

Aplab

Global Presence

Where Innovation
Translates
into Business

38th Annual Report 2002-2003



Aplab Limited	
38th Annual General Meeting	
Day & Date	: Wednesday 30th July, 2003
Time	: 3.30 p.m.
Venue	: Woodland Retreat, Plot No. 2, L. B. S. Marg, Thane - 400 604.
Please bring this copy to the Annual General Meeting	

Contents	Page No.
Notice	3
Annexure to Notice	4
Directors' Report	8
Annexure to Directors' Report	11
Corporate Governance	13
Auditors' Report	19
Balance Sheet	22
Profit & Loss Account	23
Schedules to Balance Sheet	24
Schedules to Profit & Loss Account	30
Cash Flow Statement	39
Statement on Subsidiaries	41
Intel Instruments - Annual Report	42
Aplab Display - Annual Report	54
Consolidated Balance Sheet	66
Consolidated Profit & Loss Account	66
Schedules to Consolidated Balance Sheet & Profit & Loss Account	67

Aplab Limited

38th Annual Report 2002-2003

Board of Directors

P. S. Deodhar

P. J. Rele

U. S. Potnis

R. N. Doss

K. R. Phadke

V. B. Shejwalkar

D. P. Naganand

Peter Vizenetz

Rajiv Garg

Punit Goenka

Jawahar Goel

Executive Chairman

Managing Director & CEO

Marketing Director

Whole time Director

Director

Director

Director

Director

Director

Director

Alternate Director to Mr. D.P. Naganand

Company Secretary

R. K. Deherkar

Registered Office & Works

Aplab House,

A-5, Wagle Industrial Estate,

Thane-400 604.

Tel. : 25821861 Fax : 25823137

email : aplab_india@vsnl.com

web : www.aplab.com

Works

A-1, A-3, A-5, & A-6 Wagle Industrial Estate,

Thane 400 604.

6 & 18 Electronics Sadan II, Bhosari,

Pune 411 026.

Sales & Service Centres

Mumbai

New Delhi

Kolkata

Bangalore

Secunderabad

Lucknow

Chandigarh

Chennai

Coimbatore

Ahmedabad

Kochi

Trivandrum

Nagpur

Indore

Agra

Auditors

M. P. Chitale & Co.

Chartered Accountants

Mumbai

Bankers

Bank of Maharashtra, Thane

Corporation Bank, Thane

NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirty Eighth Annual General Meeting of Aplab Limited will be held at the Woodland Retreat, Plot No. 2, L.B.S. Marg, Thane – 400 604 on Wednesday, 30th July, 2003 at 3.30 p.m. to transact the following business:

Ordinary Business :-

1. To receive, consider and adopt the audited Annual Accounts for the year ended 31st March, 2003 together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend
3. To appoint a Director in place of Dr. K.R. Phadke, who retires by rotation and being eligible offers himself for re-appointment
4. To appoint a Director in place of Mr. D.P. Naganand, who retires by rotation and being eligible offers himself for re-appointment
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Special Business :-

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution :

“RESOLVED THAT Mr. Rajiv Garg who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office upto the date of this Annual General Meeting pursuant to the provisions of section 260 of the Companies Act, 1956 [“the Act”] is eligible for appointment and the company has received notice in writing pursuant to the provisions of section 257 of the Act from a member of the company proposing his candidature for the office of Director of the company, and who has consented, if appointed, to act as a Director, be and is hereby appointed a Director of the Company, liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution :

