

Aplab Limited

44th Annual General Meeting

Day & Date : Thursday 25th June, 2009

Time : 12.30 p.m.

Venue : Hotel Satkar Residency
Pokhran Road No. 1, Next to Cadbury,
Opp. Singhania High School,
Thane (W) - 400 606.

Please bring this copy to the Annual General Meeting

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Aplab Limited

44th Annual Report 2008-2009

Board of Directors

P. S. Deodhar
S. A. Joshi
Neelam K. Kumar
Nishith Deodhar
Amit Goenka
Deepak Chandnani
A. G. Joshi
Jayant Deo
S, K, Hajela

Chairman & Managing Director
Executive Director
Executive Director
Executive Director
Director
Director
Director
Director
Director

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, Kalwa Indl. Area,
Village Digha, Post Ghansoli,
Thane Belapur Road, Navi Mumbai - 400 708.

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,
1st Floor, Makwana Road, Marol Naka,
Mumbai - 400 059.
Tel. 2859 40 60 / 2859 60 60

NOTICE

NOTICE IS HEREBY GIVEN THAT the Forty fourth Annual General Meeting of Aplab Limited will be held at Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Opp. Singhania High School, Thane (W) - 400 606 on Thursday, 25th June 2009 at 12.30 p.m. to transact the following business:

Ordinary :-

1. To receive, consider and adopt the audited Annual Accounts for the year ended 31st March, 2009 together with the Reports of the Directors and Auditors thereon;
2. To declare a dividend;
3. To appoint a Director in place of Mr. Amit Goenka who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint a Director in place of Mr. A.G. Joshi who retires by rotation and being eligible offers himself for re-appointment;
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Special :-

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

“RESOLVED THAT Dr. S.K. Hajela 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 a special resolution

“RESOLVED THAT consent of the members be and is hereby accorded pursuant to the provisions of Section 198, 269, 309, 310 and other 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, 2008 subject to the approval of Central Government on the terms and conditions, including expressly the proposed 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.

RESOLVED FURTHER THAT the Chairman & Managing Director be and he is hereby authorized to execute the

Agreement 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 therefore 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 Chairman & Managing Director and 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.”

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 198, 269, 309, 310 and other 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, 2008 subject to the approval of Central Government on the terms and conditions, including expressly the proposed 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.

RESOLVED FURTHER THAT the Chairman & Managing Director be and he is hereby authorized to execute the Agreement 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 therefore 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 Chairman & Managing Director and 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.”

By Order of
the Board of Directors

P. S. Deodhar
Chairman & Managing Director

Thane
28th April, 2009
Registered Office :
Aplab House
A-5, Wagle Estate,
Thane – 400 604

NOTES :

1. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of Special Business under item no. 6 to 8 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 18th June 2009 to Thursday the 25th June 2009 (both days inclusive).
5. The dividend for the year ended 31st March, 2009 as recommended by the Board, if declared at the Annual General Meeting, will be paid on or before 24th July, 2009 to those members whose names appear in the Company's Register of Members as on 25th June 2009 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, 31st March, 2004, 31st March, 2005, 31st March, 2006, 31st March, 2007 and 31st March, 2008 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. The Members are requested to provide their e-mail IDs to the Registrar or Registered Office for facilitating speedy communication.
14. 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. 6**

Dr. S.K. Hajela was appointed as an Additional Director of the company w.e.f. 25th October, 2008. In terms of section 260 of the Companies Act, 1956, Dr. S.K. Hajela 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 Dr. S.K. Hajela 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 Dr. S.K. Hajela, none of the other Directors of the Company is in any way concerned or interested in the resolution.

Item No. 7

Mr. S.A. Joshi was re-appointed as "Executive Director" with effect from 1st August, 2008 for a period of three years by the Board of Directors ["the Board"] at its meeting held on 30th July, 2008. The re-appointment of Mr. S. A. Joshi and his remuneration were approved by the Remuneration Committee and Board of Directors at their meeting held on 30th July, 2008 to seek the Central Government permission subject to the approval by shareholders, for the remuneration payable to Mr. S.A. Joshi, Executive Director in terms of Paragraph 1 (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, in case of no profit or inadequate profit during any year of his tenure, upon terms and conditions which are set out in the draft Agreement.

Statement pursuant to Paragraph 1 (C) 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. - 30th 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 31st March, 2008 following is the financial performance

<u>Particulars</u>	<u>Rupees in 000</u>
Turnover & other income	1191522
Profit after tax	37545
Net Worth	307439

5. Export performance and net foreign exchange earnings - The company's export and net foreign exchange earnings for the financial period ended 31st March, 2008 in Rupees thousands were Rs. 91920, Previous Year Rs. 63580)
6. Foreign investments or collaborators, if any. - Nil
Non-resident Shareholding - 78785 Equity Shares aggregating to 1.58% 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 37 years of Experience in the field of Electronic Industry, the last 32 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 is also a Director of Spylogic Technologies Limited.

