



<b>Aplab Limited</b> 47 <sup>th</sup> Annual General Meeting	
Day & Date	: Friday, 28 <sup>th</sup> September, 2012
Time	: 12.00 noon
Venue	: Hotel Tip Top Plaza, L.B.S. Marg, Near Check Naka, Thane (W) - 400 602.
Please bring this copy to the Annual General Meeting	

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# Aplab Limited

## 47<sup>th</sup> Annual Report 2011-2012

### Board of Directors

P. S. Deodhar  
Nishith Deodhar  
Amit Goenka  
A. G. Joshi  
Jayant Deo  
S. K. Hajela  
A.P. Deodhar  
Mukund Gulgali

Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Additional Director  
Additional Director

### Company Secretary & Finance Controller

Rajesh K. Deherkar

### Registered Office & Works

Aplab House,  
A-5, Wagle Industrial Estate,  
Thane-400 604.

Tel. : 67395555 Fax : 25823137  
email : response@aplab.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, TTC Indl. Area,  
Village Digha, Thane Belapur Road  
Navi Mumbai - 400 708.

EL-15, Pimpri Indl. Area,  
MIDC, Bhosari,  
Pune- 411 026

### Sales & Service Centres

Agra	Chennai	Jaipur	Mumbai	New Delhi	Surat
Ahmedabad	Coimbatore	Kochi	Mysore	Patna	Trivandrum
Bangalore	Gauhati	Kolkatta	Madurai	Pune	Trichy
Bhopal	Goa	Kannur	Mangalore	Raipur	
Bhuvaneshwar	Hubli	Lucknow	Nagpur	Ranchi	
Chandigarh	Indore	Ludhiana	Nashik	Secunderabad	

### Auditors

M. P. Chitale & Co.  
Chartered Accountants  
Mumbai

### Bankers

Corporation Bank,  
Thane  
  
Bank of Maharashtra,  
Thane

### Registrar & Transfer Agents

M/s. Adroit Corporate Services Pvt. Ltd.  
19, Jaferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Makwana Road, Marol Naka,  
Mumbai - 400 059.  
Tel. 2859 40 60 / 2859 60 60 / 2859 44 42  
Fax: 2850 37 48



### NOTICE

NOTICE IS HEREBY GIVEN THAT the Forty Seventh Annual General Meeting of Aplab Limited will be held at Hotel Tip Top Plaza, L B S Marg, Thane (West) – 400 602 on Friday the 28<sup>th</sup> September, 2012 at 12.00 noon to transact the following business:

#### Ordinary :-

1. To receive, consider and adopt the audited Annual Accounts for the year ended 31<sup>st</sup> March, 2012 together with the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Amit Goenka who retires by rotation and being eligible offers himself for re-appointment;
3. To appoint a Director in place of Mr. Jayant Deo 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** Mrs. Amrita Prabhakar Deodhar 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 her 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 an ordinary resolution :

**“RESOLVED THAT** Mr. Mukund Galgali 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** subject to the approval of the company in the general meeting, the Company do exit the Fuel Dispenser Business of the company which is incurring losses and the assets pertaining to the Fuel Dispenser Business, if any be disposed of by way of an outright sale and pending contracts, if any for the maintenance of the fuel dispensers be assigned to Tokheim India Private Limited (Tokheim), pursuant to the offer made by Tokheim and the stock and the inventory be sold at a reasonable value.

**RESOLVED FURTHER THAT** subject to the consents, approvals and permissions being obtained from the appropriate authorities to the extent applicable or necessary, consent of the Company be and is hereby given pursuant to Section 293 (1) (a) of the Companies Act, 1956 to sell the Fuel Dispenser Business and the sale of the stock and the Inventory to Tokheim at such consideration and with effect from such date as the Board of Directors of the Company may think fit and that the Board of directors of the Company be and are hereby authorized to complete the sale and transfer of the said Fuel Dispenser Business with such modifications as may be required by any of the concerned authorities or which it may deem to be in the interest of the Company and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in the interest of the Company.

**RESOLVED FURTHER THAT** the Company do and hereby sub-lease the first floor of the building situated at Plot No. 12 in the T.T.C. (Kalwa) Industrial Area, within the village limits of Digha, Taluka, Thane to Tokheim for rent and for such period as may be considered appropriate by the board.

