



Aplab Limited 40th Annual General Meeting		
Day & Date	:	Friday 23rd September 2005
Time	:	11.30 a.m.
Venue	:	Tip Top Plaza, 45-47, L.B.S. Marg, Thane (W) - 400 602.
Please bring this copy to the Annual General Meeting		

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Aplab Limited

40th Annual Report 2004-2005

Board of Directors

P. S. Deodhar
U. S. Potnis
R. N. Doss
K. R. Phadke
V. B. Shejwalkar
S. A. Joshi
Neelam K. Kumar
Rajiv Garg
Amit Goenka
Hitesh Vakil

Executive Chairman
Managing Director
Whole time Director
Director
Director
Executive Director
Executive Director
Director
Director
Director

Company Secretary & General Manager - Finance

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 & B-92, Wagle Industrial Estate,
Thane 400 604.

Plot No. 12, Kalwa Indl. Area,
Village Digha, Post Ghansoli,
Thane Belapur Road, Navi Mumbai - 400 708.

Sales & Service Centres

Agra
Ahmedabad
Bangalore
Bhopal
Bhuvaneshwar
Chandigarh

Chennai
Coimbatore
Indore
Jaipur
Kochi
Kolkata

Lucknow
Mumbai
Nagpur
Nashik
New Delhi
Patna

Pune
Secunderabad
Trivandrum

Auditors

M. P. Chitale & Co.
Chartered Accountants
Mumbai

Bankers

Bank of Maharashtra,
Thane

Registrar & Transfer Agents

M/s. Adroit Corporate Services Pvt. Ltd.
19, Jaberbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Mumbai - 400 059.
Tel. 2859 40 60 / 2859 60 60



40TH ANNUAL REPORT 2004 - 2005

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting of Aplab Limited will be held at the Tip Top Plaza, 45-47, L.B S. Marg, Thane – 400 604 on Friday, 23rd September, 2005 at 11.30 a.m. to transact the following business:

Ordinary :-

1. To receive, consider and adopt the audited Annual Accounts for the year ended 31st March, 2005 together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend
3. To appoint a Director in place of Mr. Rajiv Garg who retires by rotation and being eligible offers himself for re-appointment
4. 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 :-

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

"RESOLVED THAT Mr. Amit 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."

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

"RESOLVED THAT consent of the members be and is hereby accorded pursuant to the provisions of Section 269, 309, 198 and applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the re-appointment of Mr. U.S. Potnis as Managing Director of the Company for a period of 3 (three) years with effect from 1st December, 2004 on the terms and conditions, including expressly the revised remuneration payable to him as Managing Director with effect from 1st August, 2005 and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mr. U.S. Potnis produced at this meeting and, for the purpose of identification, initialed by the Executive Chairman hereof.

RESOLVED FURTHER THAT the Executive Chairman be and he is hereby authorised to execute the Agreement, in terms of the said draft, with such alterations, changes, and/or variations in the remuneration payable to Mr. U.S. Potnis as may be agreed between the Directors and Mr. U.S. Potnis, provided that the said remuneration as altered, changed or varied shall be in accordance with the limits prescribed therefor under Schedule XIII of the Act for the time being and from time to time in force.

RESOLVED FURTHER THAT Mr. U.S. Potnis, Managing Director shall perform such duties as entrusted to him from time to time, subject to the supervision and control of the Executive Chairman and Board of Directors.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary or desirable steps to give effect to this resolution."

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

"RESOLVED THAT consent of the members be and is hereby accorded pursuant to the provisions of Section 269, 309, 198 and applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the appointment of Mr. S.A. Joshi as Executive Director of the Company for a period of 3 (three) years with effect from 1st August, 2005 on the terms and conditions, including expressly the remuneration payable to him as Executive Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mr. S.A. Joshi produced at this meeting and, for the purpose of identification, initialed by the Managing Director.

RESOLVED FURTHER THAT the Managing Director be and he is hereby authorised to execute the Agreement, in terms of the said draft, with such alterations, changes, and/or variations in the remuneration payable to Mr. S.A. Joshi as may be



agreed between the Directors and Mr. S.A. Joshi, provided that the said remuneration as altered, changed or varied shall be in accordance with the limits prescribed therefor under Schedule XIII of the Act for the time being and from time to time in force.