2) Present Remuneration:

Name	Mr. S.A. Joshi
Designation	Executive Director
Period Beginning	01.11.2007
Period Ending	31.07.2008
Salary per month	Rs. 1,00,000/-
Other Allowance per month	Rs. 15,000/-
HRA per month or	
Company Accommodation	Rs. 16,000/-
Furnishing	Rs. 80,000/-
Medical	Rs. 50,000/-
LTA	Rs. 1,00,000/-
Gas, Electricity etc	Rs. 34,000/-
Commission:	
First Rs. 300 lacs of profit	Nil
Above Rs. 300 lacs of profit	2%
Provident Fund	As per company's rules & Act
Gratuity/Leave Encashment	As per company's rules & Act
Maximum Rupees p.a.	No Limit

3) Recognition or awards

Mr. S.A. Joshi is a Member IETE, besides being an active life member of Marathi Vidnyan Parishad. He has been on the syllabus committee of Shivaji University for the course of Electronic and Telecommunication Engineering. He was on the working committee of the Inaugural India International Conference on Power Electronics held in Mumbai.

4) Job profile and his suitability

Mr. Joshi started his career as a Project Engineer after his Graduation in Electronics and Telecommunications from College of Engineering, Pune. He joined our company in 1977, since then he is active in the field of Power Electronics. After spending his initial years as a Production Engineer, he took over the responsibility of handling the Techno - Commercial matters of Power Electronics Division. Extensively traveled, both within and outside the country, he has been largely responsible for the development of, a wide customer base as well as network of reliable business partners. Mr. Joshi will be responsible for overall performance of Power Electronics Division. He will also assist the Chairman and Managing Director for executing the Corporate Decisions.

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 subjects to the limits prescribed under the Act, and also subject to such approvals as are necessary, consent of the members is being sought for authorizing the Board of Directors to revise the remuneration payable to Mr. S.A. Joshi Executive Director

for the remaining term within the ceiling of No Limit commensurate with the effective capital of the company prescribed under the Act in terms of Paragraph 1 (C) 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	Mr. S.A. Joshi
Designation	Executive Director
Period Beginning	01.08.2008
Period Ending	31.07.2011
Salary per month	Rs. 1,00,000/-
Other Allowance per month	Rs. 15,000/-
HRA per month or	
Company Accommodation	Rs. 16,000/-
Furnishing	Rs. 80,000/-
Medical	Rs. 50,000/-
LTA	Rs. 1,00,000/-
Gas, Electricity etc	Rs. 34,000/-
Commission:	
First Rs. 300 lacs of profit	Nil
Above Rs. 300 lacs of profit	2%
Provident Fund	As per company's rules & Act
Gratuity/Leave Encashment	As per company's rules & Act
Maximum Rupees p.a.	No Limit

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, there is no other pecuniary relation exist.

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 2008. 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 postal ballot.

The Directors commend the Resolution at Item No.7 for your approval.

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

Item No. 8

Mrs. Neelam K. Kumar was re-appointed as "Executive Director" with effect from 1st August, 2008 for a period of three years by the Board of Directors ["the Board"] at its meeting held on 30th July, 2008 The re-appointment of Mrs. Neelam K. Kumar and her remuneration were approved by the Remuneration Committee and Board of Directors at their meeting held on 30th July, 2008 to seek the Central Government permission subject to the approval by shareholders for the remuneration payable to Mrs. Neelam K. Kumar, Executive Director in terms of Paragraph 1 (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, in case of no profit or inadequate profit during any year of her tenure, upon terms and conditions which are set out in the draft Agreement.

Statement pursuant to Paragraph 1 (C) 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. - 30th 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 31st March, 2008 following is the financial performance

<u>Particulars</u>	<u>Rupees in 000</u>
Turnover & other income	1191522
Profit after tax	37545
Net Worth	307439

5. Export performance and net foreign exchange earnings - The company's export and net foreign exchange earnings for the financial period ended 31st March, 2008 in Rupees thousands were Rs. 91920, Previous Year Rs. 63580)
6. Foreign investments or collaborators, if any. - Nil
Non-resident Shareholding - 78785 Equity Shares aggregating to 1.58% of the Paid-up Share Capital

II. Information about the appointee:

1) Background details

Mrs. Neelam K. Kumar is a Qualified Electronics Engineer, Member IEEE/USA, a Technical Board Topper and All Round Merit certificate holder in Academics, Music, and Sports & Dramatics. She has also attended Masters Degree Programme in Engineering Business Management conducted by The University of Warwick, UK. Currently associated with the company since 1996 and presently occupying the position of Executive Director of Power Controls & Conversion Division & Export Production Centre for Philip Harris UK Products manufactured in India and heads the IT division. She is also a Director of Sprylogic Technologies Limited.