**RESOLVED FURTHER THAT** approval of the shareholders of the Company be and is hereby given for negotiating, executing the relevant agreements as mentioned below and such other documents as may be necessary in connection with the sale of the Fuel Dispenser Business.

1. Sale of Business Agreement;
2. Business Development Agreement;
3. Sub-lease Agreement;
4. License Agreement and
5. Co-operation Agreement

**RESOLVED FURTHER THAT** Mr. Nishith P. Deodhar, Managing Director be and is hereby authorized to finalize the terms and conditions of the agreements/documents and sign and execute the agreements and all other relevant agreements/documents on behalf of the Company and complete all formalities and do all such further acts and deeds to give effect to this resolution.

8. To consider and pass, with or without modification(s), the following resolution as a **Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the shareholders of the company be and is hereby accorded for alteration of

Articles of Association in the manner and to the extent set out below:

That after existing Article 186 following new article 187 shall be inserted:

### **187- POSTAL BALLOT**

The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act, the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, such other applicable provisions of the Act and including any statutory modifications or future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a General Meeting of the Company."

By order of the Board

Place : Thane  
Dated : 14<sup>th</sup> August, 2012

**Rajesh K. Deherkar**  
Company Secretary &  
Finance Controller

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

### **NOTES :**

1. 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.
2. 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.
3. The Register of Members and the Share Transfer Register of the company will remain closed from Friday, the 21<sup>st</sup> September, 2012 to Friday, the 28<sup>th</sup> September, 2012 (both days inclusive).
4. 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, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Mumbai – 400 059. Tel : 28594060 / 28594442 / 28594428 Fax : 28503748
5. 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.

6. The Company has already transferred, all unclaimed dividend declared upto the financial year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 1994 may submit their claim to the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, CBD, Belapur in the prescribed form.
7. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 1995, 31<sup>st</sup> March, 1996, 31<sup>st</sup> March, 1997, 31<sup>st</sup> March, 2003 and 31<sup>st</sup> March, 2004 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 31<sup>st</sup> March, 2005, 31<sup>st</sup> March, 2006, 31<sup>st</sup> March, 2007, 31<sup>st</sup> March, 2008 and 31<sup>st</sup> March, 2009 are requested to make their claim to the Registered Office of the Company.
8. 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.
9. 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.
10. 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.
11. **The Members are requested to provide their e-mail IDs to the Registrar or Registered Office for facilitating speedy communication.**
12. As required under Clause 49 VI(A) 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**

Mrs. Amrita Prabhakar Deodhar was appointed as an Additional Director of the company w.e.f. 19<sup>th</sup> January, 2012. In terms of section 260 of the Companies Act, 1956, Mrs. Amrita Prabhakar Deodhar holds office as Director upto the ensuing Annual General Meeting. However she 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 Mrs. Amrita Prabhakar Deodhar 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. P.S. Deodhar, Mr. Nishith Deodhar and Mrs. Amrita P. Deodhar, none of the other Directors of the Company is in any way concerned or interested in the resolution

**Item No. 6**

Mr. Mukund Galgali was appointed as an Additional Director of the company w.e.f. 19<sup>th</sup> January, 2012. In terms of section 260 of the Companies Act, 1956, Mr. Mukund Galgali 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. Mukund Galgali 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. Mukund Galgali, none of the other Directors of the Company is in any way concerned or interested in the resolution

**Item No. 7**

According to section 293 (1) (a) of the Companies Act, 1956, sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of such undertaking requires the approval of the shareholders by way of an ordinary resolution. The Company proposes to exit from the Fuel Dispenser Business and sell the stock and Inventory and lease of the premises situated at plot No. 12 in the T.T.C. (Kalwa) Industrial Area, within the village limits of Dighe, Taluka Thane to Tokheim India Pvt. Ltd. ("Tokheim") and is, therefore, seeking your consent for such proposal as contained in the ordinary resolution appended below.

**Item No. 8**

The Companies (Amendment) Act 2000 has added a new Section 192A to enable shareholders to exercise voting right by Postal Ballot in respect of matters as are/or may be prescribed by the Central Government from time to time. It is therefore proposed to incorporate a new clause 187 to enable the shareholders to cast their vote by way of Postal Ballot.