RESOLVED FURTHER THAT Mr. S.A. Joshi, Executive Director shall perform such duties as entrusted to him from time to time, subject to the supervision and control of the Executive Chairman, Managing Director and Board of Directors.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary or desirable steps to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution :

"RESOLVED THAT consent of the members be and is hereby accorded pursuant to the provisions of Section 269, 309, 198 and applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the appointment of Mrs. Neelam K. Kumar as Executive Director of the Company for a period of 3 (three) years with effect from 1st August, 2005 on the terms and conditions, including expressly the remuneration payable to her as Executive Director and the minimum remuneration payable to her in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mrs. Neelam K. Kumar produced at this meeting and, for the purpose of identification, initialed by the Managing Director.

RESOLVED FURTHER THAT the Managing Director be and he is hereby authorised to execute the Agreement, in terms of the said draft, with such alterations, changes, and/or variations in the remuneration payable to Mrs. Neelam K. Kumar as may be agreed between the Directors and Mrs. Neelam K. Kumar, provided that the said remuneration as altered, changed or varied shall be in accordance with the limits prescribed therefor under Schedule XIII of the Act for the time being and from time to time in force.

RESOLVED FURTHER THAT Mrs. Neelam K. Kumar, Executive Director shall perform such duties as entrusted to her from time to time, subject to the supervision and control of the Executive Chairman, Managing Director and Board of Directors.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary or desirable steps to give effect to this resolution."

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

"RESOLVED THAT consent of the members be and is hereby accorded pursuant to the provisions of Section 269, 309, 198 and applicable provisions, if any, of the Companies Act, 1956 ("the Act") for the revised remuneration payable to Mr. P.S. Deodhar, Executive Chairman with effect from 1st August, 2005, subject to the approval of Central Government on the terms and conditions, including expressly the remuneration payable to him as Executive Chairman and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mr. P.S. Deodhar produced at this meeting and, for the purpose of identification, initialed by the Managing Director hereof

RESOLVED FURTHER THAT the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft, with such alterations, changes, and/or variations in the remuneration payable to Mr. P.S. Deodhar as may be agreed between the Directors and Mr. P.S. Deodhar, provided that the said remuneration as altered, changed or varied shall be in accordance with the limits prescribed therefor under Schedule XIII of the Act for the time being and from time to time in force."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary or desirable steps to give effect to this resolution."

By order of the Board

Place : Thane
Dated : 29th July, 2005

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

R.K. Deherkar
Company Secretary &
General Manager - Finance

NOTES :

1. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of Special Business under items 5 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 8th September, 2005 to Friday, the 23rd September, 2005 (both days inclusive).
5. The dividend for the year ended 31st March, 2005 as recommended by the Board, if declared at the Annual General Meeting, will be paid on or before 22nd October, 2005 to those members whose names appear in the Company's Register of Members as on 23rd September, 2005 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) for this purpose.
6. 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 : 28594060 / 28594442 / 28594428 Fax : 28503748
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 Registrar & Share Transfer Agents 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, 31st March, 1996 and 31st March, 1997 have already been transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2003 and 31st March, 2004 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 of the Listing Agreement, the relevant information in respect of the Directors seeking appointment / 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. 5**

Mr. Amit Goenka was appointed as an Additional Director of the company by the Board of Directors at their meeting held on 28th October, 2004. In terms of Section 260 of the Companies Act, 1956, Mr. Amit Goenka holds office as Director upto 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. Amit Goenka as candidate for the office of Director. Accordingly the Board commends the resolution at item no. 5 of the notice for the approval of members.

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

Item No. 6

The Board of Directors of the Company at their meeting held on 28th October, 2004 have re-appointed Mr. U.S. Potnis as "Managing Director" for a period of three years with revised remuneration starting from 1st December, 2004. Subsequent to the recommendation of the Remuneration Committee the Board of Directors at its meeting held on 29th July, 2005 have resolved to seek the permission of the Shareholders for enhancement in the remuneration payable to Mr. U.S. Potnis, Managing Director.

