The Management expects to continue this trend in the years to come, subject to favourable market conditions, and stable economic policies.

**RISKS AND CONCERNS:**

All the promises which management is making, depends on the strength of the shareholders and the confidence, which they have bestowed on the management.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has well established and adequate systems for internal control to provide reasonable assurance that all assets are safeguarded; transactions are authorized and reported correctly.

**DISCUSSION ON FINANCIAL PERFORMANCE:**

The Company has incurred loss during FY 2016-17 of Rs. (130,41,744.36/-) as compare last year's loss of Rs. (1,24,63,563/-). The Company is in lookout for new projects.

**HUMAN RESOURCES**

Your Company continuously endeavours to improve the work environment for its employees. Competitive compensation package, innovative and challenging environment to work, transportation facilities, etc., are some of the steps taken by the Company for the welfare of its employees.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results

could differ from those expressed or implied. Company's operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors.

**For Filtron Engineers Limited**

**Sadanand Hegde**  
**Chairman & Wholetime Director**  
**(DIN: 00195106)**

**Place: Pune**

**Date: 1<sup>st</sup> December, 2021**

**ANNEXURE - B to Directors Report  
REPORT ON CORPORATE GOVERNANCE**

Corporate Governance Report, together with the Auditors Certificate on compliance with the conditions of Corporate Governance as laid down are presented in the Report on Corporate Governance for the year ended 31st March, 2016.

**Company's Philosophy on the Code of Corporate Governance**

Transparency and accountability are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way we do our business. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation.

We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code of Conduct inspires us to set standards which not only meet the applicable legislation but also exceed them in many areas of our business operations.

The Company's philosophy on Corporate Governance is concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

A report, in line with the requirements of Listing Agreement(s) / Listing Regulations for the year ended March 31, 2017 is given below:

**I. Board of Directors**

**1. Composition and Category**

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Independent Directors on the Board are eminent professionals from varied fields having wide range of skills and expertise. The diversity in the Board's profile brings about a harmonious blend in the quality of the Board's decisions and the corporate governance.

As at 31st March, 2017, the Board consisted of 5 members. The composition and category of the directors on the Board of the Company are as under:

| Sr.No | Names of Directors         | Category                           |
|-------|----------------------------|------------------------------------|
| 1     | Mr. Sadanand Hegde         | Wholetime Director                 |
| 2.    | Mr. Prabhakar Ganesh Hegde | Non-Executive Independent Director |
| 3.    | Mr. Venkat Giri            | Whole-time director                |

|    |                                  |                                    |
|----|----------------------------------|------------------------------------|
| 4. | Mr. Padamakar Vidyadhar Kashyapi | Non-Executive Independent director |
| 5. | Ms. Hemali Alandkar              | Non-Executive Director             |

*Relationship Inter-se*

No Directors (other than those mentioned above) are in any way related to each other

## 2. Role of Board of Directors

The primary role of the Board is to protect and enhance shareholders' value and optimise long term value by providing

The management with guidance and strategic direction on shareholders' behalf. The Board's mandate is to provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders. The day-to-day operations are conducted by the Working Director of the Company, under the supervision and control of the Board of Directors.

The Board meets at least once a quarter to review the quarterly performance and the financial results of the Company. The Board Meetings are scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The members of the Board have complete access to all the information of the Company.

In case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is confirmed in the subsequent Board Meeting.

To enable the Board to discharge its responsibilities effectively, the members of the Board are apprised at every Board Meeting on the overall performance of the Company. Senior management is invited to attend the Board Meetings as and when required so as to provide additional inputs to the items being discussed by the Board. The minutes of each Board Meeting are recorded in the minutes book as mandated by the legal provisions in this regard.

## 3. Board's Induction

Upon appointment of a new Independent Director, the Company issues a formal letter of appointment which inter alia sets out in detail, the terms and conditions of appointment, their duties, responsibilities, expected time commitments etc. The terms and conditions of their appointment are disclosed on the website of the company.

A formal induction program is conducted for the newly appointed Director wherein they are familiarized with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The main objective behind the above initiatives is to acquaint the Director with the sphere of operations of the Company and to enable him to effectively fulfil his roles and responsibilities.

**4. Evaluation of the Board's Performance:**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board is in process of carrying out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees

**5. Details of Directors being appointed and re-appointed**

Mr. M.V. Rao resigned as Director w.e.f 7<sup>th</sup> July, 2016.

Mr. Sadanand Hegde, Whole-time Director of the Company is disqualified under section 164 (2) of the Companies Act, 2013 for non-filing of Balance Sheet and Annual Return of the Company since FY 2015-16 w.e.f 1<sup>st</sup> October, 2017 for a period of 5 years till 31<sup>st</sup> October, 2021

**6. Meetings**

During the year under review, the Board of Directors had 6 (Six) meetings. The intervening gap between 2 meetings was in conformity with the requirements of Listing Regulations and that of the Companies Act, 2013. All these meetings were held in Pune.

All the meetings were conducted as per the structured agenda which was circulated seven days prior to the Board Meeting. The Board reviewed compliance report of all the laws applicable to the Company.

The attendance record of the Directors at the Board Meetings during the financial year 2016-17 and at the last AGM is as under:-

| Name of the Director  | No. of Board meetings attended during the financial year 2016-17 | Attendance at the last AGM held                       | No. of Directorships | No. of Committee Memberships in Public Limited Companies |               |
|-----------------------|--|---|----------------------|--|---------------|
|                       |  |   |                      | Memberships  | Chairmanships |
| Mr. Sadanand Hegde    | 4  |   | 3                    | Nil  | Nil           |
| Mr. Prabhakar Hegde   | 4  | Not Applicable as the AGM was not held for FY 2015-16 | Nil                  | 2  | 1             |
| Mr. Padmakar Kashyapi | 0  |   | Nil                  | 2  | 2             |
| Mr. M.V Rao           | 2  |   |                      |  |               |
| Mr. Venkat Giri       | 0  |   | Nil                  | Nil  | Nil           |
| Mrs. Hemali Alandkar  | 0  |   | Nil                  | Nil  | Nil           |

- (a) Memberships/Chairmanships in the Audit Committees and Stakeholder's Relationship Committees are only considered.
- (b) Membership of Committees includes Chairmanship, if any.  
Some meetings did not conform with the quorum requirements.

## 7. Other Directorships, etc.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director. The details of Directorship (calculated as per provisions of Section 165 of the Companies Act, 2013) and Committee Chairmanships / Memberships held by the directors as on 31st March, 2016 (calculated as per provisions of Clause 49 of the Listing Agreement) are as given above.

## II. Committees of the Board

### 1. Audit Committee

The object of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and oversee the integrity and quality of the financial reporting. The Committee acts as a link between the Statutory Auditors and the Board of Directors of the Company.

#### Terms of Reference

The Terms of Reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013.

#### Composition

The Audit Committee presently comprises of three Directors, two of whom are Non-Executive, Directors. The Audit Committee is constituted in accordance with the provisions of Regulation 18 Listing Regulations and Section 177 of the Companies Act, 2013. All the members of the Committee are financially literate and have adequate accounting and financial management expertise. The Chairman of the Committee, Mr. Padmakar Kashyapi is an Independent, Non-Executive Director.

Senior executives are invited to participate in the meetings of the Committee as and when necessary. The quorum for the Audit Committee meetings is two Independent Directors. The Company Secretary acts as Secretary to the Committee. However, Company Secretary of the Company resigned in the year 2000.

#### Meetings and Attendance

During the year under review, the Committee met 2 (Two) times. The following table provides the composition of the Audit Committee and attendance of members at the meetings of the Committee held during the financial year 2016-17

| Members           | Chairman/Member | Category                           | No. of meetings attended |
|-------------------|-----------------|------------------------------------|--------------------------|
| Padmakar Kashyapi | Chairman        | Non executive Independent director | 2                        |
| Padmakar Hegde    | Member          | Non-Executive Independent director | 2                        |
| Venkat Giri       | Member          | Director                           | 2                        |

## 2. Stakeholder's Relationship Committee (earlier known as Shareholders' / Investors' Grievance Committee)

In line with Regulation 20 the Listing Regulations and the Companies Act, 2013, the Board of Directors of the Company changed the nomenclature of 'Shareholders' / Investors' Grievance Committee' to 'Stakeholder's Relationship Committee'.

### Terms of Reference

The Company maintains continuous interaction with the Registrar and Transfer Agent of the Company (RTA) and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors. The Committee oversees the performance of the RTA and recommends measures for overall improvement in the quality of investor services. Mr. Ramesh Hosmane has been appointed as the Compliance Officer. However, the RTA of the Company viz. M/s Link Intime India Pvt Ltd had stopped its services to the Company from the year 2017.

### Composition

At present, the Stakeholder's Relationship Committee consists of two members including two Non-Executive Directors. Mr. Padmakar Kashyapi Non-Executive Independent Director is the Chairman of the Committee. The Company has appointed Purva Sharegistry (India) Private Limited to act as Registrar and Transfer Agent of the Company.

### Meetings and Attendance

During the year under review, the Committee met four 2 (Two) times. The following table provides the composition of the Stakeholder's Relationship Committee and attendance of the members at the meetings of the Committee held during the financial year 2016-17:

| Members               | Chairman/Member | Category                           | No. of meetings attended |
|-----------------------|-----------------|------------------------------------|--------------------------|
| Mr. Padmakar Kashyapi | Chairman        | Non-Executive Independent Director | 2                        |
| Mr. Padmakar Hegde    | Member          | Non-Executive Director             | 2                        |



A total of 03 complaints were received from shareholders/investors during the year ended 31st March, 2016 all of which were duly resolved and disposed off appropriately, as reported by the RTA of the Company. The complaints related mainly to non-receipts of Dividend warrants, Annual Reports, etc. In view of the posting of the annual reports and the dividend warrants, as the case may be, within the statutory time limit, the delay or non-receipt of the annual reports or the dividend warrants was not due to any lapse on the part of the Company.

### **3. Nomination and Remuneration Committee**

In compliance with Regulation 18 of the Listing Regulations and the Companies Act, 2013, the Board of Directors of the Company changed the nomenclature of the 'Remuneration Committee' to 'Nomination and Remuneration Committee (NRC Committee)'

#### **Terms of reference**

The Board also re-visited the terms of reference of the NRC Committee to inter-alia include the following:

- 1) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- 2) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a 'Remuneration Policy', relating to the remuneration for the directors, key managerial personnel and other employees,
- 3) To formulate the criteria for evaluation of Independent Directors and the Board;
- 4) To devise a policy on Board diversity;
- 5) Any other matter as the NRC Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### **Composition**

At present, the NRC Committee consists of three members who are Non-Executive Directors. The Chairman of the Committee is Mr. Prabhakar Hegde an Independent, Non-Executive Director.

### Meetings and Attendance

During the year under review, the Committee met One (1) time on. The following table provides the composition of the NRC Committee and attendance of the members at the meetings of the Committee held during the financial year 2016-17:

| Members               | Chairman/Member | Category                           | No. of meetings attended |
|-----------------------|-----------------|------------------------------------|--------------------------|
| Mr. Prabhakar Hegde   | Chairman        | Non Executive Independent Director | 1                        |
| Mr. Padmakar Kashyapi | Member          | Non-Executive Independent Director | 1                        |

### Remuneration Policy

The Company follows a policy on remuneration to Directors, Key Managerial Personnel and Senior Management and other employees. The remuneration policy of the Company is structured in order to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The Remuneration Policy forms a part of the Directors Report.

#### I. General Body Meetings

During the year under report Annual General Meeting for FY 2015-16 was not held.

#### II. Postal Ballot

During the year under review, no resolution has been passed through the exercise of postal ballot. Further, there is no resolution proposed to be conducted through Postal Ballot.

#### III. Subsidiary Companies

The Company did not have any 'material unlisted Indian Subsidiary' during the year under review.

#### IV. Code of Conduct

All Board members and Senior Management personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2016. A declaration to this effect signed by the Managing Director is appended at the end of this report.

#### V. Code of Conduct for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Board of Directors of the Company has adopted the Code of Conduct for Prevention of Insider Trading'. The Code is applicable to all Directors and Designated Employees and Officers and their dependants, who are expected to have access to unpublished

price sensitive information relating to the Company. The rationale behind the Code is to prevent trading in shares of the Company by persons, who are in the management of the Company or are close to them on the basis of 'undisclosed price sensitive information' about the Company, which they possess but is not available to others. As per the terms of the said Code, all Directors and Designated Employees and Officers are restricted from dealing in the shares of the Company during 'restricted periods' notified by the Company from time to time.

Mr. Ramesh Hosmane has been appointed as the Compliance Officer for monitoring adherence to the said Code. The said Code is made available on the intranet of the Company for compliance by all the concerned.

#### **vi. Whistle Blower Policy/Vigil Mechanism**

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. To achieve this, the Company has adopted the Whistle Blowing Policy which lays down the overall framework and guidelines for reporting genuine concerns. The Policy is intended to encourage and enable employees and others to raise serious concerns within the Company prior to seeking resolution outside the Company.

In order to instil more confidence amongst the Whistle Blowers, the Company has appointed an independent agency to receive the complaints and coordinate with the whistle blower, if required. An Ethics Committee has been constituted comprising of Senior Executives and an External Legal Counsel for initiating remedial measures. Adequate safeguards have been provided in the Policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases.

None of the personnel of the Company has been denied access to the Audit Committee.

#### **vii. Disclosures**

##### **a. Related Party Transactions**

As required under Listing Regulations, the Board has approved a Policy on Materiality and Dealing with Related Party Transactions.

As defined under the Companies Act, 2013 and Listing Regulations and as per the 'Policy on materiality and dealing with Related Party Transactions' framed by the Company, all transactions entered into with Related Parties during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year under review which were in conflict with the interests of the Company.

Details of related party transactions as per requirements of Accounting Standard - AS 18 - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in "Notes to Accounts" under Schedules to financial statements. Except the transactions disclosed under the said note, there are no other significant related party transactions between the Company and the related parties.

The Company has sought approval of members in ensuing Annual General Meeting for related party transactions with interested parties for 3 years w.e.f 1<sup>st</sup> April, 2016, for which the Company feels that the transactions may seem material as per Listing Regulations and provisions of Companies Act, 2013. Members are requested to go through the Notice of the Annual General Meeting for more clarity.

**b. Remuneration to Directors**

**Remuneration to Executive**

**Directors**

During the financial year 2016-17, the Company has not paid any remuneration to its Executive Directors

**Remuneration to Non-Executive Directors**

Remuneration to Non-Executive and Independent Directors of the Company is paid as per Company's Policy on Nomination and Remuneration of Directors, KMPs and other employees.

As per the said Policy, only Sitting Fees are paid to Non-Executive Directors. The details of Sitting Fees paid for the financial year ended 31st March, 2017 are as under:

(in Rs.)

| Names of the Director | Sitting fees |
|-----------------------|--------------|
| Mr. Sadanand Hegde    | Nil          |
| Mr. Venkat Giri       | Nil          |
| Mr. Prabhakar Hegde   | Nil          |
| Mr. Padmakar Kashyapi | Nil          |
| Mrs. Hemali Alandkar  | Nil          |

**c. Risk Management:**

The Company has structured a robust Risk Management Plan to identify and evaluate various business risks and opportunities. As per the plan, the Audit Committee / Board of Directors will be informed on quarterly basis about various risks identified by the Senior Management, the mitigation plan devised by them, progress on various plans / activities being implemented to mitigate the same and any other risks, newly identified with mitigation plan for them.

The Board, upon review, will further guide the Senior Management about risk identification and improvement in mitigation plans.

- d. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company has endeavoured to generally comply with all the requirements of the Listing Agreement entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Since the date of listing of the company's shares in Bombay Stock Exchanges, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non - compliance of any matter related to the capital markets during the last three years.

- e. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has generally complied with the Listing Regulations.

**VIII. Means of Communication****a. Publication of Results**

The quarterly/half-yearly and annual results of the Company are published in Free Press Journal English daily newspaper circulating in Pune (where the Registered Office of the Company is situated) and in (Nav Shakti) Marathi daily newspaper circulating in Pune (where the Registered Office of the Company is situated).

**b. Press Release and Presentations**

Official Press Releases are sent to the Stock Exchanges. Presentation made to media, analyst, institutional investors, etc. are posted on the Company's website.

**c. Intimation to Stock Exchanges**

All price sensitive information and matters which are material and relevant to shareholders are generally intimated to the BSE Ltd. (BSE) where the shares of the Company are listed.

**d. Website**

The Company's website contains a separate dedicated section "Investor Relations". It contains comprehensive database of information of interest to the investors including the financial results and Annual Reports of the Company, any information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Company to the investors, in a user friendly manner.

**e. Annual Report**

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other statutory information is sent to members and others entitled thereto and is also uploaded on the Company's website.

**f. Dedicated email-id**

The Company has also designated a dedicated email-id "info@filtronindia.com for servicing its stakeholders.

