

2017-2018

53rd ANNUAL REPORT



Aplab Limited 53rd Annual General Meeting	
Day & Date	: Friday, 28 th September 2018
Time	: 12.30 p.m.
Venue	: Woodland Retreat, L.B.S. Marg, Near Mulund Check Naka, Thane (W.) - 400 604.
Please bring this copy to the Annual General Meeting.	

Contents	Page No.
Notice	2
Directors' Report	6
Auditors' Report	19
Balance Sheet	25
Statement of Profit & Loss	26
Notes to the financial statements	27
Cash Flow Statement	48

Aplab Limited

53rd Annual Report 2017-2018

CIN : L99999 MH1964 PLC 013018

Board of Directors

P. S. Deodhar	(DIN: 00393117)	Chairman & Managing Director
Amrita P. Deodhar	(DIN: 00538573)	Director
S. K. Hajela	(DIN: 01001987)	Independent Director
Capt. Vilas W. Katre	(DIN: 00054460)	Independent Director

Company Secretary & Finance Controller

Rajesh K. Deherkar (Membership No. A10783)

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.

Unit No. 37, SDF - II, SEEPZ-SEZ,
Andheri (East), Mumbai - 400 096.

Unit 6 & 18, Electronic Sadan II,
Bhosari, Pune - 411 026.

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	Guwahati	Kolkatta	Madurai	Pune	Trichy
Bhopal	Goa	Kannur	Mangalore	Raipur	
Bhubaneshwar	Hubli	Lucknow	Nagpur	Ranchi	
Chandigarh	Indore	Ludhiana	Nashik	Secunderabad	

Auditors

Shahade & Associates
Chartered Accountants
Gautam, Plot No. 29,
Road No. 2, Sion (East),
Mumbai - 400 022.

Bankers

Corporation Bank,
Thane

Bank of Maharashtra,
Thane

Registrar & Transfer Agents

M/s. Adroit Corporate Services Pvt. Ltd.
17-20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Mumbai - 400 059.
Tel. 2859 40 60 / 2859 60 60 / 2859 44 42
Fax: 2850 37 48

Stock Exchange Listing

Shares listed on	Bombay Stock Exchange
Scrip Code	517096
ISIN	INE273A01015

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fifty-third Annual General Meeting of Aplab Limited (CIN: L99999MH1964PLC013018) will be held at Woodland Retreat, L.B.S Marg, Near Mulund Check Naka, Thane (West) - 400604 on Friday, the 28th September, 2018 at 12.30 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, 2018 together with the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Amrita P. Deodhar (DIN: 00538573), who retires by rotation and being eligible offers herself for re-appointment;
3. To appoint M/s. Shahade & Associates, Chartered Accountants (ICAI Registration No. 109840W) as statutory auditors of the Company and to fix their remuneration.

Special Business:-

4. 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 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) to the re-appointment of Mr. P. S. Deodhar (DIN: 00393117) who has completed the age of 84 years as Whole-time Director designated as Chairman & Managing Director of the Company for a period of 3 (three) years with effect from 23rd May, 2018 on the following terms and conditions:

Salary: Nil

RESOLVED FURTHER THAT Mr. P.S. Deodhar (DIN:00393117) shall be entitled to perquisites, allowance and other benefits as per the rules of the Company subject to the applicable laws and as set out in the explanatory statement.

RESOLVED FURTHER THAT, where in any financial year during his tenure of appointment, the Company incurs a loss or its profits are inadequate, the Company shall pay to P.S. Deodhar (DIN: 00393117) the remuneration by way of perquisites, allowances and other benefits as specified as a minimum remuneration, subject however to the limits and conditions specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. P. S. Deodhar, Chairman & Managing Director (DIN:00393117) shall perform such duties as entrusted to him from time to time, subject to the supervision and control of Board of Directors.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary or desirable steps to give effect to this resolution and enhance the remuneration payable to Mr. P.S. Deodhar in future on improvement of Company's performance within the permissible limits of Schedule V of the Companies Act, 2013.”