2) Present Remuneration:

Name	Mrs. Neelam K. Kumar
Designation	Executive Director
Period Beginning	01.11.2007
Period Ending	31.07.2008
Salary per month	Rs. 1,00,000/-
Other Allowance per month	Rs. 15,000/-
HRA per month or	
Company Accommodation	Rs. 16,000/-
Furnishing	Rs. 80,000/-
Medical	Rs. 50,000/-

LTA	Rs. 1,00,000/-
Gas, Electricity etc	Rs. 34,000/-
Commission:	
First Rs. 300 lacs of profit	Nil
Above Rs. 300 lacs of profit	2%
Provident Fund	As per company's rules & Act
Gratuity/Leave Encashment	As per company's rules & Act
Maximum Rupees p.a.	No Limit

3) Recognition or awards

In the year 1978 Mrs. Neelam K. Kumar was awarded a merit certificate for development of a new method of emergency lights first productionised in record time for specific Export purpose & for doing special work in the field of miniaturized DC to DC Converters for TV Industry that was in its initial boom in India in the year 1977-1978.

Mrs. Neelam K. Kumar is a recipient of 'The Shield of Excellence' in Export under the category "Outstanding Export Growth" relating to the year 1993-1994 by the 'Electronics and Computer Software Export Promotion Council'.

Mrs. Neelam K. Kumar has successfully Convened India International Conference on Power Electronics 2002 and 2004.

Mrs. & Mr. Ashok Hinduja in the presence of the esteemed Consul General of France & Mrs. Mayumi Pajolas, had invited 50 Asian women achievers in various fields and Mrs. Neelam K. Kumar was one of the 50 invited Asian women achievers in the field of Hi Tech Electronics.

4) Job profile and her suitability

Mrs. Neelam K. Kumar has 25 years hands on experience of Manufacturing Electronic Equipments especially Power Conversion & Control Systems, Test & Measuring Instruments for export as well as local market. Mrs. Kumar will be heading Power Control & Conversion Division, Export Production Centre and IT Division. She will also assist the Chairman & Managing Director for Corporate Communication.

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 subjects to the limits prescribed under the Act, and also subject to such approvals as are necessary, consent of the members is being sought for authorizing the Board of Directors to revise the remuneration payable to Mrs. Neelam K. Kumar, Executive Director for the remaining term within the ceiling of No Limit, commensurate with the effective capital of the company prescribed under the Act in terms of Paragraph 1 (C) of Section II of Part II of Schedule XIII, in case of no profit or inadequate profit during any year of her tenure.

Details of Proposed Remuneration

Name	Mrs. Neelam K. Kumar
Designation	Executive Director
Period Beginning	01.08.2008
Period Ending	31.07.2011
Salary per month	Rs. 1,00,000/-
Other Allowance per month	Rs. 15,000/-
HRA per month or Company Accommodation	Rs. 16,000/-
Furnishing	Rs. 80,000/-
Medical	Rs. 50,000/-
LTA	Rs. 1,00,000/-
Gas, Electricity etc	Rs. 34,000/-
Commission:	
First Rs. 300 lacs of profit	Nil
Above Rs. 300 lacs of profit	2%
Provident Fund	As per company's rules & Act
Gratuity/Leave Encashment	As per company's rules & Act
Maximum Rupees p.a.	No Limit

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 her 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, there is no other pecuniary relation exist.

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 2008. 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 Postal Ballot.

The Directors commend the Resolution at Item No. 8 for your approval.

Except Mrs. Neelam K. Kumar, none of the other Directors of the company is in any way concerned or interested in the 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 8 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 Bioscope Cinemas Pvt. Ltd., Dakshin Media Gaming Solutions Pvt. Ltd., Devlok Properties Pvt. Ltd., Dew Drops Properties Pvt. Ltd., E-City bioscope Entertainment Pvt. Ltd., E-Cool Gaming Solutions Pvt. Ltd., Kalakosh Auctions Pvt. Ltd- Director, Kenlott Gaming solutions Pvt. Ltd., Kwikwin Gaming Solutions Pvt. Ltd., Tashi Delek Gaming Solutions Pvt. Ltd., Ultra Entertainment Gaming Solutions Pvt. Ltd, Widescreen Holdings Pvt. Ltd., Eastern M P Infrastructure & Toll Roads Private Limited, Bombay Rangers Football Pvt. Ltd., Delhi Football Club Pvt Ltd., Mumbai Football Club Pvt. Ltd., Bombay Mobile Softwares Pvt. Ltd, Vasant sagar Properties Pvt Ltd., Essel Sports Pvt Ltd., Agrani Wireless Services Ltd., ASC Telecommunications

Ltd., Essel Ship Breaking Ltd., Spras Properties Ltd., Digital Media Convergence Ltd., Wire and Wireless (India) Ltd., Essel Entertainment Media Ltd

Mr. A.G. Joshi – Independent Director

Mr. A.G. Joshi is a Post Graduate in Science faculty and did his Management studies from Pune University. He is having working experience of 36 years mainly in the Banking field with Bank of Maharashtra for 30 years, 3 years in Indian Bank as Executive Director and Dena Bank for 3 years as Chairman and Managing Director.