**IX. General Shareholder Information****a. Annual General Meeting**

The Annual General Meeting (AGM) for the financial year 2016-17 will be held on 30<sup>th</sup> December, 2021 at 12. noon.

**b. Financial Year of the Company**

The Financial Year of the Company is from 1st day of April in a year till 31st day of March in the next succeeding year.

**c. Registrar & Share Transfer Agent (RTA)**

For any assistance regarding Share Transfers, Transmissions, change of address, non-receipt of dividends, duplicate / missing share certificates and other relevant matters, the Registrar and Transfer Agents of the Company at the following address may be contacted:

M/s. Purva Sharegistry (India) Pvt. Ltd. as Registrar and Transfer Agents having their office at:  
Unit no. 9 Shiv Shakti Ind. Estt. J .R. Boricha marg Lower Parel (E) Mumbai 400 011.  
Tel.No. +91 22 2301 2517 / 8261  
Email Id: support@purvashare.com

**d. Book closure dates for the purpose of AGM**

The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> December, 2021 to 30<sup>th</sup> December, 2021 (both days inclusive) for the purpose of AGM.

## e. Distribution of Shareholding as on 31st March, 2017

| Share holding of nominal value | Share holders    |            | Share Amount (in Rs) |            |
|--------------------------------|------------------|------------|----------------------|------------|
|                                | Number           | % to Total | in Rs                | % to Total |
| 1-5000                         | 918,650          | 35         | 9,186,500            | 35         |
| 5001-10000                     | 106,400          | 4          | 1,064,000            | 4          |
| 10001-20000                    | 50,170           | 2          | 501,700              | 2          |
| 20001-30000                    | 22,400           | 1          | 224,000              | 1          |
| 30001-40000                    | 40,000           | 2          | 400,000              | 2          |
| 40001-50000                    | 0                | 0          | 0                    | 0          |
| 50001-100000                   | 181,400          | 7          | 1,814,000            | 7          |
| 100001- *****                  | 12,974,800       | 50         | 129,748,000          | 50         |
| <b>Total</b>                   | <b>2,616,500</b> | <b>100</b> | <b>26,165,000</b>    | <b>100</b> |

## f. Share Transfer System

The process of recording of share transfers, transmissions, etc., for shares held in electronic form is handled by Link Intime India Pvt Ltd Pune (RTA) and a report thereof is sent to the Company periodically and the Stakeholders' Relationship Committee of the Company takes note of the same at its meetings. In respect of shares held in physical form, the transfer documents are lodged with the RTA and after processing, the same are sent to the company and the Stakeholders' Relationship Committee conveys its approval to the Registrars, who dispatch the duly transferred share certificates to the shareholders concerned after complying with the applicable provisions. The average time taken for processing share transfer requests (in physical) including dispatch of share certificates is 15 days.

## g. Dematerialization of shares and Liquidity

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE589NO1017. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by SEBI.

## h. Annual Report - Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry, companies can send various notices and documents, including Annual Report, to its shareholders through electronic mode to their registered e-mail addresses. Further, the Companies Act, 2013 and rules made thereunder also recognize communication with shareholders in electronic mode.



Since 2011, your Company has been sending the Annual Reports to its shareholders, who have registered their e-mail address with the Depositories/Company, on e-mail every year. Others, who have not registered their e-mail address, have been sent the Annual Reports in physical copy and have always been appealed to register their e-mail address and opt for receiving all the communication through e-mail.

All the shareholders who have not yet registered their e-mail addresses are once again requested to register it with the Registrar and Transfer Agent - Link Intime India Pvt Ltd and opt for electronic delivery and contribute their small share to the noble cause of "Green Initiative".

However, those who want to receive hard copies of all the communication have to make a specific request to the Company by sending a letter in this regard.

**i. Listing of Equity Shares on Stock Exchanges and Stock Codes**

The Equity Shares of the Company are listed on the following Stock Exchanges:

| Name of the Stock Exchange | Scrip Code / Symbol |
|----------------------------|---------------------|
| BSE Limited                | 531191 / FILTRON    |

The Annual Listing fees for the year 2016-17 have been yet not paid to the Stock Exchanges.

**j. The GDR/ADR/Convertible instruments**

The Company has not issued any GDR/ADR/Convertible instruments during the financial year 2016-17.

**k. Shares held by Directors**

The details of the shares held by the Directors of the Company as on 31<sup>st</sup> March, 2015 are as under:

| Names of the Directors | No. of Equity Shares held |
|------------------------|---------------------------|
| Mr. Sadanand Hegde     | 11,54,980                 |
| Mr. Venkat Giri        | 200                       |
| Mr. M. V. Rao          | 400                       |

None of the Directors hold any convertible instruments in the Company.

**x. Other Information**

**a. Permanent Account Number (PAN) for transfer of shares in physical form mandatory**

SEBI vide its Circular dated May 20, 2009 has stated that for securities market transactions and off-market transactions of listed companies involving transfer of shares in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

**b. Insider Trading**

In order to prohibit insider trading and protect the rights of innocent investors, SEBI has enacted the SEBI (Prohibition of Insider Trading) Regulations, 2015. As per Regulation 7 of the said Regulations, initial and continual disclosures are required to be made by investors as under:

☺ **Initial Disclosure**

- (a) Every promoter, key managerial personnel and director of every company whose securities are listed on any recognized stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;
- (b) Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

☺ **Continual Disclosure**

- (a) Every promoter, employee and director of every company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- (b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

(c) **Statutory Auditors**

The Company's Statutory Auditors are:

**A. A. Bhat & Co.**

Chartered

Accountants        6

Harmony House

797, Bhandarkar Institute Road, Pune 411 004

(d) **SEBI Complaints Redress System (SCORES)**

The investor complaints are processed through a centralized web-based complaint redressal system by SEBI called "SCORES". The salient features of SCORES are availability of centralised data base of complaints and uploading online Action Taken Reports (ATRs) by the Company. Through SCORES, the investors can view online the actions taken and current status of their complaints.

(e) **Online Portal for submission of various filings**

⊗ **BSE Corporate Compliance & Listing Centre (the "Listing Centre")**

It is a web-based facility accessible from anywhere through the Company's allotted unique login. Listing Centre of BSE accepts periodical compliance filings from the Companies.

(f) **Address for correspondence**

Investors' correspondence may be addressed to the RTA / Compliance Officer of the Company. Shareholders' / Investors' are requested to forward documents related to share transfer, dematerialization requests (through their respective Depository Participant) and other related correspondence directly to Link Intime India Pvt Ltd, Block No. 202, 2nd floor Akshay Complex, Off Dhole Patil Road, Pune -411 001 at the below mentioned address for speedy response:

**Filtron Engineers Ltd 6, Sitabag Colony, Sinhagad Road, Pune -411030**

**Shareholders / Investors can also send the above correspondence to the Compliance Officer of the Company at the following address**

**For Filtron Engineers Limited**

**Sadanand Hegde  
Chairman & Wholetime Director  
(DIN: 00195106)**

**Place: Pune**

**Date: 1<sup>st</sup> December, 2021**

**ANNEXURE - C to Directors Report  
Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For the financial year ended on 31<sup>st</sup> March, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To,  
The Members,  
Filtron Engineers Limited  
Plot No.36, WMDC Industrial Area,  
Ambethan Road, Chakan,  
Pune 410501**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Filtron Engineers Limited** ('the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 ("the financial year") to some extent complied with the statutory provisions listed hereunder and also that the Company needs to have Board-processes and compliance mechanism in place, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:
  - 1) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified;
  - 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rule made thereunder;
  - 3) The Depositories Act, 1996 and the Regulations & Bye-Laws framed thereunder;
  - 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment - Not applicable for the year under report
  - 5) The following Regulations & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Listing Obligation Disclosures Requirements) Regulations, 2015
  - f. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
2. No other Laws are specifically applicable to your Company on which our comment is required.
3. We have also examined compliance with the applicable clauses and regulations of the following:
- a. Secretarial Standards issued by the Institute of Company Secretaries of India;
  - b. The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. During the period under review, in our opinion, Company has generally complied with the Company Law Provisions, MCA Regulations, SEBI Regulations, Depositories Regulations except as below:
- xii. The Company has applied to the Registrar of Companies in terms of the provisions of Section 96 of the Companies Act, 2013, for granting extension of time for a period of 3 months, i.e., till December 30, 2016, for holding the Annual General Meeting of the Company. Despite the same, the Company did not conduct the Annual General Meeting of the Company for FY 2015-16 and accordingly the Company made a default under section 96 of the Companies Act, 2013.
  - xiii. The Company made a default under section consequently under section 101 of the Companies Act, 2013 by not issuing notices of Annual General Meeting to shareholders for FY 2015-16
  - xiv. The Company did not follow compliance of Secretarial Standards.
  - xv. The Company has not appointed Internal Auditor for the period under review.
  - xvi. The Company has not appointed Whole Time Company Secretary as per provisions of section 203 of the Companies Act, 2013
  - xvii. The Borrowing limits of the Company could not be verified under section 180(1)(c) due to unavailability of information.
  - xviii. The Company has not kept and maintained adequate system for recording Attendance of Directors/ Members of Committee.

- xix. As per information provided by the Company, the Company has failed to conduct a separate meeting of the Independent Directors during the year as per Schedule IV of the Companies Act, 2013
- xx. We did not find the Board evaluation process as per section 178 of the Companies Act, 2013 implemented by the Company.
- xxi. No information or approval of related party transactions was found in the Audit Committee or Board Meeting minutes.
- xxii. The approval of unaudited quarterly financial statements for the quarters October to December and January to March were not obtained in Audit Committee.

**Under SEBI Regulations:**

- x. Since the Company did not conduct Annual General Meeting for FY 2015-16, the Company has made default under Regulation 30, 34, 36 42, 44 & 46 of the Securities and Exchange Board of India (Listing Obligation Disclosures Requirements) Regulations, 2015
  - xi. As informed by the Company, the Promoters of the Company did not trade during the period under report and as such reporting under Regulation 7(2) was not required to be intimated to the Stock Exchange.
  - xii. The Outcome of Board Meetings as per Regulation 30 were not intimated on time.
  - xiii. The Company did not intimate the following events to the Stock Exchange:
    - Certificate from Practicing Company Secretary (PCS) under section 55(A) of the SEBI (Depositories and Participant) Regulations for any of the quarters
    - Annual Disclosures under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - xiv. Payment of Listing Fees was made beyond April, 2017.
  - xv. Since the Company Secretary of the Company resigned in the year 2000, the Company is in default of Regulation 47 to appoint Company Secretary as Compliance Officer.
  - xvi. The website of the Company is not updated as per Listing Regulations
  - xvii. Since the Company has not provided any information about transfers and transmissions maintained with the Company's Registrar & Transfer Agent, we cannot comment upon its compliance.
  - xviii. The Certificates from Practicing Company Secretary under Listing Regulations regarding confirmation of transfer/ transmission were not intimated the Stock Exchange
5. We further report that based on the information provided by the Company and records maintained by the Company and as per our findings and subject to above mentioned reservations, we cannot comment on the adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

6. We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors except that Mr. Sadanand Hegde, Whole -Time Director has been disqualified under section 164(2) of the Companies Act, 2013 due to non-filing of Balance Sheets and Annual Returns w.e.f 1<sup>st</sup> October, 2016 to 31<sup>st</sup> October, 2021 for a period of 5 years Audit Committee, Nomination and Remuneration Committee are properly constituted since. Further, the Managing Director of the Company resigned during the year under report.
7. Adequate notice of seven days as well as at shorter notice was generally sent to directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
8. We cannot comment on the adequacy of the system for recording all decisions at the Board meetings and Committee meetings as recorded in the minutes of the meetings of the Board of Directors or the Committee of the Board of Directors, as the case may. Our observations on minutes are as follows:
  - i. Minutes were not kept in a separate binder
  - ii. Some Minutes of Board/ Committee Meetings were not available for inspection.
  - iii. In some instances, we could locate the notice and agenda of the Board Meetings, however, the minutes of the meetings were not found. We hence assume that those meetings were not held.
9. We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:
  - i. The Company has applied to the Registrar of Companies in terms of the provisions of Section 96 of the Companies Act, 2013, for granting extension of time for a period of 3 months, i.e., till December 30, 2016, for holding the Annual General Meeting of the Company.

**For C.S. Kelkar & Associates**  
**Company Secretaries**

**Tanaya Erande**

**Partner**

**Membership No.: 37261 C. P. No. : 23552**

**UDIN: A037261C001617752**

**Date: 1<sup>st</sup> December, 2021**

**Place: Pune**



**ANNEXURE - D to Directors Report****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**

(As on the financial year ended on 31.03.2017)

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|      |   |   |
|------|---|---|
| i.   | CIN   | L57909PN1982PLC026929   |
| ii.  | Registration Date   | 16/04/1982  |
| iii. | Name of the Company   | Filtron Engineers Limited   |
| iv.  | Category / Sub-Category of the Company                            | Company having Share Capital  |
| v.   | Address of the Registered office and contact details              | Plot No.36, WMDC Industrial Area, Ambethan Road Chakan Pune 410501  |
| vi.  | Whether listed company  | Yes<br>Listed on BSE Ltd  |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent | Link Intime (India) Private Limited (However, the RTA stopped its services to the Company from the year 2017 onwards) |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1.      | Mini dairy Plant                                 | 28251                            | 73.34                              |
| 2.      | Pasteuriser Systems                              | 28259                            | 16.81                              |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/ G LN | Holding/ Subsidiary/ Associate | % of shares held Section | Applicable |
|---------|---------------------------------|-----------|--------------------------------|--------------------------|------------|
| 1.      | NIL                             | --        | --                             | --                       | ---        |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding :

| Category of the year                                   | No. of Shares held at the beginning of the year |                  |                  |                   | Shareholders No. of Shares held at the end of |                  |                  |                   | % Change during the year* |
|--|---|------------------|------------------|-------------------|---|------------------|------------------|-------------------|---------------------------|
|  | Demat   | Physical         | Total            | % of Total Shares | Demat   | Physical         | Total            | % of Total Shares |                           |
| <b>A. PROMOTERS</b>                                    |   |                  |                  |                   |   |                  |                  |                   |                           |
| <b>(1) INDIAN</b>                                      |   |                  |                  |                   |   |                  |                  |                   |                           |
| a. Individual /HUF                                     | -   | 14,71,700        | 14,71,700        | 56.25             | -   | 14,71,700        | 14,71,700        | 56.25             | -                         |
| b. Central Govt  | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| c. State Govt(s)                                       | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| d. Bodies Corporate                                    | -   | 66,000           | 66,000           | 2.52              | -   | 66,000           | 66,000           | 2.52              | -                         |
| e. Banks / FI  | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| f. Any Other   | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| <b>Sub-Total A (1) :</b>                               | -   | <b>15,37,700</b> | <b>15,37,700</b> | <b>58.77</b>      | -   | <b>15,37,700</b> | <b>15,37,700</b> | <b>58.77</b>      | -                         |
| <b>(2) FOREIGN</b>                                     |   |                  |                  |                   |   |                  |                  |                   |                           |
| a. NRIs - Individuals                                  | -   | 65,000           | 65,000           | 2.48              | -   | 65,000           | 65,000           | 2.48              | -                         |
| b. Others - Individuals                                | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| c. Bodies Corporate                                    | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| d. Banks / FI  | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| e. Any Other   | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| <b>Sub-Total A(2) :</b>                                | -   | <b>65,000</b>    | <b>65,000</b>    | <b>2.48</b>       | -   | <b>65,000</b>    | <b>65,000</b>    | <b>2.48</b>       | -                         |
| <b>Total Shareholding of Promoters<br/>A=A(1)+A(2)</b> | -   | <b>16,02,700</b> | <b>16,02,700</b> | <b>61.25</b>      | -   | <b>16,02,700</b> | <b>16,02,700</b> | <b>61.25</b>      | -                         |
| <b>B. Public Shareholding</b>                          |   |                  |                  |                   |   |                  |                  |                   |                           |
| <b>1. INSTITUTIONS</b>                                 |   |                  |                  |                   |   |                  |                  |                   |                           |
| a. Mutual Funds  | 40,000  | -                | -                | -                 | 40,000  | -                | -                | -                 | -                         |
| b. Banks / FI  | -   | -                | 40,000           | 1.53              | -   | -                | 40,000           | 1.53              | -                         |
| c. Central Govt. State Govt.(s)                        | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| d. Venture Capital Funds Insurance Companies FII's     | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| e. Foreign Venture Capital Funds Others (specify)      | -   | -                | -                | -                 | -   | -                | -                | -                 | -                         |
| <b>Sub-Total B(1) :</b>                                | <b>40,000</b>                                   | -                | <b>40,000</b>    | <b>1.53</b>       | <b>40,000</b>                                 | -                | <b>40,000</b>    | <b>1.53</b>       | -                         |
| <b>2. NON-INSTITUTIONS</b>                             |   |                  |                  |                   |   |                  |                  |                   |                           |

|     |   |               |                  |                  |              |                 |                  |                  |              |          |
|-----|---|---------------|------------------|------------------|--------------|-----------------|------------------|------------------|--------------|----------|
| a.  | Bodies Corporate  | 1,000         | 31,900           | 32,900           | 1.26         | 4,534           | 28,366           | 32,900           | 1.26         | -        |
| b.  | Individuals   |               |                  |                  |              |                 |                  |                  |              |          |
| i.  | Individual shareholders holding nominal share capital upto Rs.1 lakh        | 42,100        | 7,56,200         | 7,98,300         | 30.51        | 87,766          | 6,78,034         | 7,65,800         | 29.27        | 1.24     |
| ii. | Individualshareholders holding nominal share capital in excess of Rs.1 lakh | -             | 41,400           | 41,400           | 1.58         | 39,500          | 34,400           | 73,900           | 2.82         | 1.24     |
| c.  | Others (specify)  |               |                  |                  |              |                 |                  |                  |              |          |
| i.  | Non Resident Indians Clearing Members Trusts                                | -             | 1,01,200         | 1,01,200         | 3.87         | -               | 1,01,200         | 1,01,200         | 3.87         | -        |
| ii. |   | -             | -                | -                | -            | -               | -                | -                | -            | -        |
| iv. |   | -             | -                | -                | -            | -               | -                | -                | -            | -        |
|     | <b>Sub-Total B(2) :</b>   | <b>43,100</b> | <b>9,30,700</b>  | <b>9,73,800</b>  | <b>37.22</b> | <b>1,31,800</b> | <b>8,42,000</b>  | <b>9,73,800</b>  | <b>37.22</b> | <b>-</b> |
|     | <b>Total Public Shareholding B=B(1)+B(2) :</b>                              | <b>83,100</b> | <b>9,30,700</b>  | <b>10,13,800</b> | <b>38.75</b> | <b>171800</b>   | <b>8,42,000</b>  | <b>10,13,800</b> | <b>38.75</b> | <b>-</b> |
| C   | Shares held by Custodian for GDRs & ADRs                                    | -             | -                | -                | -            | -               | -                | -                | -            | -        |
|     | <b>Grand Total (A+B+C) :</b>  | <b>83,100</b> | <b>25,33,400</b> | <b>26,16,500</b> | <b>100</b>   | <b>1,71,800</b> | <b>24,44,700</b> | <b>26,16,500</b> | <b>100</b>   | <b>-</b> |