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

Place: Thane
Dated: May 29, 2018

By Order of the Board

Rajesh K. Deherkar
Company Secretary &
Finance Controller
(Membership No. A10783)

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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The instrument of Proxy in order to be effective should be deposited at the registered office of the company duly completed and signed at least 48 hours prior to the time fixed for the meeting. Proxies submitted on behalf of the companies, societies etc must be supported by an appropriate resolution/authority as applicable.
3. Corporate members intending to send the Authorized Representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the company a certified copy of the Board Resolution authorizing their Representatives to attend and vote on their behalf at the Meeting.
4. Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the Notice.
5. Statement giving details of the Directors seeking appointment/re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) and Secretarial Standard on General Meeting (“SS-2”)
6. The Register of Members and the Share Transfer Register of the company will remain closed from Friday, the 21st September, 2018 to Friday, the 28th September, 2018 (both days inclusive).
7. 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., 17-20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059. Tel : 28594060/28594442/28594428 Fax: 28503748
8. 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 or Company's Registrar & Share Transfer Agents in respect of their physical share folios.
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent or to the Company.
10. The Company has already transferred, all unclaimed dividend declared up to 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 up to 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.

11. Pursuant to the provision of the Companies Act, 2013, as amended, dividend for the financial year ended 31st March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years is to be transferred to the Investor Education and Protection Fund of the Central Government. Accordingly Dividend for the year ended 31st March, 1995, 31st March, 1996, 31st March, 1997, 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006, 31st March, 2007, 31st March, 2008 and 31st March, 2009 have already been transferred to the Investor Education and Protection Fund of the Central Government.
12. 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.
13. 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. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 25th September, 2018 (9.00 am) and ends on 27th September, 2018 (5.00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by

the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you

will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.

- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. PDF file. Open the PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- 6 If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting, then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rama@csrama.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Information's:

- I. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2018.
- II. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 1st September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990

- III. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- V. Mrs. Rama Subramanian, Practising Company Secretary having ACS 15923 and COP No. 10964 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VI. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the

employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz. www.aplab.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT:

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 4

Mr. P.S. Deodhar (DIN:00393117) who has completed the age of 84 years, was re-appointed Whole-time Director designated as Chairman & Managing Director by the Board of Directors in their meeting held on May 29, 2018 for a period of three years with effect from 23rd May, 2018. The appointment of Mr. P.S. Deodhar (DIN: 00393117) as Whole-time Director is subject to the approval of the shareholders.

1. The terms and conditions of his appointment are as follows:

Details	Proposed
Period	23.05.2018 to 22.05.2021
Salary	Nil
Perquisites :	
Club Fees	Fees – Maximum 2 Clubs
Drivers Salary	As per rules of the company
Personal Accident/Medical claim	As per rules of the company
Other Benefits:	
Earned/Privilege Leave	As per rules of the company
PF & superannuation Fund	As per rules of the company
Gratuity	As per rules of the company
Leave Encashment	As per rules of the company
Other Statutory Benefits	As applicable

- The agreement executed between the Company and Mr. P.S. Deodhar (DIN: 00393117) may be terminated by either party by giving one month notice in writing of such termination.
- Mr. P.S. Deodhar (DIN:00393117) shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the Board of Directors, and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors.
- The Board be and is hereby authorized to enhance the remuneration payable to Mr. P.S. Deodhar in future on improvement of Company's performance within the permissible limits of Schedule V of the Companies Act, 2013.

The resolution seeks approval of the members in terms of the provisions of Section 196, 197 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force to the appointment of Mr. P.S. Deodhar (DIN: 00393117) as Whole-time Director for a period of three (3) years commencing from May 23, 2018.

Except Mrs. Amrita P. Deodhar (DIN: 00538573) none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4

The Resolution at item no. 4 of the Notice is set out as a Special Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

INFORMATION AS REQUIRED IN RESPECT OF DIRECTOR BEING APPOINTED/RE-APPOINTED

Mr. P.S. Deodhar (DIN: 00393117)

Mr. P.S. Deodhar is BE (Telecommunication), Distinguished Fellow I.E.T.E, India, Fellow I.E.E.E (USA), Fellow Indian Academy of Engineers and Hon. Fellow Broadcast Engineering Society. He is a founder member of the Company aged 84 years, and past Chairman of Electronics Commission & Advisor to Prime Minister on Electronics. He is presently the Chairman of the Company

Mr. P.S. Deodhar is recipient of International Award for "Engineering Manager of the year 1990" from Engineering Management Society, IEEE, USA. He was Advisor to Prime Minister of India from the year 1985 to 1990, during this period output of IT & Electronics sectors in Indian Economy grew from 12 billion (83-84) to 94 billion (89-90). He initiated delicensing of the Electronics & IT Industry in India. He was contributory towards turning around from loss making to profitable public sector companies like ET & T Limited and Meltron Limited.