“RESOLVED THAT Mr. Punit Goenka who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office upto the date of this Annual General Meeting pursuant to the provisions of section 260 of the Companies Act, 1956 [“the Act”] is eligible for appointment and the company has received notice in writing pursuant to the provisions of section 257 of the Act from a member of the company proposing his candidature for the office of Director of the company, and who has consented, if appointed, to act as a Director, be and is hereby appointed a Director of the Company, liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 [“the Act”], and subjects to the limits prescribed under the Act, and also subject to such approvals as are necessary, consent of the company be and is hereby accorded to increase the remuneration payable to Mr. U.S. Potnis, Marketing Director, with effect from 1st April, 2003 till the expiry of his present term of office i.e. 15th August, 2005 upon terms and conditions including remuneration to be paid in case of inadequacy of profits, absence of profit or no profits, as are set out in the Supplemental Agreement entered into by the Company and Mr. U.S. Potnis, which Supplemental Agreement is placed before this meeting and is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said Supplemental Agreement including remuneration to be paid in case inadequacy of profits, absence of profit or no profits, in such manner as may be agreed to between the Board and Mr. U.S. Potnis but so as not to exceed the limits specified in Schedule XIII read with Sections 198, 309 and other applicable provisions, if any of the Act or any amendments thereto or re-enactments thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Section 310, 311 and other applicable provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to revise the remuneration and/or perquisites of Mr. U.S. Potnis at its discretion at any time during the term of his office without further approval from Members provided that such revision will be in conformity with Part II of Schedule XIII to the Act, and is in accordance with other stipulations contained in the Schedule as amended from time to time.”



9. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ["the Act"], and subjects to the limits prescribed under the Act, and also subject to such approvals as are necessary, consent of the company be and is hereby accorded to increase the remuneration payable to Mr. R.N. Doss, Wholetime Director, with effect from 1st April, 2003 till the expiry of his present term of office i.e. 31st August 2007, upon terms and conditions including remuneration to be paid in case of inadequacy of profits, absence of profit or no profits, as are set out in the Supplemental Agreement entered into by the Company and Mr. R.N. Doss, which Supplemental Agreement is placed before this meeting and is hereby specifically approved with liberty to the Board of the Company to alter and vary the terms and conditions of the said Supplemental Agreement including remuneration to be paid in case of inadequacy of profits, absence of profit or no profits, in such manner as may be agreed to between the Board and Mr. R.N. Doss but so as not to exceed the limits specified in Schedule XIII read with Sections 198, 309 and other applicable provisions, if any of the Act or any amendments thereto or re-enactments thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Section 310, 311 and other applicable provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to revise the remuneration and/or perquisites of Mr. R.N. Doss at its discretion at any time during the term of his office without further approval from Members provided that such revision will be in conformity with Part II of Schedule XIII to the Act, and is in accordance with other stipulations contained in the Schedule as amended from time to time."

Place : Thane
Dated : 19th June, 2003

Registered Office :
Aplab House
A-5, Wagle Industrial Estate
Thane – 400 604

By order of the Board

R.K. Deherkar
Company Secretary &
Finance Manager

NOTES :

1. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of Special Business under items 6 to 9 as set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing a proxy must be lodged at the registered office of the company at least 48 hours prior to the time fixed for the meeting.
4. The Register of Members and the Share Transfer Register of the company will remain closed from Thursday, the 10th July, 2003 to Friday, the 25th July, 2003 (both days inclusive).
5. The dividend for the year ended 31st March, 2003 as recommended by the Board, if declared at the Annual General Meeting, will be paid to those members whose names appear in the Company's Register of Members as on 25th July, 2003 and in respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the close of their business hours on 9th July, 2003.
6. The Company has entered into an agreement with M/s Adroit Corporate Services Pvt. Ltd. to appoint them as Registrar and Share Transfer Agent of the Company with effect from 1st December, 2002. The advertisement to this effect was published in the leading newspapers. Members are requested to contact the Registrar and Share Transfer Agents for all matters connected with the Company's shares at : **M/s Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai – 400 059. Tel : 28590942/28503748 Fax : 56924438**
7. Members are requested to notify immediately on any change if any in their address/mandate/bank details to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company's new Registrar & Share Transfer Agents M/s Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai – 400 059 in respect of their physical share folios.