## i. Shareholding of the Promoters :

| Sr. No. | Shareholder's Name          | Shareholding at the beginning of the year (01.04.2014) |                                  |  | Shareholding at the end of the year |                                  |   | % change during the year |
|---------|-----------------------------|--|----------------------------------|--|-------------------------------------|----------------------------------|---|--------------------------|
|         |                             | No. of Shares  | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the Company | % of Shares Pledged / encumbered to total |                          |
| 1       | Hegde Sadanand Ganapati     | 11,54,980  | 44.14                            | -  | 11,54,980                           | 44.14                            | -   | -                        |
| 2       | Natu Ravindra Narhar        | 120  | 0.00                             | -  | 120                                 | 0.00                             | -   | -                        |
| 3       | Kashyapi Shriniwas P        | 2,100  | 0.08                             | -  | 2,100                               | 0.08                             | -   | -                        |
| 4       | Kashyapi Padma P            | 807  | 0.03                             | -  | 807                                 | 0.03                             | -   | -                        |
| 5       | Hegde Meera G               | 323  | 0.01                             | -  | 323                                 | 0.01                             | -   | -                        |
| 6       | Hegde Bharati Sadanand      | 18,670   | 0.71                             | -  | 18,670                              | 0.71                             | -   | -                        |
| 7       | Dighe Ishwar Pandurang      | 12,500   | 0.48                             | -  | 12,500                              | 0.48                             | -   | -                        |
| 8       | Vora Saroj Rajanikant       | 8,700  | 0.33                             | -  | 8,700                               | 0.33                             | -   | -                        |
| 9       | Vora Rajanikant Laxmichand  | 8,800  | 0.34                             | -  | 8,800                               | 0.34                             | -   | -                        |
| 10      | Hegde S G HUF               | 1,42,500   | 5.45                             | -  | 1,42,500                            | 5.45                             | -   | -                        |
| 11      | Muley Avinash Sadashiv      | 1,700  | 0.06                             | -  | 1,700                               | 0.06                             | -   | -                        |
| 12      | Kale Swati Shirish          | 2,000  | 0.08                             | -  | 2,000                               | 0.08                             | -   | -                        |
| 13      | Panjar Vinita Ramavatar     | 1,700  | 0.06                             | -  | 1,700                               | 0.06                             | -   | -                        |
| 14      | Aher Bhaskar Gopal          | 2,000  | 0.08                             | -  | 2,000                               | 0.08                             | -   | -                        |
| 15      | Dalvi Namdeo Sahebrao       | 2,400  | 0.09                             | -  | 2,400                               | 0.09                             | -   | -                        |
| 16      | Dravid Mangal Ashok         | 2,300  | 0.09                             | -  | 2,300                               | 0.09                             | -   | -                        |
| 17      | Dravid Ashok Vishnu         | 2,400  | 0.09                             | -  | 2,400                               | 0.09                             | -   | -                        |
| 18      | Bang Prakash Ramchandra     | 2,000  | 0.08                             | -  | 2,000                               | 0.08                             | -   | -                        |
| 19      | Sant Sucheta Shrikant       | 2,300  | 0.09                             | -  | 2,300                               | 0.09                             | -   | -                        |
| 20      | Sant Shrikant Laxman        | 2,400  | 0.09                             | -  | 2,400                               | 0.09                             | -   | -                        |
| 21      | Dalvi Shaila Namdev         | 2,500  | 0.10                             | -  | 2,500                               | 0.10                             | -   | -                        |
| 22      | Dalvi Babab Saherao         | 3,300  | 0.13                             | -  | 3,300                               | 0.13                             | -   | -                        |
| 23      | Jain Raghunathmal Bharmalji | 1,700  | 0.06                             | -  | 1,700                               | 0.06                             | -   | -                        |

|     |                                     |                  |              |   |                  |              |   |   |
|-----|-------------------------------------|------------------|--------------|---|------------------|--------------|---|---|
| 24. | Catalchem                           | 3,300            | 0.13         | - | 3,300            | 0.13         | - | - |
| 25. | Popular Herbals<br>Products Pvt Ltd | 66,000           | 2.52         | - | 66,000           | 2.52         | - | - |
| 26. | Vaidya Sujata Kiran                 | 1,700            | 0.06         | - | 1,700            | 0.06         | - | - |
| 27. | Verma Madhu Suresh                  | 3,400            | 0.13         | - | 3,400            | 0.13         | - | - |
| 28. | Singhpal Sunita Singh<br>Dyashnkar  | 1,700            | 0.06         | - | 1,700            | 0.06         | - | - |
| 29. | Devanath G.                         | 6,600            | 0.25         | - | 6,600            | 0.25         | - | - |
| 30. | Reddy T Veera                       | 6,600            | 0.25         | - | 6,600            | 0.25         | - | - |
| 31. | Subramanium P M                     | 9,900            | 0.38         | - | 9,900            | 0.38         | - | - |
| 32. | Gangaraju K                         | 9,900            | 0.38         | - | 9,900            | 0.38         | - | - |
| 33. | Chetna S Hegde                      | 50,400           | 1.93         | - | 50,400           | 1.93         | - | - |
| 34. | Friedseh Joachim                    | 65,000           | 2.48         | - | 65,000           | 2.48         | - | - |
|     | <b>Total</b>                        | <b>16,02,700</b> | <b>61.25</b> | - | <b>16,02,700</b> | <b>61.25</b> | - | - |

## i. Change in Promoters' Shareholding

A. There is no change in the promoter's Shareholding during the year under review.

## ii. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. |   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.      | <b>Damini Vasa</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | 22,400                                    | 0.86                             | 22,400                                  | 0.86                             |
|         | Date wise Increase(+) / Decrease (-)<br>in Shareholding during the year.  | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 22,400                                    | 0.86                             | 22,400                                  | 0.86                             |
| 2.      | <b>Rupal Sankalia</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 5,000                                     | 0.19                             | 5,000                                   | 0.19                             |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 5,000                                     | 0.19                             | 5,000                                   | 0.19                             |
| 3.      | <b>Sunil S Modi</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 6,000                                     | 0.23                             | 6,000                                   | 0.23                             |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 6,000                                     | 0.23                             | 6,000                                   | 0.23                             |
| 4.      | <b>Anil G Bang</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | 6,900                                     | 0.26                             | 6,900                                   | 0.26                             |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 6,900                                     | 0.26                             | 6,900                                   | 0.26                             |
| 5.      | <b>Faiyaz S Ratnagiri</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 6,000                                     | 0.23                             | 6,000                                   | 0.23                             |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 6,000                                     | 0.23                             | 6,000                                   | 0.23                             |
| 6.      | <b>Laxmi Vilas Bank Limited</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 40,000                                    | 1.53                             | 40,000                                  | 1.53                             |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 40,000                                    | 1.53                             | 40,000                                  | 1.53                             |
| 7.      | <b>Mahendra Vasa</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | 19,000                                    | 0.73                             | 19,000                                  | 0.73                             |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 19,000                                    | 0.73                             | 19,000                                  | 0.73                             |
| 8.      | <b>Nareshkumar Shah</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 4,700                                     | 0.18                             | 4,700                                   | 0.18                             |
|         | Date wise Increase (+) / Decrease (-)                                     |   |                                  |   |                                  |

|            |  |        |      |        |      |
|------------|--|--------|------|--------|------|
|            | in Shareholding during the year.                 | -      | -    | -      | -    |
|            | At the End of the year                           | 4,700  | 0.18 | 4,700  | 0.18 |
| <b>9.</b>  | <b>Sigma Credit &amp; Capital Services P Ltd</b> |        |      |        |      |
|            | At the beginning of the year                     | 10,000 | 0.38 | 10,000 | 0.38 |
|            | Date wise Increase (+) / Decrease (-)            |        |      |        |      |
|            | in Shareholding during the year.                 | -      | -    | -      | -    |
|            | At the End of the year                           | 10,000 | 0.38 | 10,000 | 0.38 |
| <b>10.</b> | <b>SSG Fincon P Ltd</b>                          |        |      |        |      |
|            | At the beginning of the year                     | 10,000 | 0.38 | 10,000 | 0.38 |
|            | Date wise Increase (+) / Decrease (-)            |        |      |        |      |
|            | in Shareholding during the year.                 | -      | -    | -      | -    |
|            | At the End of the year                           | 10,000 | 0.38 | 10,000 | 0.38 |



## i. Shareholding of Directors and Key Managerial Personnel\*:

| Sr. No. |   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.      | <b>Mr. Sadanand Hegde</b>   |   |                                  |   |                                  |
|         | At the beginning of the year  | 11,54,980                                 | 44.14                            | 11,54,980                               | 44.14                            |
|         | Date wise Increase(+) / Decrease (-)<br>in Shareholding during the year.  | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 11,54,980                                 | 44.14                            | 11,54,980                               | 44.14                            |
| 2       | <b>Mr. Padmakar Kashyapi</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | -   | -                                | -                                       | -                                |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | -   | -                                | -                                       | -                                |
| 3.      | <b>Mr. Venkat Giri</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | 200                                       | 0.0076                           | 200                                     | 0.0076                           |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | 200                                       | 0.0076                           | 200                                     | 0.0076                           |
| 4.      | <b>Ms. Hemali Alandkar</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | -   | -                                | -                                       | -                                |
|         | Date wise Increase (+) / Decrease (-)<br>in Shareholding during the year. | -   | -                                | -                                       | -                                |
|         | At the End of the year  | -   | -                                | -                                       | -                                |
| 5.      | <b>Mr. Prabhakar Hegde</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | -   | -                                | -                                       | -                                |

|           |                                       |                      |   |                      |   |
|-----------|---------------------------------------|----------------------|---|----------------------|---|
|           | Date wise Increase (+) / Decrease (-) |                      |   |                      |   |
|           | in Shareholding during the year.      | -                    | -                                       | -                    | -                                       |
|           | At the End of the year                | -                    | -                                       | -                    | -                                       |
| <b>6.</b> | <b>Joechim Friedsch</b>               | <b>No. of shares</b> | <b>% of total shares of the Company</b> | <b>No. of shares</b> | <b>% of total shares of the Company</b> |
|           | At the beginning of the year          | -                    | -                                       | -                    | -                                       |
|           | Date wise Increase (+) / Decrease (-) |                      |   |                      |   |
|           | in Shareholding during the year.      | -                    | -                                       | -                    | -                                       |
|           | At the End of the year                | -                    | -                                       | -                    | -                                       |

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
Fig.in lakhs in Rs

|   | Secured<br>Loans excluding<br>deposits | Unsecured<br>Loans | Deposits    | Total<br>Indebtedness |
|---|--|--------------------|-------------|-----------------------|
| <b>Indebtedness at the beginning of the financial year 01.04.2016</b> |  |                    |             |                       |
| i) Principal Amount   |  |                    | 8.83        | 192.86                |
| ii) Interest due but not paid   | 184.04                                 | 15.15              |             | 15.15                 |
| iii) Interest accrued but not due                                     |  |                    |             |                       |
| <b>Total (i+ii+iii)</b>   | <b>184.04</b>                          | <b>15.15</b>       | <b>8.83</b> | <b>208.01</b>         |
| <b>Change in Indebtedness during the financial year</b>               |  | -                  |             |                       |
| • Addition  | 50.88                                  | -                  | -           | 50.88                 |
| • Reduction   | -                                      | -                  | -           | -                     |
| <b>Net Change</b>   | <b>-</b>                               | <b>-</b>           | <b>-</b>    | <b>-</b>              |
| <b>Indebtedness at the end of the financial year 31.03.2017</b>       |  |                    |             |                       |
| i) Principal Amount   | 234.92                                 | -                  | 8.83        | 243.75                |
| ii) Interest due but not paid   | -                                      | 15.15              | -           | 15.15                 |
| iii) Interest accrued but not due                                     | -                                      | -                  | -           |                       |
| <b>Total (i+ii+iii)</b>   | <b>234.92</b>                          | <b>15.15</b>       | <b>8.83</b> | <b>258.90</b>         |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/ Manager |                 |  | Total Amount |
|---------|---|-------------------------|-----------------|--|--------------|
|         |   | Mr. Sadanand Hegde      | Mr. Venkat Giri |  |              |
| 1.      | <b>Gross Salary</b><br>a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 |                         |                 |  |              |

|    |  |   |   |   |             |
|----|--|---|---|---|-------------|
|    | b. Value of perquisites under Section 17(2) of Income Tax Act, 1961      | - | - | - |             |
|    | c. Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961 | - | - | - |             |
| 2. | Stock Options  | - | - | - |             |
| 3. | Sweat Equity   | - | - | - |             |
| 4. | Commission<br>- as a % of Profit<br>- others, specify                    | - | - | - |             |
| 5. | Others, please specify   |   |   |   |             |
|    | <b>Total (A)</b>   |   |   |   |             |
|    | <b>Ceiling as per the Act</b>  |   |   |   | Refer Note* |

\*Note: As per the Ceiling provided in companies act, 1956 and companies act, 2013. LTA - Leave Travel Allowance  
MRA - Medical Reimbursement allowance

## B. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration                    | Names of Directors  |                     |                       |                      | Total Amount |
|---------|--|---------------------|---------------------|-----------------------|----------------------|--------------|
| 1.      | <b>INDEPENDENT DIRECTORS</b>                   | Ms. Hemali Alandkar | Mr. Prabhakar Hegde | Mr. Padmakar Kashyapi | Mr. Joechim Friedsch |              |
|         | - Fee for attending Board / Committee Meetings | -                   | -                   | -                     | -                    | -            |
|         | - Commission                                   | -                   | -                   | -                     | -                    | -            |
|         | - Others, please specify                       | -                   | -                   | -                     | -                    | -            |
|         | <b>Total (1)</b>                               | -                   | -                   | -                     | -                    | -            |
| 2.      | <b>OTHER NON-EXECUTIVE DIRECTORS</b>           |                     |                     |                       |                      |              |
|         | - Fee for attending Board / Committee Meetings | -                   | -                   | -                     | -                    | -            |
|         | - Commission                                   | -                   | -                   | -                     | -                    | -            |
|         | - Others, please specify                       | -                   | -                   | -                     | -                    | -            |
|         | <b>Total (2)</b>                               | -                   | -                   | -                     | -                    | -            |
|         | <b>Total B = (1+2)</b>                         |                     |                     |                       |                      |              |
|         | Overall Ceiling as per the Act                 | Refer Note*         |                     |                       |                      |              |

\*Note: As per the Ceiling provided in companies act, 1956 and companies act, 2013.