The Board of Directors recommend the resolution at item no. 8

of the notice for members approval as a Special Resolution.

None of the Directors of the Company is, in any way concerned or interested in the said resolution.

**INFORMATION AS REQUIRED UNDER CLAUSE 49 OF  
THE LISTING AGREEMENT IN RESPECT OF DIRECTORS  
BEING APPOINTED/RE-APPOINTED****Mr. Amit Goenka – Independent Director**

Mr. Amit Goenka is a graduate of Business Administration from the Apeejay Institute of Marketing, New Delhi having more than 13 years working experience. He has developed keen expertise in pursuing Business Opportunities and developing Market Strategies during the course of his association with Essel Group. He has been associated with Zee Group investment and restructuring strategic projects.

He is also Director in 1.Agrani Wireless Services Ltd., 2.ASC Telecommunications Ltd., 3.Essel Ship Breaking Ltd., 4.Spras Properties Ltd., 5.Digital Media Convergence Ltd., 6.Wire and Wireless (India) Ltd., 7.Essel Entertainment Media Ltd., 8. Bioscope Cinemas Pvt. Ltd., 9. Dakshin Media Gaming Solutions Pvt. Ltd., 10.Devlok Properties Pvt. Ltd., 11.Dew Drops Properties Pvt. Ltd., 12.E-City bioscope Entertainment Pvt. Ltd., 13.E-Cool Gaming Solutions Pvt. Ltd., 14.Kalakosh Auctions Pvt. Ltd., 15. Kenlott Gaming solutions Pvt. Ltd., 16.Kwikwin Gaming Solutions Pvt. Ltd., 17.Tashi Delek Gaming Solutions Pvt. Ltd., 18. Ultra Entertainment Gaming Solutions Pvt. Ltd., 19.Widescreen Holdings Pvt. Ltd., 20.Western M P Infrastructure & Toll Roads Pvt Ltd., 21.Bombay Rangers Football Pvt. Ltd., 22.Delhi Football Club Pvt Ltd., 23.Mumbai Football Club Pvt. Ltd., 24.Bombay Mobile Softwares Pvt. Ltd, 25.Vasant Sagar Properties Pvt Ltd., 26.Essel Sports Pvt Ltd., 27.Agrani Telecom Limited,

**Mr. Jayant Deo – Independent Director**

Mr. Jayant Deo is a Mechanical Engineer having Post Graduation in Industrial Engineering and Financial Management. He is having 40 years of working experience. He is a Member of World Energy Council and Fellow Member of Institution of Engineers (India)

He is also Managing Director in Indian Energy Exchange Ltd.

**Mrs. Amrita P. Deodhar**

Mrs. Amrita Deodhar is a commerce graduate of 1967. She is a successful entrepreneur for over four decades having set up Electronic Manufacturing Unit in SEEPZ in 1975. After selling that business, she set up distribution company representing several international companies producing high tech electronic test equipment and analytical test instruments. After strengthening the company with a nationwide sales and service network and securing large market share, she sold that enterprise to a US Multi-national in 2011. She brings to Aplab Board her long experience in building business ventures and making them a commercial successes.

She is also Director in 1. Origin Instrumentation Pvt. Ltd., 2. Deodhar Electro Design Pvt. Ltd. 3. Printquick Pvt. Ltd. and 4. Devize (India) Pvt. Ltd.

## Mr. Mukund Galgali

Mr. Mukund Galgali, a Chartered Accountant and Company Secretary with over 15 years experience is having rich expertise in the fields of Finance and Accounts, Audit and Corporate Laws. Mr Galgali has been associated with Essel Group for nearly a decade and handled various assignments relating to Operational and process improvement projects, Management audit, review of controls, ERP systems, Corporate restructuring, outsourced Finance and HR services etc. in India and overseas. Mr. Galgali during his CA practice has also served varied clients in industries such as Consumer Durables, Pharmaceuticals, Packaging etc. in India and overseas.

He is also Director in 1. Digital Venture Pvt. Ltd., 2. Bhilwara Telenet Services Pvt. Ltd. 3. Premier Finance and Trading Company Ltd.