8. The Company has already transferred, all unclaimed dividend declared upto the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed their dividend upto the year ended 31st March, 1994 may submit their claim to the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, CBD, Belapur in the prescribed form.
9. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof. Accordingly Dividend for the year ended 31st March, 1995 has already been transferred to the Investor Education and Protection Fund of the Central Government on 10th December, 2002. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 1996 or any subsequent financial year are requested to make their claim to the Registered Office of the Company..
10. Members who would like to ask any questions on the Accounts are requested to send their questions to Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer the questions satisfactorily.
11. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies at the Annual General Meeting. Members/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
12. All documents referred to in the Notice and Explanatory statement are open for inspection at the Registered office of the company during office hours on all days except Saturdays, Sundays and public holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
13. As required under Clause 49 VI(A) of the Listing Agreement, the relevant information in respect of the Directors seeking re-appointment at the Annual General Meeting is given in the Explanatory Statement of the Annual Report.

EXPLANATORY STATEMENT :**(Pursuant to Section 173(2) of the Companies Act, 1956)****Item No. 6**

Mr. Rajiv Garg was appointed as an additional Director of the company by the Board of Directors with effect from 30th October, 2002. In terms of section 260 of the Companies Act, 1956, Mr. Rajiv Garg holds office as Director only upto the date of the ensuing Annual General Meeting. However he is eligible for appointment under section 257 of the Companies Act, 1956. A notice has been received from a member signifying his intention to propose Mr. Rajiv Garg as candidate for the office of Director. Accordingly the Board commends the resolution at item no. 6 of the notice for the approval of members.

Except Mr. Rajiv Garg, none of the other Directors of the Company is in any way concerned or interested in the resolution.

Item No. 7

Mr. Punit Goenka was appointed as an additional Director of the company by the Board of Directors with effect from 30th October, 2002. In terms of section 260 of the Companies Act, 1956, Mr. Punit Goenka holds office as Director only upto the date of the ensuing Annual General Meeting. However he is eligible for appointment under section 257 of the Companies Act, 1956. A notice has been received from a member signifying intention to propose Mr. Punit Goenka as candidate for the office of Director. Accordingly the Board commends the resolution at item no. 7 of the notice for the approval of members.

Except Mr. Punit Goenka, none of the other Directors of the Company is in any way concerned or interested in the resolution.

Item No. 8

Mr. U.S. Potnis was re-appointed as Wholtime Director of the Company designated as "Marketing Director" with effect from 16th August, 2000 for a period of five years by the Board of Directors ["the Board"] at its meeting held on 24th August, 2000 upon terms and conditions set out in the Agreement dated 1st September, 2000 entered into by the Company with Mr. U.S. Potnis. The re-appointment of Mr. U.S. Potnis as Wholtime Director of the Company and his remuneration were approved by the members of the company at the 35th Annual General Meeting of the company held on 26th September, 2000.

Subsequent to the recommendation of Remuneration Committee the Board at its meeting held on 19th June, 2003 has revised the remuneration of Mr. U.S. Potnis with effect from 1st April, 2003 upon terms and conditions which are set out in the Supplemental Agreement to be entered by the company with Mr. U.S. Potnis.

Mr. U.S. Potnis is B.E. (Elec. & Tele.) and has been Marketing Director of the company since August, 1985. He has working experience of more than 31 years in the field of Electronic Industry.

Mr. Potnis started the career as Development Engineer after degree in Electronics and Telecommunications from College of Engineering, Pune. Thereafter worked for the organisation for the last 29 years in various capacities as well as various departments. Spent 5 years in South East Asia at Singapore, Marketing and Servicing Aplab's products as well as some of reputed European Products. He started his career with Aplab as Junior Engineer in 1975 and opted on the Board during the year 1985. Since then network of Regional Offices and Sales Depots throughout India is administered by Mr. Potnis.

The main terms and conditions modified in the Supplemental Agreement for the remaining period is as under :

1. Salary : In the salary scale of Rs. 48000 – Rs. 70000 per month, with authority to the Board to fix his salary within the abovementioned scale.
2. Commission : 1.50% (One and half percent) of the net profits of the company (as computed in accordance with the Companies Act, 1956)
3. All other terms and conditions remain same as per the original agreement dated 1st September, 2000.

The Board commends the resolution at item no. 8 of the notice for approval of members.