## C. Remuneration to Key Managerial Personnel other than MD / Manager/ WTD:

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel                     |              |
|---------|--|--|--------------|
|         |  | Mr. Ramesh Hosmane (Chief Financial Officer) | Total Amount |
| 1.      | <b>Gross Salary</b>  |  |              |
|         | a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | -  |              |
|         | b. Value of perquisites under Section 17(2) of Income Tax Act, 1961                | -  |              |
|         | c. Profit in lieu of salary under Section 17(3) of Income Tax Act, 1961            | -  |              |
| 2.      | Stock Options  | -  |              |
| 3.      | Sweat Equity   | -  |              |
| 4.      | Commission<br>- as a % of Profit<br>- others, please specify                       | -<br>-<br>-                                  |              |
| 5.      | Others, please specify   |  |              |
|         | <b>Total</b>   |  |              |

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type                                 | Section of the | Brief Description | Details of Penalty/Punishment/Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give details) |
|--------------------------------------|----------------|-------------------|--|-----------------------------|------------------------------------|
| <b>A. COMPANY</b>                    |                |                   |  |                             |                                    |
| Penalty<br>Punishment<br>Compounding |                |                   | NIL  |                             |                                    |
| <b>B. DIRECTORS</b>                  |                |                   |  |                             |                                    |
| Penalty<br>Punishment<br>Compounding |                |                   | NIL  |                             |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b>  |                |                   |  |                             |                                    |
| Penalty<br>Punishment<br>Compounding |                |                   | NIL  |                             |                                    |

For Filtron Engineers Limited

Sadanand Hegde  
Chairman & Wholetime Director  
(DIN: 00195106)

Venkat Giri  
Wholetime Director  
(DIN: 06585289)

Place: Pune

Date: 1<sup>st</sup> December, 2021

**ANNEXURE - E to Directors Report**  
**NOMINATION AND REMUNERATION POLICY**

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

**1) Definitions**

- i. "Board" means Board of Directors of the Company.
- ii. "Company" means "Filtron Engineers Limited"
- iii. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- iv. "Key Managerial Personnel" (KMP) means (i) Chief Executive Officer or the Managing Director or the Manager, (ii) Company Secretary, (iii) Whole-time Director, (iv) Chief Financial Officer and (v) Such other officer as may be prescribed.
- v. "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- vi. "Policy or This Policy" means, "Nomination and Remuneration Policy."
- vii. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- viii. "Senior Management" mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

**2) Scope:**

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

**3) Objective:**

The Key Objectives of the policy would be:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To recommend to the Board on Remuneration payable to the Directors, Key Managerial



3. Personnel and Senior Management.

#### 4) Guiding Principles

The Policy ensures that:

1. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person.
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
3. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets.

#### 5) Terms of Reference of Nomination and Remuneration Committee

1. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
2. Formulate criteria for evaluation of Independent Directors and the Board.
3. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
4. To carry out evaluation of every Director's performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8. To devise a policy on Board diversity.
9. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
10. Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
11. Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
12. Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
13. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice

14. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
15. To perform such other functions as may be necessary or appropriate for the performance of its duties.

**6) Appointment and Removal of Director, KMP and senior management Appointment of director (including independent directors):**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

As per the applicable provisions of Companies Act 2013, Rules made there under and Clause 49 of Listing Agreement the Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

**7) Criteria for appointment of KMP/Senior Management:**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

**8) Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

**9) Policy relating to remuneration of Directors, KMP & senior management personnel:**

- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weight age to arrive at a competitive quantum of remuneration.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.

- Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors. Executive remuneration is evaluated annually against performance. In determining packages of remuneration, the Committee may take the advice of the Chairman/ Managing Director of the Company.
- The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

**10) Following criteria are also to be considered:**

Responsibilities and duties ; Time & efforts devoted; Value addition; Profitability of the Company & growth of its business; Analyzing each and every position and skills for fixing the remuneration yardstick ;

There should be consistent application of remuneration parameters across the organization.

**11) Review:**

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.

**FILTRON ENGINEERING LIMITED**  
**CIN: L57909PN1982PLC026929**

Regd. Office: Plot No. 36, WMDC Industrial Area, Ambethan Road, Chakan, Pune- 410501

**Annexure - F to Directors Report**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis: N.A.**
2. **Details of contracts or arrangements or transactions at arm's length basis:**

| Sr. No | Particulars  | Remarks   |
|--------|--|---|
| (a)    | Name(s) of the related party and nature of relationship                                    | Schmidt Bretten (India) Private Limited<br><i>(Company having common directors)</i> |
| (b)    | Nature of contracts/arrangements/ transactions   | Purchase of Goods   |
| (c)    | Duration of the contracts/arrangements/transactions  | F.Y. 2016-17  |
| (d)    | Salient terms of the contracts or arrangements or transactions including the value, if any | Transaction Amount -<br>Rs. 1,94,724/-  |
| (e)    | Justification for entering into such contracts or arrangements or transactions             | At arm's length and in the ordinary course of business                              |
| (f)    | Date(s) of approval by the Board   | 8 <sup>th</sup> August, 2015  |
| (g)    | Amount paid as advances, if any  | N.A.  |

**On behalf of the Board of Directors  
Of Precomp Tools Private Limited**

**Sadanand Hegde**  
**Director**  
**(DIN: 00195106)**

**Venkat Giri**  
**Director**  
**(DIN: 06585289)**

**Date: 30<sup>th</sup> November, 2021**  
**Place: Pune**

**FILTRON ENGINEERING LIMITED**  
**CIN: L57909PN1982PLC026929**

Regd. Office: Plot No. 36, WMDC Industrial Area, Ambethan Road, Chakan, Pune- 410501

**BALLOT FORM**

(To be returned to scrutinizer appointed by the Company)

Serial No.:

1. **Name(s) of Shareholder(s)** :  
(Including Joint-holders, if any)
2. **Registered address of the sole/First named Shareholder** :
3. **Registered Folio No./DP ID No./Client Id No.\*** :  
(\*Applicable to investors holding shares in demat form)
4. **Number of shares held** :
5. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) enumerated below by recording my/our assent or dissent to the said resolution by placing the tick () mark at the appropriate box below:

| Sr. No. | Description  | Type of Resolution  | No of Shares | I/We assent to the Resolution (For) | I/We dissent to the Resolution (Against) |
|---------|--|---------------------|--------------|-------------------------------------|--|
| 1.      | Adoption of the Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon. | Ordinary Resolution |              |                                     |  |
| 2.      | Re-appointment of Auditor  | Ordinary Resolution |              |                                     |  |

Place :

Date :

\_\_\_\_\_  
Signature of the Shareholder(s)

**Note:** Please read the instructions printed overleaf carefully before exercising your vote  
Last date for receipt of Postal Ballot Forms by Scrutinizer is 29<sup>th</sup> December, 2021

**INSTRUCTIONS**

1. A Shareholder(s) desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is

permitted) and send it to the Scrutinizer in the attached self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or sent by courier or registered/speed post at the expense of the registered shareholder will also be accepted.

2. Alternatively, a Member may vote through electronic mode as per the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.
  3. Consent must be accorded by either placing a tick mark in the appropriate column in the Ballot form. This Form should be completed and signed by the Shareholder(s) (as per the specimen signature registered/recorded with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
  4. Duly completed Postal Ballot Form should reach the Company not later than Wednesday, 29<sup>th</sup> December,2021 by 5:00 P.M. All Postal Ballot Forms received after this date will be strictly treated as if the reply from Shareholder(s) has not been received.
  5. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot form should reach the Scrutinizer not later than Wednesday, 29<sup>th</sup> December,2021 by 5:00 P.M.
  6. There will be only one Postal Ballot Form for every folio / Client ID irrespective of the number of joint Shareholder(s).
  7. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/Power of Attorney / authority letter / attested specimen signatures, etc.
  8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Shareholders as on 23<sup>rd</sup> December,2021.
  9. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage envelope, in as much as, all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
  10. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
  11. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
- 12.The result of the Postal Ballot will be posted on the website of the Company.

# ***INDEPENDENT AUDITOR'S REPORT***

TO THE MEMBERS OF FILTRON ENGINEERS LIMITED

## **Report on the Financial Statements**

We have audited the accompanying financial statements of FILTRON ENGINEERS LIMITED which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year ended , and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating



the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit/Loss and its Cash Flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
  - i. The Company has disclosed the impact of pending litigation as at 31<sup>st</sup> March 2017 on its financial position in its financial statements.



- ii.** The Company has made provision as at 31<sup>st</sup> March 2017, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, except provision for doubtful debts.
- iii.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For and behalf of**  
**A. A. Bhat and Co.**  
**Chartered Accountants**  
(Firm Registration No.-101282W)

**Nishikant V Badwe**  
Chartered Accountant  
(Membership No. 031637)

Pune, 29<sup>th</sup>, May, 2017.

## ***“Annexure B” to the Independent Auditors’ Report***

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

1.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed
  - c. The title deeds of immovable properties are held in the name of the company
2.
  - a. The management has conducted the physical verification of inventory at reasonable intervals.
  - b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
6. Central government has prescribed the maintenance of cost records by the company under section 148(1) of the companies Act, 2013 for the products of the company. As per the information and explanation given to us, the company has maintained such accounts and records. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete

7.
  - a. According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is *not* regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, and any other statutory dues with the appropriate authorities
  - b. According to the information and explanation given to us and records of the company examined by us, in our opinion, there are no such dues of taxes in dispute.
8. In our opinion and according to the information and records of the Company has defaulted in the repayment of dues to banks. or financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans have been applied for the purposes for which they were obtained.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards 18, related party disclosures specified under section 133 of the Act r/w CARO2014
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon

- 15.**Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon
- 16.**In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For and behalf of**  
**A. A. Bhat and Co.**  
**Chartered Accountant**  
(Firm Registration No.-101282W)

**Nishikant V Badwe**  
Partner  
Membership No.031637  
Pune,29<sup>th</sup>, May, 2017

# ***“Annexure A” to the Independent Auditor’s Report of even date on the Financial Statements of FILTRON ENGINEERS LIMITED***

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of FILTRON ENGINEERS LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting *should be strengthened* to operate effectively, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For A. A. Bhat and Co.**  
**Chartered Accountants**  
(Firm Registration No.101282W)

**Nishikant V Badwe**  
Chartered Accountant  
Membership No.031637  
Pune, 29<sup>th</sup> May,2017

**FILTRON ENGINEERS LTD**  
Balance Sheet as at 31 March, 2017

|  | Note No. | As at 31 March, 2017  | As at 31 March, 2016 |
|--|----------|-----------------------|----------------------|
| <b>EQUITY AND LIABILITIES</b>  |          |                       |                      |
| <b>Shareholders' funds</b>   |          |                       |                      |
| (a) Share capital  | 3        | <b>28,146,500.00</b>  | 28,146,500.00        |
| (b) Reserves and surplus   | 4        | <b>(2,709,905.01)</b> | 9,753,658.28         |
|  |          | <b>25,436,594.99</b>  | 37,900,158.28        |
| <b>Non-current liabilities</b>   |          |                       |                      |
| (a) Long-term borrowings   | 5        | <b>11,979,361.64</b>  | 8,660,522.98         |
| (b) Deferred tax liabilities (net)                                     |          | -                     | -                    |
| (c) Other long-term liabilities  | 6        | <b>2,303,091.00</b>   | 1,420,548.00         |
|  |          | <b>14,282,452.64</b>  | 10,081,070.98        |
| <b>Current liabilities</b>   |          |                       |                      |
| (a) Short-term borrowings  | 7        | <b>11,512,703.00</b>  | 12,846,884.00        |
| (b) Trade payables   | 8        | <b>33,283,880.56</b>  | 30,380,413.06        |
| (c) Other current liabilities  | 9        | <b>11,469,303.33</b>  | 8,898,860.30         |
| (d) Short-term provisions  | 10       | <b>1,824,968.00</b>   | 1,716,566.00         |
|  |          | <b>58,090,854.89</b>  | 53,842,723.36        |
| <b>TOTAL</b>   |          | <b>97,809,902.52</b>  | 101,823,952.62       |
| <b>ASSETS</b>  |          |                       |                      |
| <b>Non-current assets</b>  |          |                       |                      |
| (a) Fixed assets   |          |                       |                      |
| (i) Tangible assets  | 11       | 50,479,654.76         | 54,094,483.76        |
| (ii) Capital work-in-progress  |          | 10,785,538.00         | 10,785,538.00        |
|  |          | <b>61,265,192.76</b>  | 64,880,021.76        |
| (b) Non-current investments  | 12       | -                     | -                    |
| (d) Long-term loans and advances                                       | 13       | -                     | -                    |
| (e) Other non-current assets   | 14       | <b>211,019.00</b>     | 211,019.00           |
|  |          | <b>61,476,211.76</b>  | 65,091,040.76        |
| <b>Current assets</b>  |          |                       |                      |
| (b) Inventories  | 15       | <b>9,123,372.00</b>   | 9,111,865.00         |
| (c) Trade receivables  | 16       | <b>19,859,522.52</b>  | 20,254,962.52        |
| (d) Cash and cash equivalents  | 17       | <b>22,761.19</b>      | 3,497.29             |
| (e) Short-term loans and advances                                      | 18       | <b>7,328,035.05</b>   | 7,362,587.05         |
| (f) Other current assets   | 19       | -                     | -                    |
|  |          | <b>36,333,690.76</b>  | 36,732,911.86        |
|  |          | -                     | -                    |
| <b>TOTAL</b>   |          | <b>97,809,902.52</b>  | 101,823,952.62       |
| <b>See accompanying notes forming part of the financial statements</b> |          |                       |                      |

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

**For and on behalf of the Board of Directors**

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

**Nishikant V. Badwe**  
Partner  
Membersh  
Pune, 29th May, 2017

Mr. Sadanand Hegde  
Chairman & Whole Time Director  
Pune, 29th May, 2017

Mr. Prabhakar Hegde  
Managing Director

**FILTRON ENGINEERS LTD**  
**Statement of Profit and Loss for the year ended 31 March, 2017**

(R in Lacs)

|   | Note No. | For the year<br>ended<br>31 March, 2017 | For the year ended<br>31 March, 2016 |
|---|----------|---|--------------------------------------|
| <b>CONTINUING OPERATIONS</b>  |          |   |                                      |
| Revenue from operations (gross)   | 20       | <b>313,302.00</b>                       | 9,259,051.00                         |
| Less: Excise duty   | 20       | -                                       | 847,521.00                           |
| Revenue from operations (net)   |          | <b>313,302.00</b>                       | 8,411,530.00                         |
| Other income  | 21       | <b>91,329.00</b>                        | 149,195.65                           |
| <b>Total revenue</b>  |          | <b>404,631.00</b>                       | 8,560,725.65                         |
| <b>Expenses</b>   |          |   |                                      |
| (a) Cost of materials consumed  | 22 a     | 111,922.00                              | 4,960,090.00                         |
| (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 22 b     | -11,507.00                              | (139430.00)                          |
| (d) Employee benefits expense   | 23       | 1,440,668.00                            | 3,389,636.00                         |
| (e) Finance costs   | 24       | 233,205.82                              | 2,308,564.52                         |
| (f) Depreciation and amortisation expense   | 11       | 1,854,902.00                            | 2,180,842.00                         |
| (g) Other expenses  | 25       | 9,239,003.47                            | 8,902,767.49                         |
| <b>Total expenses</b>   |          | <b>12,868,194.29</b>                    | 21,602,470.01                        |
| <b>Profit / (Loss) before exceptional and extraordinary items and tax</b>         |          | <b>-12,463,563.29</b>                   | -13,041,744.36                       |
| Prior Period Expenses   |          | -                                       | -                                    |
| Exceptional items   | 26       | -                                       | -                                    |
| <b>Profit / (Loss) before extraordinary items and tax</b>                         |          | <b>-12,463,563.29</b>                   | -13,041,744.36                       |
| <b>Profit / (Loss) before tax</b>   |          | <b>-12,463,563.29</b>                   | -13,041,744.36                       |
| <b>Tax expense:</b>   |          |   |                                      |
| (a) Current tax expense for current year  |          | -                                       | -                                    |
| (b) (Less): MAT credit  |          | -                                       | -                                    |
| (c) Current tax expense relating to prior years                                   |          | -                                       | -                                    |
| (d) Net current tax expense   |          | -                                       | -                                    |
| (e) Deferred tax  |          | -                                       | -                                    |
| <b>Profit / (Loss) from continuing operations</b>                                 |          | <b>-12,463,563.29</b>                   | -13,041,744.36                       |
| <b>Profit / (Loss) for the year</b>   |          | <b>-12,463,563.29</b>                   | <b>-13,041,744.36</b>                |