He is also Director in Sahil Resorts, Agrifields & Farms Pvt. Ltd., Praj Industries Limited and Unity Infra Projects Limited

Dr. S.K. Hajela – Independent Director

Dr. Shailendra Hajela graduated in Electrical Engineering from IIT-Roorkee in India and did his Doctorate in Control Systems at the Technical University in Ilmenau in Germany. He is Fellow of IE, IETE and Senior Member of IEEE. He is the Chairman of Telecel Communications (P) Ltd., an ICT consultancy organization

He has worked as a Senior Consultant to the Telecom Regulatory Authority of India from February 1998 to August 2006. Dr. Hajela has done consultancy assignments for the UNESCAP, World Bank, Asian Development Bank, UNDP, ITU, APT and the Government of India

He joined the P & T Department of India as an officer of the Indian Telecom Service in 1959 and worked in progressively increasing positions of responsibility during his career

He is also Director in Telecel Communications Pvt. Ltd.

By Order of
the Board of Directors

P. S. Deodhar
Chairman & Managing Director

Thane
28th April, 2009

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

Performance Indicator

Rs. in Lacs

Sr. No.	Particulars	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
1.	Total Revenue	7,434.35	9,459.27	10,368.95	11,915.22	10,552.56
2.	Total Expenses	7,011.04	8,661.67	9,866.16	11,254.03	10,381.85
3.	PBIDT	764.97	1,172.42	887.16	1,197.94	849.23
4.	PBT	423.31	797.60	502.79	661.19	170.71
5.	PBT to Sales (%)	5.69	8.43	4.85	5.56	1.62
6.	PAT	275.78	480.52	320.54	375.45	69.82
7.	PAT to Sales (%)	3.71	5.08	3.09	3.15	0.60
8.	Fixed Assets	821.84	1,213.87	1,630.17	1,876.49	2,613.17
9.	Borrowings	2,260.00	2,292.42	2,571.19	3,411.71	4,261.21
10.	Equity Capital	500.00	500.00	500.00	500.00	500.00
11.	Net Worth	2,414.91	2,752.14	2,925.76	3,074.39	3,085.17
12.	Capital Employed	4,766.94	5,101.85	5,546.99	6,513.67	7,369.18
13.	PAT to Capital Employed (%)	5.79	9.42	5.78	5.76	0.95
14.	EPS-Basic & Diluted (Rs.)	5.52	9.61	6.41	7.51	1.40
15.	Dividend (%)	18.00	25.00	25.00	25.00	10.00

DIRECTORS' REPORT

To the Members

Gentlemen,

Your Directors present their 44th Annual Report of working of the Company together with the audited statement of accounts for the year ended 31. 03.2009

	(Rs. in Mn)	
	<u>Year ended</u> <u>31.03.2009</u>	<u>Year ended</u> <u>31.03.2008</u>
Profit before finance cost, depreciation and tax	84.92	119.78
Finance Cost	48.96	37.50
Depreciation	18.89	16.17
Profit/(Loss) before tax	17.07	66.11
Provision for taxation	8.03	27.54
Fringe Benefit Tax	2.54	3.27
Deferred Tax Liability/(Asset)	(0.48)	(2.25)
Net Profit/(Loss)	6.98	37.55
Amount available for appropriations	6.98	37.55
Appropriations :		
1. General Reserve	1.13	22.93
2. Proposed Dividend	5.00	12.50
3. Tax on Dividend	0.85	2.12

REVIEW OF OPERATIONS

The current year's turnover shows a marginal decrease of Rs. 13.6 Mn. There is a steep drop of Rs. 200.00 Mn. in Fuel Dispensers business. Other manufacturing divisions show a remarkable improvement in their performance which almost compensated for the loss of Fuel Dispensers business.

FINANCE

The liquidity position of the company was satisfactory throughout the year. However there might be some pressure on liquidity during the current year due to economic slowdown in the Global level. The investments made in new projects may not start giving expected returns immediately. However your company's management is well focused in this regard and is confident in managing the finance well and to the best of company's interests.