Statement pursuant to Paragraph 1 (B) of Section II of Part II of Schedule XIII**I. General Information:**

PARTICULARS	INFORMATION								
1. Nature of Industry	Electronic Industry The Company is engaged in the business of manufacturing and marketing of Electronics Test & Measuring Instruments, Power Systems, Micro Processor based instruments and systems, Industrial control equipments, ATMs and other Banking Automation Products.								
2. Date of commencement of commercial production.	30 th September, 1964								
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable.								
4. Financial performance based on given indicators	As per audited financial results for the year ended 31 st March, 2005 following is the financial performance <table> <tr> <th>Particulars</th><th>Rupees</th></tr> <tr> <td>Turnover & other income</td><td>74,23,55,096</td></tr> <tr> <td>Profit after tax</td><td>2,75,77,838</td></tr> <tr> <td>Net Worth</td><td>24,14,90,938</td></tr> </table>	Particulars	Rupees	Turnover & other income	74,23,55,096	Profit after tax	2,75,77,838	Net Worth	24,14,90,938
Particulars	Rupees								
Turnover & other income	74,23,55,096								
Profit after tax	2,75,77,838								
Net Worth	24,14,90,938								
5. Export performance and net foreign exchange earnings	The company's export and net foreign exchange earnings for the financial year ended 31 st March, 2005 were Rs. 6,99,67,411 Previous Year Rs. 8,48,26,271)								
6. Foreign investments or collaborators, if any.	Nil								
Non-resident Shareholding	73001 Equity Shares aggregating to 1.46% of the Paid-up Share Capital								

II. Information about the appointee:**1) Background details**

Mr. U.S. Potnis is B.E. (Elec. & Tele.) and has been Marketing Director of the company since August, 1985 and re-designated as Managing Director with effect from 1st December, 2003. He has working experience of more than 32 years in the field of Electronic Industry.

2) Past remuneration

Name	U.S. Potnis
Designation	Managing Director
Date of Appointment	01.12.2004
Period	3 years
Expiry date of Agreement	30.11.2007
Salary per month	Rs. 55,000/-
Other Allowance per month	Rs. 25,000/-
Commission	1.5%
HRA	40%
Furnishing	10%
Medical	One months salary
LTA	One months salary
Club Fees	2 Club fees
Accident Insurance	Premium 2,000/- p.a
Provident Fund	As per company's rules & Act
Gratuity/Leave Encashment	As per company's rules & Act

3) Recognition or awards

Mr. Potnis is a fellow member of I.E.T.E. and also fellow of I.E.E.E., U.S.A. He is on the Advisory Committee of Dnyansadhana Asian Institute of Core Competence involved in setting up the MBA and Biotech courses in the city of Thane.

4) Job profile and his suitability

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 32 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.

5) Remuneration proposed

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 subject to the limits prescribed under the Act, and also subject to such approvals as are necessary, consent of the members is being sought to revise the upper limit of the remuneration payable to Mr. U. S. Potnis, Managing Director upto Rs. 25,00,000/- per annum, commensurate with the effective capital of the company prescribed under the Act, in terms of Paragraph 1 (B) of Section II of Part II of Schedule XIII, in case of no profit or inadequate profit during any year of his tenure.

Details of Proposed Remuneration

Name	U.S. Potnis
Designation	Managing Director
Period Beginning	01.08.2005
Period Ending	30.11.2007
Salary Scale per month	Rs. 67,000/- in the pay scale of Rs.48,000 to 1,00,000/-
Other Allowance per month	Rs. 25,000/-
Commission	1%
Housing / HRA per month	Rs. 22,000/-
Furnishing per annum	Rs. 65,000/-
Medical per annum	Rs. 55,000/-
LTA per annum	Rs. 55,000/-
Club Fees	2 Club fees
Accident Insurance	Premium Rs. 2,000/- p.a
Provident Fund	As per company's rules & Act
Gratuity / Leave Encashment	As per company's rules & Act



6) Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the Managerial Personnel, if any.