**See accompanying notes forming part of the financial statements**

As per our Report attached of even date

For and on behalf of

For and on behalf of the Board of Directors

**A. A. Bhat & Co.**

Chartered Accountants  
(Firm Reg. No. 101282W)

8

**Nishikant V. Badwe**

Partner  
Membership No. 31637

**Pune, 29th May 2017**

Mr. Sadanand Hegde  
Chairman & Whole Time Director

**Pune, 29th May 2017**

Mr. Prabhakar Hegde  
Managing Director



**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year Ended 31 st March 2017.**

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

**Note 3 Share capital**

(R in lacs)

| Particulars   | As at 31 March, 2017 |                      | As at 31 March, 2016 |               |
|---|----------------------|----------------------|----------------------|---------------|
|   | Number of shares     |                      | Number of shares     |               |
| (a) Authorised<br>Equity shares of Rs.10 each with voting rights                    | <b>35,00,000</b>     | <b>35,000,000.00</b> | 35,00,000            | 35,000,000.00 |
|   | -                    | -                    | -                    | -             |
| (b) Issued<br>Equity shares of Rs.10 each with fully Paid voting rights             | <b>2,616,500</b>     | <b>26,165,000.00</b> | 2,616,500            | 26,165,000.00 |
|   | <b>2,616,500</b>     | <b>26,165,000.00</b> | 2,616,500            | 26,165,000.00 |
| (c) Subscribed and fully paid up<br>Equity shares of Rs.100 each with voting rights | <b>2,616,500</b>     | <b>26,165,000.00</b> | 2,616,500            | 26,165,000.00 |
|   | <b>2,616,500</b>     | <b>26,165,000.00</b> | 2,616,500            | 26,165,000.00 |
| (d) Subscribed but not fully paid up<br>Forfeited Equity shares of Rs 5 Paid Up     | <b>396,300</b>       | <b>1,981,500.00</b>  | 396,300              | 1,981,500.00  |
|   | <b>396,300</b>       | <b>1,981,500.00</b>  | 396,300              | 1,981,500.00  |
| <b>Total</b>  | <b>3,012,800</b>     | <b>28,146,500.00</b> | 3,012,800            | 28,146,500.00 |

**FILTRON ENGINEERS LTD**  
**Notes On Financial Statements for the Year 31 st March,2017**

**Note 3 Share capital (contd.)**

(R in lacs)

| Particulars  |                 |             |         |      |            |          |               |                 |
|--|-----------------|-------------|---------|------|------------|----------|---------------|-----------------|
| <b>Notes:</b>  |                 |             |         |      |            |          |               |                 |
| (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 changes | Closing Balance |
| <b>Equity shares with voting rights</b>  |                 |             |         |      |            |          |               |                 |
| Issued, Subscribed and fully Paid Up   |                 |             |         |      |            |          |               |                 |
| <b>Year ended 31 March, 2017</b>   |                 |             |         |      |            |          |               |                 |
| - Number of shares   | 2499960         | -           | 116540  | 0    | 0          | 0        | 0             | 2616500         |
| - Amount @ Rs.10/-   | 24999600        | -           | 1165400 | 0    | 0          | 0        | 0             | 26165000        |
| <b>Year ended 31 March, 2016</b>   |                 |             |         |      |            |          |               |                 |
| - Number of shares   | 2499960         | -           | 116540  | 0    | 0          | 0        | 0             | 2616500         |
| - Amount @ Rs.100 each   | 24999600        | -           | 1165400 | 0    | 0          | 0        | 0             | 26165000        |

**FILTRON ENGINEERS LTD**

**Notes On Financial Statements for the Year ended 31 St March 2017.**

**Note 3 Share capital (contd.)**

(R in lacs)

| <b>Particulars</b>   |                              |  |                              |                                   |
|--|------------------------------|--|------------------------------|-----------------------------------|
| <b>Notes:</b>  |                              |  |                              |                                   |
| (ii) Details of shares held by each shareholder holding more than 5% shares: |                              |  |                              |                                   |
| <b>Class of shares / Name of shareholder</b>                                 | <b>As at 31 March, 2017</b>  |  | <b>As at 31 March, 2016</b>  |                                   |
|  | <b>Number of shares held</b> | <b>% holding in that class of shares</b> | <b>Number of shares held</b> | <b>% holding in that class of</b> |
| Equity shares with voting rights   |                              |  |                              |                                   |
| Mr. Sadanand Hegde   | <b>1154980</b>               | <b>44.14%</b>                            | 1154980                      | 44.14%                            |
| S.G. Hegde (HUF)   | <b>142500</b>                | <b>5.45%</b>                             | 142500                       | 5.45%                             |
| (iii) Details of forfeited shares  |                              |  |                              |                                   |
| <b>Class of shares</b>   | <b>As at 31 March, 2017</b>  |  | <b>As at 31 March, 2016</b>  |                                   |
|  | <b>Number of shares</b>      | <b>Amount originally paid up</b>         | <b>Number of shares</b>      | <b>Amount originally paid up</b>  |
| Equity shares with voting rights   | <b>396300</b>                | <b>1981500</b>                           | 396300                       | 1981500                           |

**FILTRON ENGINEERS LTD**

**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 4 Reserves and surplus**

(R in Lacs)

| Particulars   | As at 31 March,<br>2017 | As at 31 March,<br>2016 |
|---|-------------------------|-------------------------|
| <b>(a) General reserve</b>  |                         |                         |
| 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   | 58,857.00               | 58,857.00               |
| <b>(b) Revaluation Reserve</b>  |                         |                         |
| Opening balance   | -                       |                         |
| Add: Revalued during the year   | 34,136,405.76           | 34,136,405.76           |
| Closing balance   | 34,136,405.76           | 34,136,405.76           |
| <b>(c) Securities Premium Account</b>   |                         |                         |
| 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   | 9,037,544.94            | 9,037,544.94            |
| <b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>  |                         |                         |
| Opening balance   | (33,479,149.42)         | (20,437,405.06)         |
| Add: Profit / (Loss) for the year   | (12,463,563.29)         | (13,041,744.36)         |
| Less: Interim dividend  | -                       | -                       |
| Dividends proposed to be distributed to equity shareholders ( Rs 10 per share)                            | -                       | -                       |
| Tax on dividend   | -                       | -                       |
| Additional Depreciation pursuant to enactment of Schedule II of the Companies Act 2013 (Refer Note 11(a)) | -                       | -                       |
| Transferred to:   |                         |                         |
| General reserve   | -                       | -                       |
| Reserve for Doubtful Debts  | -                       | -                       |
| Closing balance   | (45,942,712.71)         | (33,479,149.42)         |
| <b>Total</b>  | <b>(2,709,905.01)</b>   | <b>9,753,658.28</b>     |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 5 Long-term borrowings**

(R in Lacs)

| Particulars                             | As at 31 March,<br>2017 | As at 31 March,<br>2016 |
|---|-------------------------|-------------------------|
| <b>(a) Term loans</b>                   |                         |                         |
| <b>Secured</b>                          |                         |                         |
| From banks (Refer note 7(i))            | 4,536,647.64            | 5,556,888.98            |
| <b>(b) Deferred payment liabilities</b> |                         |                         |
| <b>Unsecured</b>                        | 7442714.00              | 3,103,634.00            |
|   | 0.00                    |                         |
| <b>Total</b>                            | <b>11,979,361.64</b>    | <b>8,660,522.98</b>     |

The Company has defaulted in payment of interest Rs. 4.22 lacs for the current period on the above secured loans from bank.

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 5 Long-term borrowings (contd.)**

(ii) Details of terms of repayment and security for the long-term borrowings.

(r in lacs)

| Particulars            | Terms of repayment and security*   | Security   | As at 31<br>March, 2017 | As at 31<br>March, 2016 |
|------------------------|--|--|-------------------------|-------------------------|
| Term loans from banks: |  |  |                         |                         |
| Bank of Maharashtra    | By equated monthly instalments on the seventh day of the first month of each quarter | 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 Director | <b>4536647.64</b>       | 4,146,823.41            |
| HDFC Bank Ltd          | Secured against Hypothecation Vehicles   |  | <b>0.00</b>             | 1,557,482.77            |
| <b>Total</b>           |  |  | <b>4536647.64</b>       | <b>5704306.18</b>       |
|                        |  |  |                         |                         |

**FILTRON ENGINEERS LTD****Notes on Financial Statements for the Year ended 31st March, 2017.****Note 6 Other long-term liabilities**

(r in Lacs)

| <b>Particulars</b>                        | <b>As at<br/>31 March, 2017</b> | <b>As at<br/>31 March, 2016</b> |
|---|---------------------------------|---------------------------------|
| (a) Others:                               |                                 |                                 |
| (i) Compensated absences (net of funding) | -                               | -                               |
| (ii) Gratuity (net of funding)            | <b>1,420,548.00</b>             | 1,420,548.00                    |
| (iii) Unclaimed Dividends                 | -                               | -                               |
| (iv) Security Deposit received            | <b>882,543.00</b>               | -                               |
| <b>Total</b>                              | <b>2,303,091.00</b>             | 1,420,548.00                    |

**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, amount amount not ascertained by the company**

**FILTRON ENGINEERS LTD**

**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 7 Short-term borrowings**

(R in Lacs)

| Particulars                   | As at<br>31 March, 2017 | As at<br>31<br>March, 2016 |
|-------------------------------|-------------------------|----------------------------|
| (a) Loans repayable on demand |                         |                            |
| From banks : Secured          |                         |                            |
| (Refer Note (i) below)        |                         |                            |
| Bank of Maharashtra -CC       | 11,512,703.00           | 5,258,520.00               |
| Bank of Maharashtra           | -                       | 7,588,364.00               |
|                               | -                       | -                          |
| <b>Total</b>                  | <b>11,512,703.00</b>    | <b>12,846,884.00</b>       |

The Company has defaulted in payment of interest thereon during the year Rs. 15.15 lacs.

**Notes:**

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

| Particulars                      | Nature of security   |
|----------------------------------|--|
| <u>Loans repayable on demand</u> |  |
| Bank of Maharashtra              | 1. Includes Rs. 16.54/- Lacs being the instalment due within one year for the repaying date refer. Note No.5<br>2. <b>One Time Packing Credit</b> - 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, fixed deposits and against the Personal Guarantee of a Director & Hypothication of Finished Goods and Debtors upto maximum 120days considered for DP |



**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017**

**Note 8 Trade payables**

(r in Lacs)

| <b>Particulars</b>             | <b>As at 31<br/>March, 2017</b> | <b>As at 31 March,<br/>2016</b> |
|--------------------------------|---------------------------------|---------------------------------|
| Trade payables:<br>Acceptances |                                 |                                 |
| Other than Acceptances         | <b>33,283,880.56</b>            | 30,380,413.06                   |
| Due to Subsidiary Company      |                                 | -                               |
| <b>Total</b>                   | <b>33,283,880.56</b>            | 30,380,413.06                   |

**FILTRON ENGINEERS LTD**

**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 9 Other current liabilities**

(r in lacs)

| <b>Particulars</b>   | <b>As at<br/>31 March, 2017</b> | <b>As at<br/>31 March, 2016</b> |
|--|---------------------------------|---------------------------------|
| (a) Current maturities of long-term debt   | -                               | -                               |
| (b) Interest accrued and due on borrowings   | <b>1,430,496.00</b>             | -                               |
| (c) Other payables   |                                 |                                 |
| (i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | <b>1,284,495.50</b>             | 665,789.00                      |
| (ii) Advances from customers   | <b>8,251,333.53</b>             | 7,906,418.00                    |
| (iii) Income Tax Payables  | -                               | -                               |
| (iv) Others  | <b>502,978.30</b>               | 326,653.30                      |
| <b>Total</b>   | <b>11,469,303.33</b>            | <b>8,898,860.30</b>             |
|  |                                 |                                 |
| <b>Particulars</b>   | <b>As at<br/>31 March, 2017</b> | <b>As at<br/>31 March, 2016</b> |
| (a) Term loans   |                                 |                                 |
| (i) From banks   |                                 |                                 |
| Secured  | <b>0.00</b>                     | 0.00                            |
|  | <b>0.00</b>                     | 0.00                            |
| (ii) From other parties  |                                 |                                 |
| Unsecured  | -                               | -                               |
|  | -                               | -                               |
| <b>Total</b>   | <b>11,469,303.33</b>            | <b>8,898,860.30</b>             |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 10 Short-term provisions**

(r in lacs)

| <b>Particulars</b>  | <b>As at<br/>31 March, 2017</b> | As at<br>31<br>March, 2016 |
|---|---------------------------------|----------------------------|
| (a) Provision for employee benefits:                                    |                                 |                            |
| (i) Provision for bonus   | <b>835,905.00</b>               | 804,265.00                 |
| (ii) Provision for other defined benefit plans                          | -                               | -                          |
| (iii) Provision for other employee benefits                             | <b>989,063.00</b>               | 912,301.00                 |
|   | <b>1,824,968.00</b>             | 1,716,566.00               |
| (b) Provision - Others:   |                                 |                            |
| (i) Provision for tax (net of advance tax /TDS Rs (As at 31 March, 2015 | -                               | -                          |
| (ii) Provision for proposed equity dividend                             | -                               | -                          |
| (iii) Provision for tax on proposed dividends                           | -                               | -                          |
| (iv) Provision - others   | -                               | -                          |
|   | -                               | -                          |
| <b>Total</b>  | <b>1,824,968.00</b>             | 1,716,566.00               |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 11 Fixed assets (contd.)**

(r in lacs)

| Particulars |  |                                      |                                      |
|-------------|--|--------------------------------------|--------------------------------------|
| <b>b.</b>   | <b>Depreciation and amortisation relating to continuing operations:</b>        |                                      |                                      |
|             | Particulars  | For the year ended<br>31 March, 2017 | For the year ended<br>31 March, 2016 |
|             | Depreciation and amortisation for the year on tangible assets as per Note 12 A | 1,854,902.00                         | 2,180,842.00                         |
|             | Less: Utilised from revaluation reserve  | -                                    | -                                    |
|             | Depreciation and amortisation relating to continuing operations                | <b>1,854,902.00</b>                  | <b>2,180,842.00</b>                  |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**  
**Notes forming part of the financial statements**

**Note 11 Fixed assets**

(r in Lacs)

| a. | Tangible assets               | Gross block                             |  |                                  |   |  |  |   |                              |                              | Balance as at 31 March, 2017 |
|----|-------------------------------|---|--|----------------------------------|---|--|--|---|------------------------------|------------------------------|------------------------------|
|    |                               | Balance as at 1 April, 2016             | Additions  | Disposals                        | Acquisitions through business combinations      | Reclassified as held for sale                                | Revaluation increase   | Effect of foreign currency exchange differences | Borrowing cost capitalised   | Other adjustments            |                              |
|    | (a) Land Freehold             | 7500000                                 | -  |                                  |   |  |  |   |                              |                              | 7,500,000.00                 |
|    | Leasehold                     | 26649532                                | -  |                                  |   |  |  |   |                              |                              | 26,649,532.00                |
|    | (b) Buildings Own use         | 19556645.76                             |  |                                  |   |  |  |   |                              |                              | 19,556,645.76                |
|    | (c) Plant and Machinery Owned | 14652458                                | -  |                                  |   |  |  |   |                              |                              | 14,652,458                   |
|    | (d) Vehicles Owned            | 5881944                                 | -  | 2,945,135.00                     |   |  |  |   |                              |                              | 2,936,809                    |
|    | (e) Office equipment Owned    | 1938331.00                              | -  |                                  |   |  |  |   |                              |                              | 1,938,331                    |
|    | (f) Office Furniture Owned    | 599618                                  | -  |                                  |   |  |  |   |                              |                              | 599,618                      |
|    | (g) Tools Owned               | 70114                                   | -  |                                  |   |  |  |   |                              |                              | 70,114                       |
|    | <b>Total</b>                  | <b>76,848,642.76</b>                    | <b>-</b>   | <b>2,945,135.00</b>              | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>                     | <b>-</b>                     | <b>73,903,507.76</b>         |
|    | <b>Intangible assets</b>      |   |  |                                  |   |  |  |   |                              |                              |                              |
|    | Non-Competition               | -                                       |  |                                  |   |  |  |   |                              |                              | -                            |
|    | <b>Total</b>                  | <b>76,848,642.76</b>                    | <b>-</b>   |                                  |   |  |  |   |                              |                              | <b>73,903,507.76</b>         |
|    | <b>Previous year</b>          | <b>42,210,636.00</b>                    | <b>1,595,978.42</b>                              | <b>1,094,377.67</b>              | <b>-</b>  | <b>-</b>   | <b>34,136,405.76</b>   | <b>-</b>  | <b>-</b>                     | <b>-</b>                     | <b>76,848,642.51</b>         |
| a. | Tangible assets               | Accumulated depreciation and impairment |  |                                  |   |  |  | Net block                                       |                              |                              |                              |
|    |                               | Balance as at 1 April, 2016             | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Eliminated on reclassification as held for sale | Impairment losses recognised in statement of profit and loss | Reversal of impairment losses recognised in Statement of Profit and Loss | Other adjustments                               | Balance as at 31 March, 2017 | Balance as at 31 March, 2017 | Balance as at 31 March, 2016 |
|    | (a) Land Freehold             | -                                       | -  |                                  |   |  |  | -   | 7,500,000.00                 | 7500000                      |                              |
|    | Leasehold *                   | 112,744.00                              | 5,112.00   |                                  |   |  |  | 117,856.00                                      | 26,531,676.00                | 26536788                     |                              |
|    | (b) Buildings Own use         | 6,234,303.00                            | 951,596.00                                       |                                  |   |  |  | 7,185,899.00                                    | 12,370,746.76                | 13322342.76                  |                              |
|    | (c) Plant and Machinery Owned | 10,687,771.00                           | 652,420.00                                       |                                  |   |  |  | 11,340,191.00                                   | 3,312,267.00                 | 3964687                      |                              |
|    | (d) Vehicles Owned            | 3,279,379.75                            | 215,314.00                                       |                                  |   |  |  | 3,494,693.75                                    | 627,323.00                   | 2602564.25                   |                              |
|    | (e) Office equipment Owned    | 1,938,331.00                            | -  |                                  |   |  |  | 1,938,331.00                                    | -                            | 0                            |                              |
|    | (f) Office Furniture Owned    | 485,887.00                              | 25,928.00  |                                  |   |  |  | 511,815.00                                      | 87,803.00                    | 113731                       |                              |
|    | (g) Tools Owned               | 15,743.00                               | 4,532.00   |                                  |   |  |  | 20,275.00                                       | 49,839.00                    | 54371                        |                              |
|    | <b>Total</b>                  | <b>22,754,158.75</b>                    | <b>1,854,902.00</b>                              | <b>-</b>                         | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>24,609,060.75</b>                            | <b>50,479,654.76</b>         | <b>54,094,484.01</b>         |                              |
|    | <b>Intangible assets</b>      |   |  |                                  |   |  |  |   |                              |                              |                              |
|    | Non-Competition               | -                                       | -  |                                  |   |  |  | -   | -                            | -                            |                              |
|    | <b>Total</b>                  | <b>22,754,158.75</b>                    | <b>1,854,902.00</b>                              |                                  |   |  |  |   | <b>50,479,654.76</b>         | <b>54,094,484.01</b>         |                              |
|    | <b>Previous year</b>          | <b>20,573,316.75</b>                    | <b>2,114,612.21</b>                              |                                  |   |  |  | <b>20,573,316.75</b>                            | <b>54,094,484.01</b>         |                              |                              |