DIVIDENDS

As the distributable profits during the current year have come down from Rs. 37.00 Mn to Rs. 7.00 Mn., keeping in mind the interest of the shareholders, your Directors have decided to recommend for members approval a dividend of Re. 1/- per share (10%) instead of Rs. 2.50 (25%) in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Report also includes Management Discussion & Analysis to avoid duplication and overlap between the two. The entire material is thus a composite and comprehensive document

A. Industry Structure and Developments:

Growth of APLAB has been generally consistent with that of Electronic Hardware sector. While the Indian electronic hardware manufacturing industry in general is hurt by cheaper imports primarily from China, APLAB has managed to healthily grow even in 2008-09. Indian manufacturing sector however continues to struggle to survive due to many unfavorable factors in spite of lower cost of labour even as compared to China. Handicaps range from poor infrastructure, complex state, centre and city taxes, corrupt officials and other bureaucratic hurdles besides lack of promotional policies. Manufacturing industry also suffers from talent crunch since IT sector not only robs away competent human resource but also has raised their cost. Quality and reliability of electrical power is further eating away in operational efficiency. Authorities even went to impose power cuts on the industry while powering Cinema Theatres and Malls! Cost of power to industry is double that in China. Clearing goods through customs takes close to 10 days whereas in China it is less than 10 hours. As if it was not enough we have the global economic crisis. Your companies Fuel Pump Division is badly hurt by the combined effect of Oil crisis and this global melt down. We have ended with crores of finished goods stock since India's Oil companies won't take the deliveries. We are sure however that in 2009-10 this will change. Oil crisis is over and demand for petroleum products is poised to grow. APLAB is growing and doing well in spite of these severe limitations, thanks to our unique human resource.

B. Opportunities for your company:

The best opportunity for rapid growth is in your ELTRAC Division that offers new innovative Banking Automation products that are now growingly accepted by the financial sector. This business grew almost four fold during 08-09. We expect to achieve increased business from the growing demand from private and public sector banks.

In fuel dispensing activities, your company has joined hands with Petrotec Group, a major player in Petroleum Retaining sector in Europe. We also have planned a joint venture with Petrotec India to manufacture Fuel Hydraulics in Gujarat. We will add new products like multi product dispensers (MPDs) with their co-operation.

The Power Electronics Division contributes most to our bottom line. It has grown by over 20% during the year and will continue to grow due to focused efforts to gain larger market share. Your company has now a

new US Customer, Solid State Power Inc, a part of AMETEK group. We have developed a range of new Industrial UPS Systems for them and about fifty million rupee export business is expected during 09-10.

The Power Conditioning and Control Division as well as T & M Division have achieved significant growth of over 15% each in 08-09. These two also have planned for still higher growth in Educational Sector.

C. Threats to your company

These are really due to external factors like economic slowdown. The prospects look much better today after the results of just concluded General elections. Fear of increased prices of lead, copper, steel and aluminum remains another threat. This might bring our margins under pressure.

COMPANY PERFORMANCE

D. Performance Balance Sheet:

During the year under review your company achieved sales of Rs. 1055.26 Mn with Profit before Interest, Depreciation and Tax of Rs. 84.92 Mn, compared to previous year figures of Rs. 1191.52 Mn and Rs. 119.78 Mn. The decrease in turnover and profit is attributable to problems in Fuel dispensers Division contribution reducing by almost 200 million since your customers have not taken delivery of products due to oil crisis. Good growth in other four Divisions added 110 million to the top line. Bottom line looks reasonable under the circumstances and was possible due to significant reduction in operational cost. This is significant since our interest burden went up due to new investments in infrastructure on one hand and investment in increased stocks caused due to non-delivery of Fuel Pumps. Your Company therefore is indeed not affected by the Financial and Economic Conditions prevailing in the Indian as well as International Market.

The Return on the capital invested has consequently gone down. An efficient Management of available technical and financial resources has shown further improvement this year. During the year under review your the fundamentals of the company were put to test and your company has sustained its ground remarkably well.

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 all the transactions pertaining to these assets are properly documented, checked, verified 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 day to day internal audits monitored by Whole-time Directors and reviewed by Audit Committee.

F. Financial Performance:

During the current year the interest rates have been hiked by all Banks and the volatile nature of the interest rates, have added to the Financial Cost of the Company. In spite of this your Company by observing better negotiations with Banks and strict business discipline has restricted to Rs. 10.00 Mn. The sales for the year are Rs. 1055.26 Mn and the material consumption is 58% but in spite of this cash flow has remained comfortable throughout the year. It was reported that your company managed to finance the new construction of 75000 sq.ft, at Pune. It is being completed by June 2009. It may be noted that your company also used its human resources optimally to achieve higher targets. All efforts were made to keep the cost within planned parameters with the object of sharpening edge in the competitive market.

G. Research and Development

We are registered with Department of Science and Technology, Government of India since 20 years. APLAB's core strength has been innovation and forward looking Research and Development. Each product vertical of APLAB has added during the last year new products based on our research activity.

- a. **ELTRAC DIVISION:** Eltrac has the honour to have marketed three new products with innovative embedded software. 24/7 Self Service Terminal for secure Document Scanning is the only terminal of its kind in the world. We also developed and delivered on-line monitoring and control of over 400 Self-service Ticket Printer Terminals supplied to SBI and PNB. Authentication Terminals for Customer at the bank counter is also yet another unique solution based on embedded intelligence.
- b. **SPRYLOGIC:** APLAB invested in Sprylogic Technology Limited to develop Software solutions for APLAB and other companies. Sprylogic and Aplab teams jointly developed Energy Efficient Green Fuel dispenser and a Solar energy Driver for the same. This is also a globally unique product and soon its field trials will start with HPCL and IOCL.
- c. **POWER ELECTRONICS DIVISION:** PE Division developed a range of Industrial UPS systems from 10 to 80kVA based on R & D contract received from Solid State Power Division of AMETEK Inc. USA. In addition, PE R & D developed parallel redundant High Power UPS Systems upto 100kVA for the domestic market.