By order of the Board

Place : Thane  
Dated : 14<sup>th</sup> August, 2012

**Rajesh K. Deherkar**  
Company Secretary &  
Finance Controller

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

## DIRECTORS' REPORT

To the Members  
Your Directors present their 47<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31.03.2012

		(Rs. in Lacs)
	31-03-2012	31-03-2011
Profit before finance cost, depreciation and tax	1187.81	924.58
Finance Cost	884.38	617.35
Depreciation	231.80	184.25
Profit/(Loss) before tax	71.63	122.98
Provision for income tax	-	-
Deferred Tax Liability/(Asset)	-	-
Net Profit/(Loss)	71.63	122.98
Amount available for appropriations	-	-
Appropriations :	-	-
1. General Reserve	-	-
2. Proposed Dividend	-	-
3. Tax on Dividend	-	-

## REVIEW OF OPERATIONS

During the year under review the Company could achieve turnover of Rs. 9,564.20 Lacs against Rs. 11,416.56 Lacs of previous year. The reduction in turnover is mainly due to the lack of cooperation from a section of employees who eventually resorted to an illegal strike. This has significantly affected sales in a crucial fourth quarter. During the year orders from oil companies also reduced drastically. Sales of other products have been at par with previous year. Though there is reduction in turnover, profit before tax of Rs. 71.63 Lacs is achieved against Rs. 122.98 Lacs of previous year.

## FINANCE

The cost of finance has continued to increase in the year under review. The Reserve Bank of India's maintenance of high lending rates for financial institutions coupled with a lower turnover and corresponding realisation from receivables during the year, has kept your company's liquidity position under tremendous pressure. Directors are making every effort to control costs by better working capital management to the extent possible and expense reductions.

## DIVIDENDS

The year under review has generated a net profit of Rs. 71.63 Lacs. The Board felt it appropriate to defer recommendations of any dividend till adequate profits are made to clear the deficit in the Profit & Loss Account, (P.Y. Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Report also includes Management Discussion & Analysis and the Report is thus a composite and comprehensive document

### A. Industry Structure and Developments:

Just like the past few years, the electronics manufacturing sector in India continues to be under tremendous pressure. High inflation and spiraling commodity prices continue to put an upward pressure on our wage bill, with consequent lower margins for our products. RBI's continued focus on reducing inflation has meant that key lending rates have been kept at similar high levels as the previous year. The markets your company operates in, continue to be extremely competitive with little advantage in local manufacturing. Your company's sales margins continue to be impacted. The increase in material costs without much scope for increasing selling prices continues to challenge your company's push towards profitable growth. The problems faced by Indian manufacturers range from poor infrastructure like non availability of power, complex State, Centre and local taxes, rules & regulations, corruption, bureaucratic hurdles and lack of promotional policies. Additionally, towards the end of this fiscal year your company started seeing a slowing in Govt. spending. We expect this to pick up again, especially in the areas of Defence. The Middle East and Africa look increasingly attractive as markets for your company's products. Your company is looking at exploring opportunities in these new markets.

### B. Opportunities and Threats to your company:

Your company continues to explore opportunities in the PV Solar market. With the recent slump in PV Solar module prices, your company now intends to focus on the smaller, but more lucrative off-grid solar market.

Your company's banking and retail automation products continue to see increasing interest from the industry. Banks in particular are keen to look automation and self-service kiosks, as they expand their rural networks, the number of customers they service increase and transaction volumes exponentially increase. We expect a substantial rise in business in the coming year.



Test and Measurement division should see some growth as the defence sectors starts some long awaited major defense equipment purchases. Your company is also looking to increasing it share of the OEM power supply business to this sector.

The UPS division makes a major portion of your company's business however unfortunately margins are under the most pressure for this market segment. Your company is going to increasingly focus on industrial and customized UPS systems in newer geographies, where the company can command better margins.

Your company's fuel dispenser products have seen sales margins hampered by high input costs and increased competition. Also, maintaining a pan-India service network without a corresponding increase in service revenues makes the business environment extremely challenging. Your company is evaluating all options to increase the viability of this business. Your company has already begun to start marketing some of its solar products and power electronics equipment to this market segment.