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**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 12 Non-current investments**

(r in lacs)

| Particulars  | As at 31 March, 2017 |          |       | As at 31 March, 2016 |          |       |
|--|----------------------|----------|-------|----------------------|----------|-------|
|  | Quoted               | Unquoted | Total | Quoted               | Unquoted | Total |
| Investments (At cost):                                 |                      |          |       |                      |          |       |
| A. <u>Other investments</u>                            |                      |          |       |                      |          |       |
| (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 |                      |          | -     |                      |          | -     |
| <b>Total</b>   |                      |          | -     |                      |          | -     |
| Aggregate amount of unquoted investments               |                      |          | -     |                      |          | -     |

**FILTRON ENGINEERS LTD****Notes on Financial Statements for the Year ended 31st March, 2017.****Note 13 Long-term loans and advances**

(r in lacs)

| <b>Particulars</b>            | <b>As at 31 March, 2017</b> | <b>As at 31 March, 2016</b> |
|-------------------------------|-----------------------------|-----------------------------|
| (i) Capital Advances          |                             |                             |
| Secured, considered good      | -                           | -                           |
| (ii) Other loans and advances |                             |                             |
| Unsecured, considered good    | -                           | -                           |
| <b>Total</b>                  | <b>-</b>                    | <b>-</b>                    |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017**

**Note 14 Other non-current assets**

(r in lacs)

| <b>Particulars</b>               | <b>As at 31 March,<br/>2017</b> | <b>As at 31 March,<br/>2016</b> |
|----------------------------------|---------------------------------|---------------------------------|
| (a) Unamortised expenses         |                                 |                                 |
| (i) Deferred Revenue expenditure | -                               | -                               |
| (b) Others                       |                                 |                                 |
| (i) Income Tax refund receivable | <b>0.00</b>                     | 0.00                            |
| (ii) Others                      | <b>211,019.00</b>               | 211,019.00                      |
| <b>Total</b>                     | <b>211,019.00</b>               | <b>211,019.00</b>               |



**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 15 Inventories**

(At lower of cost and net realisable value)

(r in Lacs)

| Particulars           | As at 31 March,<br>2017 | As at 31 March,<br>2016 |
|-----------------------|-------------------------|-------------------------|
| (a) Raw materials     | <b>1,332,872.00</b>     | 1332872.00              |
| Goods-in-transit      | -                       | 0.00                    |
|                       | <b>1,332,872.00</b>     | 1332872.00              |
| (b) Work-in-progress  | <b>7,790,500.00</b>     | 7778993.00              |
| (c) Finished goods    | -                       | 0.00                    |
| (d) Stock-in-trade    | -                       | 0.00                    |
| (e) Stores and spares | -                       | 0.00                    |
| <b>Total</b>          | <b>9,123,372.00</b>     | 9111865.00              |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 16 Trade receivables**

(r in Lacs)

| Particulars   | As at 31 March,<br>2017 | As at 31 March,<br>2016 |
|---|-------------------------|-------------------------|
| Trade receivables outstanding for a period less than six months from the date they were due for payment | <b>0.00</b>             |                         |
| Unsecured, considered good  | -                       | -                       |
| Doubtful  | -                       | -                       |
| Less: Provision for doubtful trade receivables  | -                       | -                       |
|   | -                       | -                       |
| Other Trade receivables   |                         |                         |
| Unsecured, considered good  | <b>12,549,653.67</b>    | 12,945,093.67           |
| Doubtful  | <b>7,309,868.85</b>     | 7,309,868.85            |
|   | <b>19,859,522.52</b>    | 20,254,962.52           |
| <b>Total</b>  | <b>19,859,522.52</b>    | 20,254,962.52           |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017**

**Note 17 Cash and cash equivalents**

(r in Lacs)

| Particulars   | As at 31 March,<br>2017 | As at 31 March,<br>2016 |
|---|-------------------------|-------------------------|
| (a) Cash on hand  | 4,612.00                | 707.00                  |
| (b) Cheques, drafts on hand   | -                       | -                       |
| (c) Balances with banks   |                         |                         |
| (i) In current accounts   | 18,149.19               | 2,790.29                |
| (ii) In deposit accounts  | -                       | -                       |
| <b>Total</b>  | <b>22,761.19</b>        | <b>3,497.29</b>         |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is | <b>22,761.19</b>        | 3,497.29                |
| Note - Deposits with Banks Rs. NIL/- Lacs ( P.Y. Rs. 65.05/- Lacs) are against the guarantee and LCs given by the bank.     |                         |                         |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 18 Short-term loans and advances**

(r in Lacs)

| Particulars                                      | As at 31 March,<br>2017 | As at 31 March,<br>2016 |
|--|-------------------------|-------------------------|
| (a) Security deposits Unsecured, considered good | <b>1,265,419.00</b>     | 1,351,480.00            |
| (b) Loans and advances to employees              | <b>62,000.00</b>        | 11,622.00               |
| (c) Prepaid expenses                             | <b>15,495.00</b>        | 15,495.00               |
| (d) Balances with government authorities         |                         |                         |
| (i) VAT credit receivable                        | <b>4,791,419.05</b>     | 4,791,419.05            |
| (ii) Excise Deposits                             | <b>4,059.00</b>         | 9,620.00                |
|  | <b>4,795,478.05</b>     | 4,801,039.05            |
| (e) Advance to suppliers                         | <b>1,189,643.00</b>     | 1,182,951.00            |
| Less: Provision for doubtful loans and advances  | -                       | -                       |
|  | <b>1,189,643.00</b>     | 1,182,951.00            |
| <b>Total</b>                                     | <b>7,328,035.05</b>     | 7,362,587.05            |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 19 Other current assets**

(r in Lacs)

| <b>Particulars</b>                 | <b>As at 31 March,<br/>2017</b> | <b>As at 31 March,<br/>2016</b> |
|------------------------------------|---------------------------------|---------------------------------|
| (a) Unamortised expenses           |                                 |                                 |
| (i) Deffered Revenue expenses      | -                               | -                               |
| (b) Accruals                       |                                 |                                 |
| (i) Interest accrued on deposits   | -                               | -                               |
| (ii) Dividend receivables          | -                               | -                               |
| (c) Others                         |                                 |                                 |
| (i) Insurance claims               | -                               | -                               |
| (ii) Receivable in cash or in kind | -                               | -                               |
| <b>Total</b>                       | -                               | -                               |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 20 Revenue from operations**

(r in Lacs)

|             | <b>Particulars</b>                                | <b>For the year ended<br/>31 March, 2017</b> | <b>For the year ended<br/>31 March, 2016</b> |
|-------------|---|--|--|
| (a)         | Sale of products (Refer Note (i) below)           | <b>313,302.00</b>                            | 9,259,051.00                                 |
| (b)         | Sale of services (Refer Note (ii) below)          | <b>0.00</b>                                  | 0.00   |
| (c)         | Other operating revenues (Refer Note (iii) below) | <b>0.00</b>                                  | 0.00   |
|             |   | <b>313,302.00</b>                            | 9,259,051.00                                 |
|             | <u>Less:</u>                                      |  |  |
| (d)         | Excise duty                                       | <b>0.00</b>                                  | 847,521.00                                   |
|             | <b>Total</b>                                      | <b>313,302.00</b>                            | 8,411,530.00                                 |
|             |   |  |  |
| <b>Note</b> | <b>Particulars</b>                                | <b>For the year ended<br/>31 March, 2017</b> | <b>For the year ended<br/>31 March, 2016</b> |
| (i)         | <b>Sale of products comprises of:</b>             |  |  |
|             | <b><u>Manufactured goods</u></b>                  |  |  |
|             | Mini Dairy Plant                                  | <b>0.00</b>                                  | 0.00   |
|             | Plate Heat Exchanger                              | <b>0.00</b>                                  | 0.00   |
|             | Others  | <b>0.00</b>                                  | 0.00   |
|             | Total - Sale of manufactured goods                | <b>0.00</b>                                  | 0.00   |
|             | Total - Sale of services                          | <b>0.00</b>                                  | 0.00   |
| (iii)       | <b>Other operating revenues comprises of:</b>     |  |  |
|             |   | <b>0.00</b>                                  | 0.00   |
|             | Total - Other operating revenues                  | <b>0.00</b>                                  | 0.00   |
|             | <b>Total - operating revenues</b>                 | <b>0.00</b>                                  | 0.00   |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017**

**Note 21 Other income**

(r in lacs)

|                      | Particulars  | For the year<br>ended 31 March,<br>2017          | For the year<br>ended 31 March,<br>2016          |
|----------------------|--|--|--|
| (a)                  | <b>Interest income (Refer Note (i) below)</b>                    | <b>0.00</b>                                      | 0.00   |
| (b)                  | <b>Dividend income:</b><br>from long-term investments            |  |  |
|                      | subsidiaries -   | <b>0.00</b>                                      | 0.00   |
|                      | others   | <b>0.00</b>                                      | 0.00   |
| (c)                  | <b>Net gain on foreign currency transactions and translation</b> | <b>0.00</b>                                      | 0.00   |
| (d)                  | <b>Other non-operating income (Refer Note (ii) below)</b>        | <b>91,329.00</b>                                 | 149,195.65                                       |
|                      | <b>Total</b>   | <b>91,329.00</b>                                 | 149,195.65                                       |
| <b>Note</b>          | <b>Particulars</b>   | <b>For the year<br/>ended 31 March,<br/>2017</b> | <b>For the year<br/>ended 31 March,<br/>2016</b> |
| (i)                  | <b>Interest income comprises:</b>                                |  |  |
|                      | Interest from banks on:  |  |  |
|                      | Deposits   | <b>0.00</b>                                      | 0.00   |
|                      | Interest on loans and advances                                   | <b>0.00</b>                                      | 0.00   |
|                      | <b>Total - Interest income</b>                                   | <b>0.00</b>                                      | 0.00   |
| <b>Note<br/>(ii)</b> | <b>Particulars</b>   | <b>For the year<br/>ended 31 March,<br/>2017</b> | <b>For the year<br/>ended 31 March,<br/>2016</b> |
|                      | <b>Other non-operating income comprises:</b>                     |  |  |
|                      | Rental income from operating leases                              | <b>0</b>   | 0  |
|                      | Liabilities / provisions no longer required written back         | <b>0.00</b>                                      | -  |
|                      | Miscellaneous income :   |  |  |
|                      | Sundry balances written back                                     | <b>0.00</b>                                      | 46,015.39  |
|                      | Profit on Sale of Assets   |  | 0.00   |
|                      | Expenses Reimbursement   | <b>0.00</b>                                      | 0.00   |
|                      | Miscellaneous income   | <b>0.00</b>                                      | 103,180.26                                       |
|                      | <b>Total - Other non-operating income</b>                        | <b>0.00</b>                                      | 149,195.65                                       |

**FILTRON ENGINEERS LTD**

**Notes on Financial Statements for the Year ended 31st, March, 2017.**

**Note 22.a Cost of materials consumed**

(r in lacs)

| Particulars                      | For the year ended<br>31 March, 2017 | For the year ended<br>31 March, 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Opening stock                    | 1,332,872.00                         | 1,911,708.00                         |
| Add: Purchases                   | 111,922.00                           | 4,381,254.00                         |
|                                  | <b>1,444,794.00</b>                  | 6,292,962.00                         |
| Less: Closing stock              | 1,332,872.00                         | 1,332,872.00                         |
| <b>Cost of material consumed</b> | <b>111,922.00</b>                    | 4,960,090.00                         |
| Material consumed comprises:     |                                      |                                      |
| Homoginiser Spares               | -                                    | 3,508,125.00                         |
| Cream Seperator                  | -                                    | -                                    |
| Others                           | -                                    | 873,129.60                           |
| <b>Total</b>                     | -                                    | 4,381,254.60                         |

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

| Particulars                                      | For the year ended<br>31 March, 2017 | For the year ended<br>31 March, 2016 |
|--|--------------------------------------|--------------------------------------|
| <u>Inventories at the end of the year:</u>       |                                      |                                      |
| Finished goods                                   | -                                    | 0                                    |
| Work-in-progress                                 | 7,790,500.00                         | 7,778,993.00                         |
| Stock-in-trade                                   | -                                    | 0                                    |
|  | <b>7,790,500.00</b>                  | 7,778,993.00                         |
| <u>Inventories at the beginning of the year:</u> |                                      |                                      |
| Finished goods                                   | -                                    | 0                                    |
| Work-in-progress                                 | 7,778,993.00                         | 7,639,563.00                         |
| Stock-in-trade                                   | -                                    | 0                                    |
|  | <b>7,778,993.00</b>                  | 7,639,563.00                         |
| <b>Net (increase) / decrease</b>                 | <b>(11,507.00)</b>                   | (139,430.00)                         |



**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 23 Employee benefits expense**

(r in lacs)

| Particulars                                    | For the year<br>ended 31 March,<br>2017 | For the year<br>ended 31 March,<br>2016 |
|--|---|---|
| Salaries and wages                             | 1,269,553.00                            | 3,040,251.00                            |
| Contribution to provident fund and other funds | 170,907.00                              | 331,782.00                              |
| Staff Welfare expenses                         | 208.00                                  | 17,603.00                               |
| <b>Total</b>                                   | <b>1,440,668.00</b>                     | <b>3,389,636.00</b>                     |

**Note 24 Finance costs**

(r in lacs)

| Particulars  | For the year<br>ended 31 March,<br>2017 | For the year<br>ended 31 March,<br>2016 |
|--|---|---|
| (a) Interest expense on:   |   |   |
| (i) Borrowings - Loans   | 57,661.72                               | 304,383.57                              |
| (ii) Borrowings - others   | 0.00                                    | 1,037.00                                |
| (b) Other borrowing costs ( Bank charges and other Finance Charges ) | 175,544.10                              | 2,003,143.95                            |
| <b>Total</b>   | <b>233,205.82</b>                       | <b>2,308,564.52</b>                     |