A copy of the draft agreement referred to in the resolution is open for inspection by members at the registered office of the company during office hours on all days except Saturdays, Sundays and public holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

This may be treated as an abstract of the terms of the modified agreement pursuant to Section 302 of the Act.

Except Mr. U.S. Potnis, none of the other Directors of the company is in any way concerned or interested in the resolution.

Item No. 9

Mr. R.N. Doss was re-appointed as Wholtime Director of the Company with effect from 1st August, 2002 for a period of five years by the Board of Directors ["the Board"] at its meeting held on 29th June, 2002 upon terms and conditions set out in the Agreement dated 16th September, 2002 entered into by the Company with Mr. R.N. Doss. The re-appointment of Mr. R.N. Doss as Wholtime Director of the Company and his remuneration were approved by the members of the company at the 37th Annual General Meeting of the company held on 6th September, 2002.

Subsequent to the recommendation of Remuneration Committee the Board at its meeting held on 19th June, 2003 has revised the remuneration of Mr. R.N. Doss with effect from 1st April, 2003 upon terms and conditions which are set out in the Supplemental Agreement to be entered by the company with Mr. R.N. Doss.

Mr. R.N. Doss has graduated in Science Faculty with a place in Merit List in 1962. He has also done 1st Class B.Tech (Hons) from IIT, Kharagpur in the year 1966. He joined Telecom reasearch Centre New Delhi as Scientific and Technical Officer – Grade-I in 1967. He has also completed M.Sc. (Engineering) course from Delhi University in the year 1977.

Mr. R.N. Doss has invented and developed pulse width control modified parallel inverter, which has been patented not only in India but also in USA, UK, West Germany & Japan. He has received award from the President of India for the above patent. He is also the recipient of World Telecommunication Day award.

The main terms and conditions modified in the Supplemental Agreement for the remaining period is as under :

1. Salary : In the salary scale of Rs. 40000 – Rs. 70000 per month, with authority to the Board to fix his salary within the abovementioned scale.
2. All other terms and conditions remain same as per the original agreement dated 16th September, 2002.

The Board accordingly commends the resolution at item no. 9 of the notice for approval of members.

A copy of the draft agreement referred to in the resolution is open for inspection by members at the registered office of the company during office hours on all days except Saturdays, Sundays and public holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

This may be treated as an abstract of the terms of the modified agreement pursuant to Section 302 of the Act.

Except Mr. R.N. Doss, none of the other Directors of the company is in any way concerned or interested in the resolution.

INFORMATION AS REQUIRED UNDER CLAUSE 49 (VI) (A) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/ RE-APPOINTED**Dr. K.R. Phadke**

Dr. K.R. Phadke is B.E (Telecom), Phd (Telecom) Pune University. He has vast experience in the field of Electronic Industries. He retired as Adviser (Telecom) & Ex-Officio Additional Secretary, Cabinet Secretariat from Wireless Planning & Co-ordination, Ministry of Communication & Cabinet Secretariat (Special Wing). He joined Aplab Group in the year 1990.

He is a FIETE Active Member of IETE Pune Center.

Mr. D.P. Naganand

Mr. D.P. Naganand is B-Tech (Hons) from IIT Kharagpur majored in Electronics and Telecommunication Engineering, MBA from University of Western Ontario majored in Finance. He has 32 years experience.

He is also Director in Zee Telefilms Limited, Econnect India Limited and Zee Turner Limited.

Mr. Rajiv Garg

Mr. Rajiv Garg is M.Sc.(Honours), Punjab University majored in Physics. He has completed course in Commercial Lending from New York University, New York. He has done Masters' degree in Management from McGill University, Canada and Post Graduate Diploma in International Management from INSEAD, France. He has 25 years experience in the field of commercial banking, investment banking, operational management, corporate finance and group strategic management.

He is also Director in Shalimar Paints Limited, XL Telecom Limited, Padmalaya Telefilms Limited, Padmalaya Enterprises Private Limited and Managing Director in ETC Networks Limited.