### C. Threats

General economic conditions of inflation, severe competition within India and from outside, increasing material prices and labour costs continue to be major threats. Cost of borrowings continues to rise and is likely to continue to do so in the midterm as high lending rates mean lesser liquidity. Our interest burden continues to put pressure on our net profits and the company is exploring all options to reduce its debt burden.

Service revenue margins continue to be under tremendous pressure as payroll and transportation makes up the major cost for this revenue. Both have seen significant rise due to high inflation and fuel price rises.

If the emerging euro crisis expands and pushes some of these into recession, then your company's exports are further likely to be hampered.

## COMPANY PERFORMANCE

### D. Performance Balance Sheet:

During the year under review your company achieved sales of Rs.9564.20 Lacs and earned profit of Rs.1187.81 Lacs before Interest, Depreciation and Tax as compared to sales of Rs. 11416.56 Lacs and Profit of Rs. 924.58 Lacs before Interest, Depreciation and Tax in the previous year. Though turnover is reduced concentration on product mix resulted in better gross margin. There has also been increase in the finance costs because of constant enhancement by the Reserve Bank of India in the borrowing rates for the banks along with lower turnover and corresponding collection from receivables. An efficient Management of available technical, financial, human resources would be bringing in improvement in the current year.

### E. Internal control systems and their adequacy:

The Company has a proper and adequate system of controls

in order to ensure that all assets are guarded against loss from unauthorized use or disposal and the transactions pertaining to the assets are properly documented and recorded. The internal control systems are designed to ensure that all the records in the organization are reliable and adequate in order to prepare the financial statements and maintaining accountability. The internal control systems are supplemented by Internal Audit by a firm of Chartered Accountants and also monitoring by the Executive Directors. The Audit Committee also reviews this and the observations of Internal Auditors in the periodical meetings.

### F. Financial Performance:

The cost of finance has been continued to increase in the year under review. The Reserve Bank of India's frequent enhancement in the borrowing costs for the financial institutions may increase further the finance cost in the current year. The liquidity position of the company has been under continuous stress during the current year. During the year carried forward losses of earlier year are marginally reduced. Directors are making every effort to control the cost by better working capital management.

### G. Human Resources/Industrial Relations

Your company treats human resources as an important valuable asset for the growth of the organization and keeping this in view every effort is being made to retain and attract best talent in the industry to cater current and future business needs. Industrial relations have suffered in the last quarter, and from the 23<sup>rd</sup> of March 2012, a section of employees comprising of about 130 employees, went on an illegal strike and hampered the performance for the year.

## SUBSIDIARY COMPANIES

### Intel Instruments & Systems Limited

Intel Instruments & Systems Limited, the export subsidiary at SEZ recorded turnover of Rs. 262.82 Lacs during the year as against Rs.370.21 Lacs during the previous year. The operations for the year have resulted in a loss of Rs. 252.71 Lacs as against loss of Rs. 88.75 Lacs in the previous year. The company is evaluating cost cutting measures and retrenchment programmes to bring the company back to profitability.

### Sprylogic Technologies Limited

Sprylogic Technologies Limited, the IT subsidiary recorded turnover of Rs. 165.62 Lacs during the year as against Rs.184.14 Lacs in the previous year. The operations during the year have resulted into a profit before tax of Rs. 7.01 Lacs as against profit before tax of Rs.5.72 Lacs during the previous year.

## AUDITORS REPORT

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

Due to inadequate turnover Intel made a loss of Rs. 252.71



Lacs for the year under review as against loss of Rs. 88.75 Lacs in the previous year. The Directors are making efforts to improve the performance in coming years, through cost cutting, increasing productivity and increasing sales. Exposing Intel's products to foreign countries where specifications and quality standards are stringent brings some indirect benefits to Aplab. This enables Aplab to use latest technology for domestic market and keep Aplab ahead of the competitors.

There is no default in paying gratuity and leave encashment to employees leaving the Company on superannuation or otherwise. As on Balance Sheet date the fund amount available with LIC is Rs.33.82 Lacs. The Company shall contribute/fund past gratuity liability in the coming years.

### **FIXED DEPOSITS**

During the year, fixed deposits of Rs. 77.98 Lacs were accepted and Rs. 204.30 Lacs were renewed pursuant to provisions of section 58A of the Companies Act, 1956. As at year end the Fixed Deposits amounting to Rs.17.17 Lacs remained unclaimed.