- d. PCC DIVISION: R & D Team of PCC developed a range of Solar Inverters for SOHO market in power range from 300W to 2500W, Programmable Variable 1.5kVA AC Power Source in 2U rack for the Export Market, IP 65 class Battery Charger for Lithium Ion Batteries for German market to name a few of its R & D projects.

H. 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. Various in-house training programs are conducted to enhance the capability of existing employees. New performance incentive schemes were introduced and even the salary frameworks were restructured. This has resulted in some increase in management salaries and performance incentives.

SUBSIDIARY COMPANIES

Intel Instruments & Systems Limited

Intel Instruments & Systems Limited, the export subsidiary at SEZ recorded turnover of Rs. 53.98 Mn during the year 2008-2009 as against Rs. 33.99 Mn during the previous year. The operations during the year have resulted into a loss of Rs. 3.28 Mn as against loss of Rs. 4.59 Mn previous year.

Sprylogic Technologies Limited

Sprylogic Technologies Limited, the IT subsidiary has commenced its operations in previous year 2007-08 and recorded turnover of Rs. 18.36 Mn during the year 2008-2009 as against Rs. 7.39 Mn. The operations during the year have resulted into a profit of Rs. 2.09 Mn as against a loss of Rs. 0.72 Mn during the previous year.

AUDITORS REPORT

Your Directors would like to invite your attention to paragraph 2,3 and 6 of the Auditors Report and clarify as under:-

1. Intel incurred loss of Rs. 3.28 Mn for the year under review as against Rs. 4.59 Mn, however the Directors hope to improve the performance in coming years. Aplab enjoys certain indirect benefits by exposing Intel's products to foreign countries where specifications and quality standards are stringent. This enables your company to incorporate latest technology for domestic market to keep us ahead of our competitors.
2. The confirmations of balances from customers for receivables and various deposits were sought but not responded adequately by them. The company is confident to improve the situation in this respect.

3. The Company continued to contribute to LIC Group Gratuity Fund towards past liabilities and paid Rs. 35.00 lacs. There is no default in paying gratuity and leave encashment to employees leaving the Company on superannuation or otherwise.

FIXED DEPOSITS

During the year, fresh deposits of Rs. 16.01 Mn were accepted pursuant to provisions of section 58A of the Companies Act, 1956 with emphasis on strategic combination of means of financing the operations of the company. Fixed Deposits amounting to Rs. 1.06 Mn remained unclaimed as on 31st March, 2009.

DIRECTORS

During the year Capt. V.W. Katre retired as Director from the Board. The Board appreciates their valuable guidance and co-operation received during their tenure.

Dr. S.K. Hajela was appointed as Additional Director during the year.

In accordance with the clause 132 of the Articles of Association of the Company, Mr. Amit Goenka, and Mr. A.G. Joshi are liable to retire at the forthcoming Annual General Meeting. and being eligible offer them selves for re-appointment.

AUDITORS

The Auditors, M/s M.P.Chitale & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting. They have furnished a certificate confirming their eligibility for reappointment under Section 224 of the Companies Act, 1956 and have expressed their willingness to be re-appointed. You are requested to appoint the Auditors for the current year.

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

The relations with employees continued to be cordial throughout the year. The Board appreciates the willful co-operation and team spirit in the Management Cadre and other employees of the company.

For the year under consideration there are no employees coming within the purview of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence no information under the said provisions is given.

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 Govt. Bodies and also from the Business Partners including Customers, Suppliers, Shareholders and other well-wishers.

For and on behalf of
the Board of Directors

Thane
28th April, 2009

P.S. Deodhar
Chairman & 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 has switched over all its lighting need to energy efficient CFL and LED lights. Measures are also taken to closely correct the load PF.

3. Additional Investments are planned in setting up Solar Panels for power generation for power needs at night. Impact of the measure will reduce the energy consumption in our offices.

B) TECHNOLOGY DEVELOPMENT – R & D – Refer Directors Report

Expenditure on R & D

	(Rs.in Mn)	
	2008-09	2007-08
Capital Expenditure	Nil	Nil
Revenue Expenses	3.30	3.00
TOTAL	3.30	3.00

Total R & D Expenses as a percentage to turnover: 0.31% 0.25%

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The earnings and outgo in foreign exchange are as follows:

Earnings (FOB Value)	Rs. 63.07 Mn
Outgo (CIF Value of imports plus expenses)	Rs.172.54 Mn

For and on behalf of
the Board of Directors

Thane
28th April, 2009

P.S. Deodhar
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)

1. Company's philosophy on Code of Governance

The Company's philosophy of Corporate Governance is aimed at achieving optimum performance at all levels in the organization by adhering to good Corporate Governance practices promulgated by the Securities and Exchange Board of India (SEBI).