He is also Director in Origin Instrumentation Pvt. Ltd., Deodhar Electro Design Pvt. Ltd., Devize (India) Pvt. Ltd. Printquick Pvt. Ltd., Mitramax Energy Pvt. Ltd. and Sebalab Electronics Pvt. Ltd.

Mrs. Amrita P. Deodhar - Director

(DIN: 00538573)

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 commercial successes.

She is also Director in Sprylogic Technologies Limited, Origin Instrumentation Pvt. Ltd., Deodhar Electro Design Pvt. Ltd., Printquick Pvt. Ltd, Devize (India) Pvt. Ltd. and Proprietor of Intel Export Corporation

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

Place: Thane
Dated: May 29, 2018

By Order of the Board

Rajesh K. Deherkar
Company Secretary &
Finance Controller
(Membership No. A10783)

DIRECTORS' REPORT

To the Members,

Your Directors present their 53rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year figures are given hereunder:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net Sales /Income from Business Operations	6202.43	7210.85
Other Income	240.67	151.80
Total Income	6443.09	7362.65
Less Interest	1081.99	1120.62
Profit / (Loss) before Depreciation	(1240.92)	(1089.15)
Less Depreciation	144.19	155.75
Profit / (Loss) after depreciation and Interest	(1385.11)	(1244.90)
Less Current Income Tax	-	-
Less Deferred Tax	-	-
Net Profit (Loss) after Tax	(1385.11)	(1244.90)
Dividend (including Interim if any and final)	-	-
Net Profit / (Loss) after dividend and Tax	(1385.11)	(1244.90)
Amount transferred to General Reserve		
Balance carried to Balance Sheet	(1385.11)	(1244.90)
Earning in Rupee per share (Basic)	(27.70)	(24.90)
Earning in Rupee per Share(Diluted)	(27.70)	(24.90)

1. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

During the year there was continuous stress on liquidity due to which orders could not be executed in time. On improvement in liquidity turnover can be increased in the current year with expected growth in sale of banking automation, measuring instruments and power supplies.

I am hopeful of operational improvement during the year since the company now has a senior business consultant to advise and overview the comprehensive re-structuring the company's operations reducing the costs, revamping the marketing with focus on growth in profitable business, expanding the distributor network, strengthening MIS to improve operational efficiency etc. Results are showing remarkable improvement midway in the second quarter of 2018-19. On the other hand we are in the process of selling the unused industrial properties which will allow us to reduce the interest burden and help us create a positive cash flow.

2. ANALYSIS OF PERFORMANCE

Since your company has not been lucky so far to find customers for its unused real estate assets worth over 60 Crores. Whenever that happens we can, in one step, reduce the burden of expensive borrowed funds and get back to positive cash flow helping our potential growth. Many large public companies in the country have used this route in the past. Had your company been able to sell at least one of them, the Balance Sheet of your company would have looked different. Statutory Auditors have been strict and done their job to meet the current accounting guidelines by SEBI. Your management has given all the cooperation to them during the audit. Out of the 55 years since Aplab began its operations as a hi-tech design and manufacturing 55 years ago, for the first 48 years were of sustained growth as a highly reputed source of world class electronic products. The a long and violent worker's strike broke our back, On one hand huge losses were created during this period and no financial institution or bank will provide us the working capital. Since the banks are not lending us further loans even against our clean assets not pledged with bank, we have been focusing on increasing order booking and work using the sales proceeds. Since this was not enough, as the shareholder of the company, my family has provided unsecured loans of over 25 crores to sustain the business, serve the customers and save jobs. We are accumulating operational losses but we are somehow surviving due to cooperation from all employees and managers of the company through hardships. I wish RBI and lending institutions go deeper into the operations of manufacturing companies and understand the reasons for their sickness. If there is no misuse of lent funds and if the problems relate to shortage of funds to manufacture products, then banks should be authorised to lend project loans for industrial inputs and labour which helps the company to create wealth. Your company creates wealth that 45 -50% of its sale. This, I understand, happens in Germany which is most concerned with the loss of jobs or allowing technology companies going sick. India unfortunately does not have financial policies to help manufacturing companies to tide over transient business crisis and help them going through a rough weather since such transient crisis always happen during the life time of a productive company. Both our banks are however trying to help us but rules and procedures during the recent times is taking time. However I sincerely feel that charging penal interest to a genuine manufacturer merely adds to its indebtedness while no way protecting the lender. A high technology R&D based company like yours has another problem. The company balance sheets, as they are, fail to show the real assets such as our technological expertise of the company and our engineering talents and their special knowhow. That indeed is the foundation of our business, There is no place for this asset in the Balance Sheet. Even our highly respected and reputed Brand Name, Aplab, carries no asset value in our balance sheet. These special technological skills helps your company to replace imports for our Armed Forces. Thanks to you, all my shareholders, that the sustained Share Value of your company all through this crisis period reflects your trust. Your employees and senior managers are giving excellent co-operation, production is maximized in spite limited resources, incoming orders are very good and gross margins are also rising. Indeed, our business could have been far bigger if we had cash resources to finance material purchasing and market promotion. The