Mr. Punit Goenka

Mr. Punit Goenka is a young professional with an entrepreneurial background who has pursued early education in Switzerland, graduated in Commerce from University of Mumbai and attended Management Programme at INSEAD, France. He has 10 years of varied experience in the Essel Group of Companies. He is the contributory in the establishment of various companies right from concept stage to market research, analysis and building teams to manage effectively.

He is also Director in ASC Enterprises Limited, Agrani Satellite Services Limited, Agrani Convergence Limited, Cyquator Technologies Limited, Agrani Satellite Communications Enterprises (Gibraltar) Limited, Agrani Wireless Services Limited, ASC Mobile Communications Limited, E-City Investment & Holding Co. Private Limited, Essel Telecom Holdings Limited, Pan India Paryatan Limited, Haryana Orchards Private Limited, Dhir Constructors & Builders Private Limited, Heavens Properties Private Limited, Dhariya Properties Private Limited, Uddar Trees Growing Private Limited, Jayneer Capital Private Limited, Premier Finance & Trading Co. Limited, Prime Publishing Limited, Rochan (I) Limited, Essel Ship Breaking Limited, Rama Associates Limited, Ayepee Lamitubes Limited, North Delhi Oil Seeds Private Limited & RKJ Woods Plant Private Limited.

Place : Thane
Dated : 19th June, 2003

Registered Office :
Aplab House
A-5, Wagle Industrial Estate
Thane - 400 604

By order of the Board

R.K. Deherkar
Company Secretary &
Finance Manager



APLAB LIMITED

DIRECTORS' REPORT

To the Members

Gentlemen,

Your Directors present their 38th Annual Report of working of the Company together with the audited statement of accounts for the year ended 31.03.2003

	Year ended 31.03.2003 (Rs. in '000)	Year ended 31-03-2002 (Rs. in '000)
Profit before finance cost, depreciation and tax	469,98	413,56
Finance Cost	236,57	260,22
Depreciation	106,93	104,22
Profit/(Loss) before tax	126,48	49,12
Provision for taxation	63,19	24,42
Deferred Tax Liability/(Asset)	(19,64)	4,02
Net Profit/(Loss)	82,93	20,68
B/F of earlier year	1	1
Amount available for appropriations	82,94	20,69
Appropriations :		
1. General Reserve	26,50	20,68
2. Proposed Dividend	50,00	-
3. Tax on Dividend	6,40	-
4. Surplus carried to Balance Sheet	4	1

DIVIDENDS

The performance of the current year has shown significant improvement over the previous years. In light of this performance the Directors have recommended a dividend of Re. 1.00 per share. This brings your company to the dividend list after a gap of five years. If approved the Company will have a financial outgo of Rs. 56.40 lacs including corporate dividend tax.

REVIEW OF OPERATIONS

During the year under review the Company's turnover including manufacturing, trading and service operations is Rs. 5962.22 lacs as against Rs. 4819.19 lacs. This shows an increase of 23.72% over the previous year. So also the profit before tax has gone up from Rs. 49.12 lacs to Rs. 126.48 lacs. This works out to an increase of 157%. This was possible due to better working capital management resulting in reduced operating cost. Orders pending on hand are Rs. 2567 Lacs and with the average inflow of orders worth Rs. 5 Crores we are confident of better performance in the current year.

FINANCE

The liquidity position of the Company was satisfactory throughout year. The Company did not face any problem on this account.

PROSPECTS FOR THE CURRENT YEAR

During the year under review your company has made progress on many fronts to strengthen the existing businesses and start up new ones.

The business for UPS systems shows distinct signs of growth. The population of Aplab UPSs has grown quite significantly in the past years and continues to grow. The trading activity for Lower KVA UPSs that Aplab does not manufacture, has also grown to establish Aplab's presence in that market segment. An understanding has been reached with a foreign company for a collaborative alliance to benefit from mutual strengths in the field of UPSs. Aplab is expected to benefit from technology advances, in terms of a larger share in the Indian market and also from export business.