Besides the remuneration proposed, for other pecuniary relation please refer Schedule – 19 Notes to Accounts.

III. Other Information :

1) Reasons of loss or inadequate profits

The liberalization of Economic policies has resulted in stiff competition for the Company's products from International Suppliers as well as unorganized sectors within the country. Taxation structure, competition and comparative higher manufacturing cost have affected the sales realizations.

2) Steps taken or proposed to be taken for improvement

With the global stable economic conditions, improved taxation structure and lesser expected finance cost, the prospects of business in general are bright which is evident from the good performance of the company for the year ended 31 March 2005. The similar trend is expected to continue in years ahead.

The Company has taken radical cost rationalization measures by which manpower requirements will be rationalized and administrative expenses will be pruned. The focused credit control norms for the customers and improved agreed terms with the Bankers would result in reduction of the finance cost. Targeted better product mix through strategic marketing policies would improve the bottom line.

3) Expected increase in productivity and profits in measurable terms.

With all-round cost rationalization, the Company is expected to improve its performance in the current year. The expected rapid growth in new Product Lines and operations of the company in coming years will certainly generate adequate profits.

This may be treated as abstract of the terms of the agreements pursuant to Section 302 of the Act.

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.

The Directors commend the Resolution at Item No. 6 for your approval.

Except Mr. U.S. Potnis, no other Director of the company is in any way concerned or interested in the resolution.

Item No. 7

Subsequent to the recommendation of the Remuneration Committee the Board of Directors of the Company at their meeting held on 29th July, 2005 have appointed Mr. S.A. Joshi as "Executive Director" for a period of three years with effect from 1st August, 2005. The Board have resolved to seek the permission of the Shareholders for the appointment and remuneration payable to Mr. S.A. Joshi, Executive Director.

Statement pursuant to Paragraph 1 (B) of Section II of Part II of Schedule XIII**I. General Information:**

PARTICULARS	INFORMATION								
1. Nature of Industry	Electronic Industry. The Company is engaged in the business of manufacturing and marketing of Electronics Test & Measuring Instruments, Power Systems, Micro Processor based instruments and systems, Industrial control equipments, ATMs and other Banking Automation Products.								
2. Date of commencement of commercial production.	30 th September, 1964								
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable.								
4. Financial performance based on given indicators	As per audited financial results for the year ended 31 st March, 2005 following is the financial performance <table> <tr> <th>Particulars</th><th>Rupees</th></tr> <tr> <td>Turnover & other income</td><td>74,23,55,096</td></tr> <tr> <td>Profit after tax</td><td>2,75,77,838</td></tr> <tr> <td>Net Worth</td><td>24,14,90,938</td></tr> </table>	Particulars	Rupees	Turnover & other income	74,23,55,096	Profit after tax	2,75,77,838	Net Worth	24,14,90,938
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5. Export performance and net foreign exchange earnings	The company's export and net foreign exchange earnings for the financial year ended 31 st March, 2005 were Rs. 6,99,67,411 Previous Year Rs. 8,48,26,271)								
6. Foreign investments or collaborators, if any.	Nil								
Non-resident Shareholding	73001 Equity Shares aggregating to 1.46% of the Paid-up Share Capital								

II Information about the appointee:**1) Background details**

Mr. S. A. Joshi is an Electronics Engineering Graduate - B.E. (Elec. & Tele.), with more than 34 years of Experience in the field of Electronic Industry, the last 28 years being association with the company. He has been associated with Power Electronics Division almost since its inception and has been a guiding force behind its Growth over past many years. He was Sr.Vice President of the Power Electronics Division till appointed as Executive Director.

2) Past remuneration

Name	S.A. Joshi
Designation	Sr. Vice president
Salary per month	Rs. 36,000/-
HRA per month	Rs. 3,500/-
Medical	Rs. 20,000/-
LTA	Rs. 20,000/-
Other Allowances	Rs. 32,000/-
Divisional Performance Incentive	Rs.1,37,000/-
Provident Fund	As per company's rules & Act
Gratuity/Leave Encashment	As per company's rules & Act