current order booking is good in spite of no advertising and having lost over 50% marketing personnel as compared to those we had in 2010-11. Any way your company is today the victim of bad times. I feel confident that these times would soon be behind us. As they say tough times don't last, tough people do. Your company is still strong and I am thankful to my shareholders for putting their faith in my management through these difficult times.

3. DIVIDEND

No Dividend is recommended for the current financial year due to loss incurred by the Company. (Previous Year – Nil)

4. TRANSFER OF DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, no unclaimed or unpaid Dividend due for remittance to the Investor Education and Protection Fund established by the Central Government since the company has not declared any dividend after 2008-09.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure to the Directors' Report and is attached to this report.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Risk Management Committee is operating throughout the year to identify and evaluate elements of business risks.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

Due to the losses incurred presently during the year under review, Corporate Social Responsibility could not be implemented. However on improved performances, the same will be implemented.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of Loans, Guarantees or Investments made under Section 186 is furnished in Notes to Financial Statement and is attached to this report

10. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties were on arm's

length basis and in the ordinary course of business. There were no material significant related party transactions made by the company during the year under review with Promoter/Directors or Key Managerial Personnel. All related party transactions are placed before the Audit Committee and has also been placed at the Board Meeting for approval and omnibus approval was obtained on a yearly basis for transactions which are of respective natures. The policy on related party transactions as approved by the Board has been uploaded on the website of the company. None of the Directors has any pecuniary relationship or transactions vis-à-vis the company. Hence Form AOC-2 is not annexed with the Directors' Report for the current year.

11. SALE OF COMPANY PREMISE FOR PAYMENT OF STATUTORY LIABILITIES

Your Company has entered an agreement with Shree Saptashri Developers for sale of Thane properties situated at Plot Nos. A-1, A-3, A-5 & A-6, Wagle Estate, Thane, to pay the committed and statutory liabilities. The transaction is under process and expected to complete during the current year.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no adverse comments, qualifications or reservations or adverse remarks by the Practicing Company Secretary in the Secretarial Audit Report. The Secretarial Audit Report in terms of Section 204 is annexed as Annexure-A to this report.

However the Statutory Auditors have made the following remarks

Basis of Qualified Opinion

- The Company has incurred a loss of Rs. 1,587lacs during this year. The Company has accumulated losses and its net worth has continued to remain negative during this year. The Company could not repay overdue Term Loans or matured Public Deposits or honor LCs on its due dates. The Bank has taken symbolic possession of Land & Building at Bhosari, Pune due to the default of Rs. 1,177 lacs and initiated recovery action.
- The Company during the year could not pay various statutory dues in time and the delay ranges between 2 to 12 months. The Unpaid Statutory Dues amounted to Rs. 257 lacs and separated employee Unpaid Gratuity / other dues are Rs. 592 lacs at the year end.

These events indicate material uncertainty that casts doubt on the Company's ability to continue as a going concern considering negative net worth, continued losses and generating adequate operational inflows. The Company is in the process of selling few of its properties to repay debts and induce funds for its operations.

In response to these comments, I must say that the Statutory Auditors have not taken into account the impact of the sale of unused assets in the determined efforts of your company to bounce back. When sale proceeds are realised, they far more than funds needs to meet the above mentioned liabilities listed by them.