**FILTRON ENGINEERS LTD**

**Notes on Financial Statements for the Year ended 31st March, 2017.**

**Note 25 Other expenses**

(r in lacs)

| Particulars  | For the year<br>ended 31 March,<br>2017 | For the year<br>ended 31 March,<br>2016 |
|--|---|---|
| <b><u>Manufacturing Expenses</u></b>                         |   |   |
| Consumption of stores and spare parts & Packing & Forwarding | 1,044.00                                | 247,939.00                              |
| Power and fuel   | 66,194.00                               | 202,606.00                              |
| Trasport & Octroi  | 29,450.00                               | 148,196.00                              |
| Labour Processing Charges                                    | 6,900.00                                | 1,882,361.00                            |
| Erection & Commissioning                                     | -                                       | 23,674.00                               |
| Repairs and maintenance - Machinery                          | 25,280.00                               | 6,560.00                                |
| Repairs and maintenance - Others                             | 54,852.00                               | 272,351.00                              |
| Insurance  | 23,826.00                               | 53,853.00                               |
| Water charges  | 2,000.00                                | 35,215.00                               |
| <b><u>Administrative Expenses</u></b>                        |   |   |
| Advertisement Expenses                                       | 49,020.00                               | 72,857.00                               |
| Rates and taxes  | -                                       | 2,500.00                                |
| Travelling and conveyance                                    | 318,008.53                              | 1,155,457.84                            |
| Printing and stationery                                      | 6,283.00                                | 68,136.00                               |
| Marketing & Saleing Expenses                                 | -                                       | 24,464.50                               |
| Books and Periodicals  | 1,735.00                                | 6,236.00                                |
| Foreign Fluctucation   | 1,672.00                                | 8,147.50                                |
| Legal and professional                                       | 978,479.00                              | 2,227,199.00                            |
| Membership and Subscription                                  | 11,507.00                               | 64,409.00                               |
| Communication  | 69,086.00                               | 247,557.39                              |
| Miscellaneous expenses                                       | 1,706.94                                | 523,110.60                              |
| Payments to auditors (Refer Note (i) below)                  | 35,000.00                               | 60,530.00                               |
| Registration and Listing Fees                                | 229,000.00                              | 266,375.00                              |
| Sundry balances written off                                  | -                                       | 250,134.20                              |
| Office Expances  | 38,574.00                               | 478,565.46                              |
| Tea Snacks & Lunch Expenses                                  | -                                       | 72,645.00                               |
| Security Charges   | 723,973.00                              | 501,688.00                              |
| Intrest & Penalty On Sales Tax                               | 93,981.00                               |   |
| Loss On Sale Of Asset-Mercidedz                              | 328,209.00                              |   |
| Compensation to Customer                                     | 6,143,223.00                            |   |
| <b>Total</b>   | <b>9,239,003.47</b>                     | <b>8,902,767.49</b>                     |

| Particulars   | For the year<br>ended 31 March,<br>2017 | For the year<br>ended 31 March,<br>2016 |
|---|---|---|
| (i) Payments to the auditors comprises (net of service tax input credit, where applicable): |   |   |
| As auditors - statutory audit   | <b>0.00</b>                             | 60,000.00                               |
| For taxation matters  | <b>0.00</b>                             | -                                       |
| Reimbursement of expenses   | <b>0.00</b>                             | -                                       |
| <b>Total</b>  | <b>0.00</b>                             | <b>60,000.00</b>                        |

**FILTRON ENGINEERS LTD**  
**Notes forming part of the financial statements 2016**

**Note 27 Additional information to the financial statements**

(r in lacs)

| Note | Particulars  | As at 31 March,<br>2016 | As at 31 March,<br>2015 |
|------|--|-------------------------|-------------------------|
| 27.1 | <b>Contingent liabilities and commitments (to the extent not provided for)</b>   |                         |                         |
| (i)  | Contingent liabilities   |                         |                         |
| (a)  | Bank Guarantees  | 12,359,203.00           | 10,831,824.00           |
| (ii) | Commitments  |                         |                         |
| (a)  | Estimated amount of contracts remaining to be executed on capital account and not provided for   | -                       | 300,000.00              |
|      | Tangible assets  |                         | -                       |
| 27.2 | <b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>  |                         |                         |
|      | (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 0.00                    | 0                       |
|      | (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   | -                       | -                       |
|      | (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. |                         |                         |

**FILTRON ENGINEERS LTD**

**Notes forming part of the financial statements 2016**

**Note 26 Additional information to the financial statements**

| Note | Particulars   | For the year ended<br>31 March, 2016         | For the year ended<br>31 March, 2015 |
|------|---|--|--------------------------------------|
| 27.3 | <b>Value of imports calculated on CIF basis :</b>   |  |                                      |
|      | Raw materials   | -  | -                                    |
|      | Spare parts and Components  | -  | -                                    |
|      | Capital goods   | -  | -                                    |
|      | Stock In Transit  | -  | -                                    |
| 27.4 | <b>Expenditure in foreign currency :</b>  |  |                                      |
|      | Gain Due to Fluctuation   | -  | 922,910.00                           |
|      | Loss due to Fluctuation   | <b>8,148.00</b>                              | 383,301.00                           |
| 27.5 | <b>Details of consumption of imported and indigenous items</b>  | <b>For the year ended<br/>31 March, 2016</b> |                                      |
|      |   | <b>Amount</b>                                | <b>%</b>                             |
|      | <b><u>Imported</u></b>  |  |                                      |
|      | Raw materials   | -<br>0.00                                    | -                                    |
|      | <b>Total</b>  | -<br>0.00                                    | -<br>-                               |
|      | <b><u>Indigenous</u></b>  |  |                                      |
|      | Raw materials   | 4,381,255.00                                 | 100.00                               |
|      | <b>Total</b>  | <b>4,381,255.00</b><br>0.00                  | 100.00                               |
|      | Note: Figures / percentages in brackets relates to the previous year  |  |                                      |
| 27.6 | <b>Earnings in foreign exchange :</b>   | <b>For the year ended<br/>31 March, 2016</b> | For the year ended<br>31 March, 2015 |
|      | Export of goods calculated on FOB basis   | <b>777,526.00</b>                            | 5,291,828.00                         |
| 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. |  |                                      |

**FILTRON ENGINEERS LTD**  
**Notes on Financial Statements for the Year ended 31st March, 2016**

**Note 26. Exceptional items**

(r in lacs)

| <b>Particulars</b>   | <b>For the year ended<br/>31 March, 2016</b> | <b>For the year ended<br/>31 March, 2015</b> |
|--|--|--|
| Advances with Merchant Bankers for public issue<br>in previous years written off | -  | 7,132,813.01                                 |
| Profit/(Loss) on sale of Asset   | -  | (1,946,442.58)                               |
|  | -  | -  |
| <b>Total</b>   | <b>-</b>                                     | <b>5,186,370.43</b>                          |

**FILTRON ENGINEERS LTD**  
Notes forming part of the financial statements 2016

**Note 28 Disclosures under Accounting Standards (contd.)**

| Note | Particulars  |   |  |   |  |                          |              |
|------|--|---|--|---|--|--------------------------|--------------|
| 28.1 | <b>Related party transactions</b>  |   |  |   |  |                          |              |
| 28.2 | <b>Details of related parties:</b>   |   |  |   |  |                          |              |
|      | <b>Description of relationship</b>   | <b>Names of related parties</b>         |  |   |  |                          |              |
|      | Relative   | Bertron Equipment Pvt Ltd               |  |   |  |                          |              |
|      | Common Director  | Schmidt Bretten India Pvt Ltd           |  |   |  |                          |              |
|      | Relative   | Real Centrifuge Asia Pvt Ltd            |  |   |  |                          |              |
|      | Relative   | Filtron India                           |  |   |  |                          |              |
|      | Note: Related parties have been identified by the Management.  |   |  |   |  |                          |              |
|      | <b>Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:</b> |   |  |   |  |                          |              |
| 28.3 |  |   |  |   |  | (r in lacs)              |              |
|      |  | <b>Berton<br/>Equipment<br/>Pvt Ltd</b> | <b>Schmidt<br/>Bretten<br/>India Pvt<br/>Ltd</b> | <b>Real<br/>Centrifuge<br/>Asia Pvt Ltd</b> | <b>Fristam<br/>Pumps (I)<br/>Pvt Ltd</b> | <b>Filtron<br/>India</b> | <b>Total</b> |
|      | Purchases  | 0                                       | 194724   | 0   | 1096694                                  | 0                        | 1291418      |
|      |  | 0                                       | (2365546)  | 0   | (1096694)                                | 0                        | -3462240     |
|      | <b>Balances outstanding at the end of the year</b>   | 743984                                  | 577239   | 660010                                      | 3869581                                  | 0                        | 5850814      |
|      | <b>Beginning of the Year</b>   | (782484)                                | (1006362)  | (609868)                                    | (4177768)                                | 0                        | 9197490      |
|      | Note: Figures in bracket relates to the previous year  |   |  |   |  |                          |              |

**FILTRON ENGINEERS LTD**  
**Notes forming part of the financial statements**

**Note 28 Disclosures under Accounting Standards (contd.)**

(r in lacs)

| Note   | Particulars   | For the year ended<br>31 March, 2016 | For the year ended<br>31 March, 2015 |
|--------|---|--------------------------------------|--------------------------------------|
| 28.4   | <b>Earnings per share</b>   |                                      |                                      |
|        | <u>Basic</u>  |                                      |                                      |
| 28.4.a | <u>Continuing operations</u>  |                                      |                                      |
|        | Net profit / (loss) for the year from continuing operations                                   | <b>-12,463,563.29</b>                | -13,041,744.36                       |
|        | Less: Preference dividend and tax thereon   | -                                    | -                                    |
|        | Net profit / (loss) for the year from continuing operations attributable to the equity shares | <b>-12,463,563.29</b>                | -13,041,744.36                       |
|        | Weighted average number of equity shares  | <b>2616500.00</b>                    | 2616500.00                           |
|        | Par value per share   | <b>100.00</b>                        | 100.00                               |
|        | Earnings per share from continuing operations - Basic   | <b>-476.34</b>                       | -498.44                              |

## Notes forming part of the financial statements

## Note 28 Disclosures under Accounting Standards (contd.)

(r in lacs)

| Note | Particulars   | As at 31 March,<br>2012 | As at 31 March,<br>2011 |
|------|---|-------------------------|-------------------------|
| 28.7 | <b>Deferred tax (liability) / asset</b>   |                         |                         |
|      | <b><u>Tax effect of items constituting deferred tax liability</u></b>   |                         |                         |
|      | On difference between book balance and tax balance of fixed assets  |                         |                         |
|      | On expenditure deferred in the books but allowable for tax purposes   | 0.95                    | -                       |
|      | Others  |                         |                         |
|      | Tax effect of items constituting deferred tax liability   | 0.95                    | -                       |
|      | <b><u>Tax effect of items constituting deferred tax assets</u></b>  |                         |                         |
|      | Provision for compensated absences, gratuity and other employee benefits  | 5.09                    | 20.78                   |
|      | Provision for doubtful debts / advances   | -                       | -                       |
|      | On difference between book balance and tax balance of fixed assets  | 28.71                   | 12.39                   |
|      | Others  | -                       | 0.71                    |
|      | Tax effect of items constituting deferred tax assets  | 33.80                   | 33.88                   |
|      | <b>Net deferred tax (liability) / asset</b>   | <b>(32.85)</b>          | <b>(33.88)</b>          |
|      | The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax . |                         |                         |



## Notes forming part of the financial statements

## Note 28 Disclosures under Accounting Standards (contd.)

(r in lacs)

| Note | Particulars   | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|------|---|--------------------------------------|--------------------------------------|
| 28.8 | <b>Details of research and development expenditure recognised as an expense and debited to other heads of account</b> |                                      |                                      |
|      | Materials   | 0.45                                 | 0.64                                 |
|      | Employee benefits expense   | 96.28                                | 15.70                                |
|      | Professional fees   | 12.40                                | 3.26                                 |
|      | Testing Fees  | 11.75                                | 10.58                                |
|      | Depreciation  | 2.40                                 | 2.40                                 |
|      | Others  | 1.77                                 | 0.45                                 |
|      | <b>Total</b>  | <b>125.05</b>                        | <b>33.03</b>                         |
|      |   |                                      |                                      |

## Notes forming part of the financial statements

## Note 28 Disclosures under Accounting Standards (contd.)

| Note                   | Particulars   |                            |                  |                    |                 |                             |
|------------------------|---|----------------------------|------------------|--------------------|-----------------|-----------------------------|
| 28.9                   | <b>Details of provisions</b><br>The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below: |                            |                  |                    |                 |                             |
|                        | <b>Particulars</b>  | <b>As at 1 April, 2011</b> | <b>Additions</b> | <b>Utilisation</b> | <b>Reversal</b> | <b>As at 31 March, 2012</b> |
|                        | Provision for warranty  | #REF!<br>(200.47)          | #REF!<br>#REF!   | 193.17<br>(95.73)  | -<br>-          | #REF!<br>#REF!              |
|                        | <b>Note:</b> - Figures in brackets relate to the previous year.   |                            |                  |                    |                 |                             |
|                        | Of the above, the following amounts are expected to be incurred within a year:  |                            |                  |                    |                 |                             |
| <b>Particulars</b>     | <b>As at 31 March, 2012</b>   | As at 31 March, 2011       |                  |                    |                 |                             |
| Provision for warranty | 130.00  | 193.17                     |                  |                    |                 |                             |

**Notes forming part of the financial statements****Note 29 Previous year's figures**

| <b>Note</b> | <b>Particulars</b>  |
|-------------|---|
| 29          | The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. |

**FILTRON ENGINEERS LTD**  
**Cash Flow Statement for the year ended 31 March, 2017 (Contd.)**

*(Amount in Rupees)*

| Particulars   | For the year ended<br>31 March, 2017 |                   | For the year ended<br>31 March, 2016 |        |
|---|--------------------------------------|-------------------|--------------------------------------|--------|
|   |                                      |                   |                                      |        |
| <b>B. Cash flow from investing activities</b>                   |                                      |                   |                                      |        |
| Capital expenditure on fixed assets, including capital advances | 1,759,927.00                         |                   | 0.00                                 |        |
| Payments for purchase of fixed assets                           |                                      |                   |                                      |        |
| Inter-corporate deposits (net)                                  |                                      |                   |                                      |        |
| Sale of Vehicle   | 0.00                                 |                   | 0                                    |        |
| Interest received   |                                      |                   |                                      |        |
| - Subsidiaries  | -                                    |                   | -                                    |        |
| - Others  | -                                    |                   | -                                    |        |
| Dividend received   |                                      |                   |                                      |        |
| - Subsidiaries  | -                                    |                   |                                      |        |
| - Others  | -                                    |                   |                                      |        |
|   |                                      | <b>1759927.00</b> |                                      | (0.01) |
| Net income tax (paid) / refunds                                 |                                      |                   |                                      |        |
| <b>Net cash flow from / (used in) investing activities (B)</b>  |                                      | <b>1759927.00</b> |                                      | (0.01) |

**FILTRON ENGINEERS LTD**  
**Cash Flow Statement for the year ended 31 March, 2017 (Contd.)**

(R in lacs)

| Particulars  | For the year ended<br>31 March, 2017 |                   | For the year ended<br>31 March, 2016 |                 |
|--|--------------------------------------|-------------------|--------------------------------------|-----------------|
| <b>C. Cash flow from financing activities</b>  |                                      |                   |                                      |                 |
| Proceeds from long-term borrowings   | 3318838.66                           |                   | 2149924.57                           |                 |
| Repayment of long-term borrowings  |                                      |                   |                                      |                 |
| Proceeds from other short-term borrowings  | (1334180.66)                         |                   | (11464497.50)                        |                 |
| Repayment of other short-term borrowings   |                                      |                   | -                                    |                 |
| Finance cost   | (233205.82)                          |                   | (2308564.52)                         |                 |
| Dividends paid   | 0.00                                 |                   | 0.00                                 |                 |
| Tax on dividend  |                                      |                   | 0.00                                 |                 |
|  |                                      | <b>1751452.18</b> |                                      | (11623137.45)   |
| Cash flow from extraordinary items   |                                      |                   |                                      |                 |
| <b>Net cash flow from / (used in) financing activities (C)</b>   |                                      | <b>1751452.18</b> |                                      | (11623137.45)   |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>  |                                      | <b>19263.90</b>   |                                      | (6519377.80)    |
| Cash and cash equivalents at the beginning of the year   |                                      | <b>3497.29</b>    |                                      | 6522875.09      |
| <b>Cash and cash equivalents at the end of the year</b>  |                                      | <b>22761.19</b>   |                                      | 3497.29         |
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>   |                                      |                   |                                      |                 |
| 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 <i>Cash Flow Statements</i> (give Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> ) included in Note 17 |                                      |                   |                                      |                 |
| Add: Current investments considered as part of Cash and cash   |                                      |                   |                                      |                 |
| <b>Cash and cash equivalents at the end of the year *</b>  |                                      | <b>22,761.19</b>  |                                      | <b>3,497.29</b> |
| * Comprises:   |                                      |                   |                                      |                 |
| (a) Cash on hand   | 4,612.00                             |                   | 707.00                               |                 |
| (b) Cheques, drafts on hand  | -                                    |                   |                                      |                 |
| (c) Balances with banks  |                                      |                   |                                      |                 |
| (i) In current accounts  | 18,149.19                            |                   | 2790.29                              |                 |
| (ii) In EEFC accounts  |                                      |                   |                                      |                 |
| (iii) In deposit accounts with original maturity of less than 1 Year   | -                                    |                   | 0.00                                 |                 |
| (iv) In earmarked accounts (give details) (Refer Note (ii)   |                                      |                   |                                      |                 |
| (d) Others (specify nature)  |                                      |                   |                                      |                 |
|  |                                      | <b>22,761.19</b>  |                                      | <b>3,497.29</b> |