### **DIRECTORS**

During the year Mrs. A.P. Deodhar and Mr. Mukund Galgali (ZEE Nominee), joined the Board as Additional Directors.

Mrs. Neelam K. Kumar resigned as Executive Director from the Board. The Board appreciates her valuable guidance and co-operation received during her tenure.

In accordance with the clause 132 of the Articles of Association of the Company, Mr. Amit Goenka and Mr. Jayant Deo are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

### **AUDITORS**

The Auditors, M/s M.P.Chitale & Co., Chartered Accountants, (ICAI Registration No.101851W) retire at the forthcoming Annual General Meeting. M/s. Shahade & Associates, (ICAI Regn. No. 109840W) have furnished a certificate confirming their eligibility for appointment under Section 224 of the Companies Act, 1956 and have expressed their willingness for appointment as statutory Auditors. You are requested to appoint the Auditors for the current year and fix the remuneration.

### **CORPORATE GOVERNANCE**

Your Company is committed towards the Corporate Governance pursuant to the provisions of Clause 49 of the Listing Agreement. A separate report on Corporate Governance is annexed herewith for your ready reference. The Auditors have examined the Company's compliance and their certificate is reproduced in the report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As per Companies amendment Act, 2000, under Section 217(2AA) of the Companies Act, 1956, your Directors'

subscribe to the "Directors' Responsibility Statement" and confirm as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii) that the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

The Company's Internal Auditors have conducted periodic audits to ensure that established policies and procedures have been followed. The Audit Committee met Internal Auditors periodically to review Internal Controls and Financial Reporting System.

### **LISTING OF SECURITIES**

The Securities are listed on the stock exchanges at Mumbai, Delhi, Chennai & Pune.

### **PERSONNEL**

During the month of March 2012 a section of employees resorted to illegal strike having affected performance of power electronics department.

The Board appreciates the co-operation and team spirit in the Management Cadre and other employees of the company.

### **PARTICULARS OF EMPLOYEES**

Information as required under the provisions of Section 217 (2A) of the Companies Act, 1956(the Act) and the rules framed there under forms part of this report. However during the year under review, the Company had no employee covered by Section 217 (2A) of the Companies Act, 1956.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**

A statement furnishing the information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation of the valuable co-operation and support extended during the year

by the Company's Bankers, various Government Bodies and also from the Business Partners like Customers, Suppliers, Shareholders and other well-wishers.

For and on behalf of  
the Board of Directors

Thane  
14<sup>th</sup> August, 2012

**Nishith Deodhar**  
Managing Director

### ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988]

#### A) ELECTRICAL ENERGY

##### 1. Conservation of Energy:

The Company's production process does not involve any continuous process machinery. As the production involves electronic assembly, power requirements are very minimal.

##### 2. Energy conservation measures taken:

The company is switching over its lighting needs to energy efficient CFL and LED lights. Measures are also taken to watch and correct the load PF as necessary. The company is also working developing phantom loads to reduce power requirements during equipment load testing.

##### 3. Investments are proposed to be made in setting up Solar Panels for power generation to reduce the consumption and cost of purchased power.

#### B) TECHNOLOGY DEVELOPMENT – R & D

##### 1. Research & Development in Power Electronics

Most of your company's R&D focus for the next few years

will be on green technologies. Your company considers R&D and innovation as key in negating the effects of squeezed margins in the competitive markets it operates in. Some of our R&D efforts this year are on:

- Solar based inverters and industry unique parallel solar architectures.
- High efficiency consumer home inverters.
- Industrial Battery Chargers.

	(Rs. in Lacs)
	31-03-2012
Capital Expenditure	Nil
Revenue Expenses	41.34
<b>TOTAL</b>	<b>41.34</b>
Total R & D Expenses as a percentage to turnover	0.37%

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

The earnings and outgo in foreign exchange are as follows:

Earnings (FOB Value) (Rs. 528.69) Previous Year	<b>Rs. 392.33 Lacs</b>
Outgo (CIF Value of imports plus expenses) (1685.08) Previous Year	<b>Rs. 1415.77 Lacs</b>

For and on behalf of  
the Board of Directors

Thane  
14<sup>th</sup> August, 2012

**Nishith Deodhar**  
Managing Director