The company received a prestigious order from the Defence for Power Supplies. This came as a result of the R&D effort of the company. The growth achieved in this line of products was good and the prospects for more orders are also encouraging.

The year under review saw a complete merger of the former Divisions of Test and Measurement Instruments and Oscilloscopes into one single division namely the Test and Measurement Division. The manufacturing operations are integrated and upgraded with the installation of a Surface Mounted Technology machine. The business has also grown through traded products to offer a more complete range to Aplab customers.

The year under review was the first full year of production for Findel products under the Philip Harris and Unilab brand names.

A wide range of products were productionised in this period and regular large shipments have commenced. Findel plc is satisfied with the progress made by Aplab in setting up the new facility and establishing international quality levels. Findel's marketing efforts are taking these products beyond the UK and European markets and we expect to see benefits of their efforts in years to come.

The first large order from a public sector Oil company against a tender for which we quoted, was received for Fuel Dispensers. The quality levels have been established and a few hundred dispensers have already been despatched. Further opportunities exist with other public sector oil companies, which will also be exploited. The emerging opportunity of private players setting up fuel retailing stations is also being tapped and will lead to more orders for fuel dispensers in months to come. The manufacturing of Fuel Dispensers will be undertaken at a new facility near Thane, which will be well equipped for assembly of the electronics that goes into the dispensers and also the assembly and testing of the entire equipment.

Several new products have been developed in the general area of automating the working of new banks and facilitating electronic transactions. New models of Cheque Depositories, Bill Payment Terminals and Point of Sale Terminals are expected to add to the overall business of your company.

The R&D activity of the company has contributed to future growth of your company. Projects on hand where the contributions of R&D will make a difference are worth more than Rs. 10 crores.

The order book position of your company continues to be healthy. The current orders on hand are valued at more than Rs. 25 crores.

RESEARCH AND DEVELOPMENT

R & D in your Company is a continuous process adopting and absorbing new concepts in terms of products, production techniques and processes etc. The process of building specialised custom made products during year has resulted in new products as follows :

1. 4 ½ digit micro control based Digital Multimeter.
2. Selective Level Meter and Generator for PLCC application.
3. Microwave Source
4. 10MHz Function Generator
5. Electronic Resistor Assembly for Fuel Dispensers
6. Preset Fuel Dispensers
7. 110KVA 3-3 Parallel Redundant UPS system
8. 80KVA 3-3 UPS with static switch
9. 30KVA 3-3, 50-400 Hz Frequency Converter
10. 80Volts /1000Amp DC Regulated Power Supply
11. Variable SMPS

SUBSIDIARY COMPANIES

Intel Instruments & Systems Ltd., the export subsidiary at SEEPZ recorded exports of Rs.366.38 lacs during the year 2002-2003 as against Rs. 327.88 lacs during the previous year and a loss of Rs. 21.49 lacs as against the loss Rs. 23.01 lacs previous year. In view of the loss incurred and in view of the business to come your Company has increased its share capital to Rs. 125 lacs by investing additional Rs. 25 lacs during the year. The position in first quarter of the current year is encouraging.

Operations of Aplab Display Devices & Systems Ltd., subsidiary located at Lonavala, has resulted into a turnover of Rs. 21.54 lacs and a profit of Rs. 6.89 lacs. We expect to wipe off the accumulated losses during the years to come.

AUDITORS REPORT

Your Directors would like to invite your attention to paragraph 2 (a), (b) and 6 of the Auditors Report and clarify as under :-

1. Aplab Display Devices & Systems Ltd. is now taking up job work & Trading activities. During the year a profit of Rs. 6.89 lacs was made. Operations during the current year will further result in to profit of around Rs. 10 lacs. In view of this the management is confident that the investment and advances to ADDS are good and fully recoverable.

Intel is a 100% subsidiary and Aplab derives tremendous indirect benefits by exposing its products to foreign stringent specifications and quality. It enables your Company to incorporate the same latest technology for our domestic market, which keep us ahead of our competitors. The operations of the first quarter of the current year and the pending orders on hand makes us confident that substantial portion of the accumulated losses will be wiped off in the current year itself.