As a listed Company, Aplab Limited adheres to requirements of the Listing Agreement. It has complied in all material requirements of Corporate Governance specified in the Listing Agreement with the Stock Exchanges, where Company's shares are listed.

2. Board of Directors – Composition

As on the date of this report, the Board of Directors of your Company consists of 9 (nine) members, comprising of 4 (four) Executive Directors and 5 (five) Non-executive Directors. No director is a member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all companies in which they are directors. The details are as under:

Name	Executive/ Non executive Independent	Number of outside Directorships	Total Number of membership in committees	Number of Chairmanship in committees
Mr. P. S. Deodhar	Executive	2	5	1
Mr. S. A. Joshi	Executive	1	2	-
Mrs. Neelam K. Kumar	Executive	1	2	-
Mr. Nlshith Deodher	Executive	-	2	-
Mr. Amit Goenka	Independent	7	1	-
Mr. A. G. Joshi	Independent	2	3	2
Mr. Jayent Deo	Independent	-	3	1
Capt. V. W. Katre*	Independent	-	3	1
Mr. Deepak Chandnani	Independent	-	2	-
Dr. S. K. Hajela**	Independent	-	-	-

* Resigned during the year.

** Appointed during the year

Board Meetings held during the year:

During the year 2008-09, four (4) Board Meetings were held on 30th April, 2008, 30th July, 2008, 25th October, 2008 and 28th January, 2009.

The attendance at Board Meetings and during the Financial Year 2008-09, and at the last Annual General Meeting (AGM):

Name	Number of Board Meetings attended	Attendance at the last Annual General Meeting
Mr. P. S. Deodhar	4	Yes
Mr. S. A. Joshi	4	Yes
Mrs. Neelam K. Kumar	4	Yes
Mr. Nlshith Deodher	3	No
Mr. Amit Goenka	0	No
Mr. A. G. Joshi	4	Yes
Mr. Jayent Deo	4	Yes
Capt. V. W. Katre*	1	No
Mr. Deepak Chandnani	2	Yes
Dr. S. K. Hajela	1	Appointed during the year

* Resigned during the year.

3. Audit Committee

The Company has formed an Audit Committee, since April 2001. The terms of reference of the Audit Committee are to review with the Management, Internal Auditors and Statutory Auditors:

- (a) Changes in accounting policies and practices
- (b) Major accounting entries based on exercise of judgement by management
- (c) Qualifications in draft audit report
- (d) Significant adjustments arising out of audit
- (e) The going concern assumption
- (f) Compliance with stock exchange and legal requirements concerning financial statements
- (g) The adequacy of internal control systems
- (h) Company's financial and risk management policies

The present Audit Committee consists of three Independent Directors. Mr. A.G. Joshi is the Chairman of the Committee. Mr. Deepak Chandnani and Mr. Jayant Deo are the other members of the Committee. All the members have the financial and accounting knowledge. Capt. V.W. Katre resigned during the year.

During the year under review (4) four meetings of the Audit Committee were held i.e. on 30th April 2008, 30th July, 2008, 25th October, 2008 and 28th January, 2008 respectively. The attendance of each member of the Committee is given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. A. G. Joshi	4	4
Mr. Jayant Deo	4	4
Capt. V.W. Katre	4	1
Mr. Deepak Chandnani	4	2

4. Remuneration Committee

The Remuneration Committee was constituted on 7th May 2002 to consider and fix, from time to time, the remuneration payable to the Managing / Whole-time Directors.

The present Remuneration Committee consists of three Independent Directors. Mr. A.G. Joshi is the Chairman of the Committee. Mr. Deepak Chandnani and Mr. Jayant Deo are the other members of the Committee. Capt. V.W. Katre resigned during the year.

One meeting of the Remuneration Committee was held during the year on 30th July, 2008. The attendance of each member of the Committee is given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. A. G. Joshi	1	1
Mr. Jayant Deo	1	1
Capt. V.W. Katre*	1	0
Mr. Deepak Chandnani	1	0

* retired during the year

Remuneration Policy

The Remuneration Committee seeks to ensure that the Company's Remuneration Policies and Practices facilitate fairness and balances appropriate caliber, skills and responsibilities visa-vis the comparative remuneration profile with respect to industry and size of the company.

(a) Whole-time Directors / Executive Directors

The Remuneration Committee is authorized to recommend the remuneration of the Executive Directors, subject to the approval of Shareholders and Central Government if required. The Remuneration structure of the Executive Directors comprises of Salary, Performance Incentives, Allowances, Commission and Perquisites. The Executive Directors are paid remuneration as per the agreements entered into between them and the company.