**Notes:** (0.00) (0.00)

- (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**

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)

**N. V. Badwe**

Partner

Membership No. 31637

Pune, 28th May 2017

Mr. Sadanand Hegde

Whole Time Director

Pune, 28th May 2017

Mr. Prabhakar Hegde

Managing Director

**FILTRON ENGINEERS LTD**  
**Cash Flow Statement for the year ended 31 March, 2017**

(R in lacs)

| Particulars  | For the year ended<br>31 March, 2017 |                       | For the year ended<br>31 March, 2016 |                     |
|--|--------------------------------------|-----------------------|--------------------------------------|---------------------|
| <b>A. Cash flow from operating activities</b>                          |                                      |                       |                                      |                     |
| Net Profit / (Loss) before extraordinary items and tax                 |                                      | <b>-12,463,563.29</b> |                                      | -13,041,744.36      |
| <i>Adjustments for:</i>  |                                      |                       |                                      |                     |
| Depreciation and amortisation  | <b>1,854,902.00</b>                  |                       | 2180842.00                           |                     |
| Finance costs  | <b>233,205.82</b>                    |                       | 2308564.52                           |                     |
| Interest income  | <b>0.00</b>                          |                       | 0.00                                 |                     |
| Dividend income  | <b>0.00</b>                          |                       | 0.00                                 |                     |
| Profit on Sale of Assets   | <b>0.00</b>                          |                       | 0.00                                 |                     |
|  |                                      | <b>2,088,107.40</b>   |                                      | 4,489,406.10        |
| Operating profit / (loss) before working capital changes               |                                      | <b>-10,375,455.89</b> |                                      | -8,552,338.26       |
| <i>Changes in working capital:</i>                                     |                                      |                       |                                      |                     |
| <i>Adjustments for (increase) / decrease in operating assets:</i>      |                                      |                       |                                      |                     |
| Inventories  | <b>(11507.00)</b>                    |                       | 439406.00                            |                     |
| Trade receivables  | <b>395440.00</b>                     |                       | 4818509.84                           |                     |
| Short-term loans and advances  | <b>34552.00</b>                      |                       | 2621763.20                           |                     |
| Other current assets   | <b>0.00</b>                          |                       | 800783.00                            |                     |
| Other non-current assets   | <b>0.00</b>                          |                       | 0.00                                 |                     |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> |                                      |                       |                                      |                     |
| Trade payables   | <b>2,903,467.58</b>                  |                       | 2301120.87                           |                     |
| Other current liabilities  | <b>2,570,443.03</b>                  |                       | 2578334.00                           |                     |
| Other long-term liabilities  | <b>882543.00</b>                     |                       | 54,693.00                            |                     |
| Short-term provisions  | <b>108402.00</b>                     |                       | 41488.00                             |                     |
| Tax provisions   | <b>0.00</b>                          |                       | 0.00                                 |                     |
|  |                                      | <b>6883340.61</b>     |                                      | 13656097.91         |
| Cash flow from extraordinary items                                     |                                      | <b>-3,492,115.28</b>  |                                      | <b>5,103,759.65</b> |
| Cash generated from operations   |                                      | -                     |                                      | -                   |
| Net income tax (paid) / refunds  |                                      |                       |                                      | 0.00                |
| <b>Net cash flow from / (used in) operating activities (A)</b>         |                                      | <b>(3492115.28)</b>   |                                      | <b>5103759.65</b>   |

**FILTRON ENGINEERS LTD**  
**Notes forming part of the financial statements**

| Ref No.   | Note       | Particulars   |
|-----------|------------|---|
|           | <b>1</b>   | <b>Corporate information</b>  |
|           |            | Give a brief note on the business activity / operations of the Company and its place(s) of business.  |
| AS 1.1    | <b>2</b>   | <b>Significant accounting policies (Illustrative)</b>   |
| ①         |            | The significant accounting policies have been predominantly presented below in the order of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The order of presentation may be customised for each Company.  |
| ①         |            | The significant accounting policies would need to be customised for each Company based on its applicability and relevance.<br>For example, in case of a Small and Medium Sized Company, it should state in its financial statements that "The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company." and should also modify the accounting policies suitably.<br>Similarly, companies that have not opted for the transition provisions in para 46 / 46A of AS 11 <i>The Effects of Changes in Foreign Exchange Rates</i> and companies that have not opted for Hedge Accounting should modify the accounting policies on Foreign Currency Transactions and Translations and Hedge Accounting, respectively. |
|           | <b>2.1</b> | <b>Basis of accounting and preparation of financial statements</b>  |
|           |            | The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 200X, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for ___ and ___ as more fully described in Note ___.  |
|           | <b>2.2</b> | <b>Use of estimates</b>   |
|           |            | The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.   |
| AS 2.26.a | <b>2.3</b> | <b>Inventories</b>  |
|           |            | Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.  |

**FILTRON ENGINEERS LTD**  
**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

| Ref No.   | Note       | Particulars   |
|---|------------|---|
| AS 3.5.2  | <b>2.4</b> | <b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b><br><br>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.   |
|   | <b>2.5</b> | <b>Cash flow statement</b><br><br>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.   |
| AS 6.29<br>AS 26.63<br>AS 26.78<br>AS 26.90.a<br>AS 26.90.b<br>AS 26.94.a | <b>2.6</b> | <b>Depreciation and amortisation</b><br><br>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:<br>Vehicles - 4 years<br>Computers and data processing equipments - 4 years<br>Leasehold land is amortised over the duration of the lease<br>Assets costing less than ` 5,000 each are fully depreciated in the year of capitalisation<br><br>Intangible assets are amortised over their estimated useful life as follows:<br>Product marketing rights – 15 years (12 years remaining as at the Balance Sheet date)<br>Other intangibles – 3 – 5 years (1-2 years remaining as at the Balance Sheet date)<br>Amortisation of Product marketing rights over 15 years is based on the term of the marketing right acquired and the economic benefits that are expected to accrue to the Company over such period.<br><br>The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern. |
| GN 9.1.3<br>GN 9.1.4<br>GN 9.1.5<br>AS 9.11                               | <b>2.7</b> | <b>Revenue recognition</b><br><br><u>Sale of goods</u><br>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.   |
| AS 7.38.b<br>AS 7.38.c<br>AS 9.12   |            | <u>Income from services</u><br>Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.<br><br>Revenues from maintenance contracts are recognised pro-rata over the period of the contract.  |

**FILTRON ENGINEERS LTD**  
**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**



| Ref No.                           | Note       | Particulars  |
|-----------------------------------|------------|--|
| AS 9.13                           | <b>2.8</b> | <b>Other income</b><br><br>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.  |
|                                   | <b>2.9</b> | <b>Tangible fixed assets</b>   |
| AS 10.20<br>AS 10.23<br>AS 10.8.2 |            | Fixed assets, except ___ and ___ are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.<br><br>Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project. |
| AS 10.22                          |            | Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.  |
| AS 10.27<br>AS 10.30              |            | The Company revalued all its ___ and ___ that existed on 1 April, 200X. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed / utilised.   |
| AS 10.24                          |            | Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.<br><br><u>Capital work-in-progress:</u><br>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.  |

**FILTRON ENGINEERS LTD**

**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

| Ref No.   | Note        | Particulars   |
|---|-------------|---|
| AS 26.23<br>AS 26.59<br>AS 26.62                          | <b>2.10</b> | <p><b>Intangible assets</b></p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.</p> <p>Refer Note 2.21 for accounting for Research and Development Expenses.</p>  |
| AS 11.9<br>AS 11.21                                       | <b>2.11</b> | <p><b>Foreign currency transactions and translations</b></p> <p><u>Initial recognition</u></p> <p>Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u></p>   |
| AS 11.11<br>AS 11.21                                      |             | <p>Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.</p> <p>In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p>   |
| AS 11.13<br>AS 11.15<br>AS 11.21<br>AS 11.46<br>AS 11.46A |             | <p><u>Treatment of exchange differences</u></p> <p>Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.</p> <p>The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.</p> |
| AS 11.36  |             | <p><u>Accounting of forward contracts</u></p> <p>Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.</p> <p>Refer Notes 2.26 and 2.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.</p>   |

**FILTRON ENGINEERS LTD**

**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

| Ref No.  | Note        | Particulars   |
|--|-------------|---|
| AS 12.13<br>AS 12.14<br>AS 12.15<br>AS 12.16<br>AS 12.17   | <b>2.12</b> | <p><b>Government grants, subsidies and export incentives</b></p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p> <p>Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p> <p>Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.</p> <p>Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.</p>   |
| AS 13.28<br>AS 13.31<br>AS 13.32<br>AS 13.35.a   | <b>2.13</b> | <p><b>Investments</b></p> <p>Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.</p> <p>Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.</p>  |
| AS 15.45<br><br>AS 15.55<br>AS 15.57<br>AS 15.65<br>AS 15.92<br>AS 15.94<br>AS 15.120.a<br>AS 15.120.b | <b>2.14</b> | <p><b>Employee benefits</b></p> <p>Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.</p> <p><u>Defined contribution plans</u><br/>The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.</p> <p><u>Defined benefit plans</u><br/>For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.</p> |

**FILTRON ENGINEERS LTD**

**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

| Ref No.  | Note | Particulars  |
|--|------|--|
| AS 15.10<br>AS 15.11   |      | <p><u>Short-term employee benefits</u></p> <p>The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :</p> <p>(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and</p> <p>(b) in case of non-accumulating compensated absences, when the absences occur.</p>  |
| AS 15.129  |      | <p><u>Long-term employee benefits</u></p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.</p> <p><b>2.15 Employee share based payments</b></p> <p>The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period. [OR]</p> <p>The Company has constituted an Employee Stock Option Plan - XXXX. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.</p> <p><b>2.16 Borrowing costs</b></p> |
| AS 16.6<br>AS 16.14<br>AS 16.17<br>AS 16.19                          |      | <p>Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p> <p><b>2.17 Segment reporting</b></p>   |
| AS 17.19<br>AS 17.20<br>AS 17.24<br>AS 17.33<br>AS 17.36<br>AS 17.53 |      | <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p>   |

**FILTRON ENGINEERS LTD**

**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

| Ref No.  | Note        | Particulars   |
|--|-------------|---|
| AS 17.19<br>AS 17.20<br>AS 17.24<br>AS 17.33<br>AS 17.36<br>AS 17.53 |             | <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.</p> <p>Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.</p> <p>Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".</p>   |
|  | <b>2.18</b> | <b>Leases</b>   |
| AS 19.11<br>AS 19.16<br>AS 19.23<br>AS 19.26<br>AS 19.40             |             | <p>Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.</p> <p>Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.</p> <p>Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.</p>   |
|  | <b>2.19</b> | <b>Earnings per share</b>   |
| AS 20.10<br>AS 20.26<br>AS 20.29<br>AS 20.32<br>AS 20.35<br>AS 20.39 |             | <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p> |

**FILTRON ENGINEERS LTD**  
**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

| Ref No.  | Note        | Particulars  |
|--|-------------|--|
| AS 22.20<br>AS 22.21<br>AS 22.15<br>AS 22.17<br>AS 22.26<br>AS 22.29 | <b>2.20</b> | <b>Taxes on income</b><br><br>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.<br><br>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.<br><br>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.<br><br>Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss. |
| AS 26.41<br>AS 26.44<br>AS 26.23                                     | <b>2.21</b> | <b>Research and development expenses</b><br><br>Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.  |
| AS 27.12   | <b>2.22</b> | <b>Joint venture operations</b><br><br>The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.  |

**FILTRON ENGINEERS LTD**  
**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

| Ref No.                                      | Note        | Particulars  |
|--|-------------|--|
| AS 28.6<br>AS 28.47<br>AS 28.57<br>AS 28.103 | <b>2.23</b> | <b>Impairment of assets</b><br><br>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.  |
| AS 29.14<br>AS 29.35<br>AS 29.27             | <b>2.24</b> | <b>Provisions and contingencies</b><br><br>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.  |
| AS 29.14<br>AS 29.35                         | <b>2.25</b> | <b>Provision for warranty</b><br><br>The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.<br><br>As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.   |
|  | <b>2.26</b> | <b>Hedge accounting</b><br><br>The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss. |

**FILTRON ENGINEERS LTD**

**Notes forming part of the financial statements**

**Note 2 Significant accounting policies (contd.)**

**2.27 Derivative contracts**

| Ref No. | Note        | Particulars   |
|---------|-------------|---|
|         |             | <p>The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.</p> <p>Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.</p> <p>All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.</p> |
|         | <b>2.28</b> | <b>Share issues expenses</b>  |
|         |             | <p>Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.</p>  |
|         | <b>2.29</b> | <b>Insurance claims</b>   |
|         |             | <p>Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.</p>   |
|         | <b>2.30</b> | <b>Service tax input credit</b>   |
|         |             | <p>Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.</p>   |



## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS.**

### **NOTE – 1**

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

### **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 except for certain tangible assets which are being carried at revalued amounts. Pursuant to 133 of the Companies Act 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply except Accounting Standard 15 in respect of Retirement Benefits

##### **A) Inventories:**

Inventories of raw material, work in progress are valued at cost or at net realisable value whichever is lower. Scrap generated in manufacturing process is accounted for on sale. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The cost formula used is 'First In First Out' for valuation of inventories.

The management has verified the physical quantities at the end of the year and estimated the value of inventories on which the auditors have relied upon.

##### **B) Revenue Recognition:**

1. Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.

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, over estimated useful life in the manner prescribed in schedule II of the 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.
- 3) As on 31/3/2017, the company has revalued its freehold land and leasehold land building.

### **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 31/03/2017 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) Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:** Dues to Micro and Small Enterprises have been determined to the extent such parties have not been identified on the basis of information collected by the Management.

**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.

**K) 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.

**L) Contingent Liabilities and Capital Commitment**

- i) Contingent liabilities towards bank guarantee Rs. 3381611/-
- ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 3,00,000/- approx (P.Y. Rs. 5,00,000/- Lacs)

**M) Related party disclosures as per A.S. 18**

**A) Subsidiaries: Nil**

|  |                   |                  |
|--|-------------------|------------------|
| <b>B) Associates and Joint Ventures:</b> | <b>FY 2016-17</b> | <b>FY2015-16</b> |
| 1. Schmidt Bretten India Pvt. Ltd.       |                   |                  |
| - Purchase of Material                   | 47764/-           | 1159617/-        |

**C) Key Management Personnel & Other Directors**

| <b>Name</b>           | <b>Date</b>                         | <b>Designation</b>   |
|-----------------------|-------------------------------------|--|
| Mr. Sadanand Hegde    | Upto 08/04/2016<br>W.e.f 09/04/2016 | Chairman & Managing Director<br>Chairman & Whole Time Director (KMP) |
| Mr. Prabhakar Hegde   | Full Year                           | Independent Director   |
| Mr. Padmakar Kashyapi | Full Year                           | Independent Director   |
| Mr. Ventak Giri       | Full Year                           | Whole Time Director  |
| Mrs. Hemali Alandkar  | w.e.f. 07/02/2015                   | Independent Director   |
| Mr. M.V. Rao          | Up to 07/04/2016                    | Managing Director (KMP)  |

**N) 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:

31.03.2017      31.03.2016

Useful life: 07 years

|   |       |        |
|---|-------|--------|
| Amortization method: Straight line method |       |        |
| Carrying amount at the beginning          | Rs.00 | Rs. 00 |
| Amortization                              | Rs.00 | Rs. 00 |
| Carrying amount at the end of the year    | Rs. 0 | Rs. 00 |

N) In the opinion of the Board the balances of Sundry Debtors and Creditors are subject to confirmations and are taken as per books. Other Current Assets, Loans & Advances are approximately of the value stated if realised in the ordinary course of business except provision for bad and doubtful debts which is not considered. The provision for depreciation and all known liabilities is adequate and not in excess of the amounts reasonably necessary. There are no Contingent Liabilities other than those stated in above note No.2 (K)

O) The previous year figures have been regrouped wherever necessary.

**For FILTRON ENGINEERS LIMITED**

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

**(S. HEGDE)**

**(M.V. RAO)**

**C.A. N. V. BADWE**

**CHAIRMAN &  
WHOLETIME  
DIRECTOR**

**MANAGING DIRECTOR**

**PARTNER  
Membership No.031637**

**DATE: 29/05/2017**

**PLACE: PUNE**