Details of Remuneration paid/payable to Executive Directors for the financial year ended 31st March, 20098

Name	Salary, Allowances & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. P. S. Deodhar	42,00,000	14,66,354	56,66,354
Mr. S. A. Joshi	18,42,242	-	18,42,242
Mrs. N. K. Kumar	19,36,546	-	19,36,546
Mr. Nishith Deodhar	26,74,620	-	26,74,620

The Company does not have a scheme for Stock options either for the Directors or the Employees.

(b) Non-Executive Directors

Non-Executive Directors received Sitting Fees as follows

Name	Sitting Fees		Total (Rs.)
	Board Meeting (Rs.)	Committee Meeting (Rs.)	
Mr. A. G. Joshi	40,000	45,000	85,000
Mr. Jayant Deo	40,000	45,000	85,000
Capt. V. W. Katre	10,000	10,000	20,000
Dr. S. K. Hajela	10,000	-	10,000

5. Shareholders/Investors' Grievance Committee

The Investors' Grievance Committee of the Company was formed on 7th May 2002 comprising of Non-executive Directors. The Investors' Grievance Committee facilitates prompt and effective redressal of shareholders' complaints and reporting of the same to the Board periodically.

The present Investors' Grievance Committee consists of three Independent Directors. Mr. Jayant Deo is the Chairman of the Committee. Mr. Amit Goenka and Mr. A.G. Joshi are the other members of the Committee.

During the year the Committee met 4 times on 30th April, 2008, 30th July, 2008, 25th October, 2008 and 28th January, 2009 respectively. The Committee reviewed the functioning of Share Transfer Committee for approving share transfers, transmission, transposition, issue of duplicate share certificates and matters pertaining to investors' grievances. The attendance of each member of the Committee is given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Amit Goenka	4	0
Mr. A. G. Joshi	4	4
Mr. Jayant Deo	4	4
Capt. V.W. Katre*	4	1

* retired during the year

During the year the company received letters from the shareholders which were promptly replied. As on date no complaints are pending except one case of earlier years awaiting Court order.

6. General Body Meeting

The last 3 years Annual General Meetings of the Company was held on the following dates, time and venue:

Meeting	Date	Time	Venue
43 rd AGM	10 th June, 2008	11.30 a.m.	Hotel Tip Top Plaza, L B S Marg, Thane
42 nd AGM	27 th June, 2007	11.30 a.m.	Hotel Tip Top Plaza, L B S Marg, Thane
41 st AGM	27 th June, 2006	3.30 p.m.	Woodland Retreat, L B S Marg, Thane

There is no special resolution proposed to be passed through postal ballot.

7. Disclosure

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large – The details are provided in note 18 of Notes on Accounts in accordance with the provisions of Accounting Standard 18. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

No strictures have been imposed on the Company by any regulatory authority for non-compliance of any laws during last three years.

8. Means of Communication

The quarterly financial results of the company were published during the year under review in leading national newspapers and also on the web site of Stock Exchange.

Management Discussion and Analysis Report forms part of this Annual Report

9. General Shareholder Information**Annual General Meeting**

The 44th Annual General Meeting of the Company will be held on Thursday the 25th June, 2009 at 12.30 p.m. at Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Opp. Singhania High School, Thane (W) - 400 606.

Financial Calendar for the year 2009- 2010 (Provisional)

1	Results for the first quarter ending 30 th June, 2009	By end of July, 2009
2	Results for the second quarter ending 30 th Sept., 2009	By end of October, 2009
3	Results for the third quarter ending 31 st December, 2009	By end of January, 2010
4	Results for the financial year ending 31 st March, 2010	By end of May, 2010
5	Annual General Meeting for the year ending March, 2010	By end of September, 2010

Date of Book Closure

The Register of Members and the Share Transfer Register of the company will remain closed from Thursday the 18th June 2009 to Thursday, the 25th June 2009 (both days inclusive).

Dividend Payment

The Board of Directors of the Company at its meeting held on 28th April, 2009 has recommended payment of dividend @ 10% (Re. 1 per share) for the year ended 31st March, 2009. The aforesaid dividend if declared at the ensuing Annual General Meeting will be paid on or before 24th July, 2009 to those members whose names appear in the register of members as on 25th June, 2009 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 the Depositories (i.e. NSDL & CDSL) for this purpose.

Stock Exchange Listing

The Company's shares are presently listed in Mumbai, Pune, Delhi and Madras Stock Exchanges

The Company has paid Annual Listing fee to each of these Stock Exchanges.

Stock Code

Mumbai Stock Exchange 517096
Demat ISIN Number INE273A01015

Market Price Data

The monthly high & low quotations of shares traded at Mumbai Stock Exchange during the financial year 2008-2009 are

Period	Low	High	Monthly turnover of shares traded
April, 2008	71.25	106.00	766717
May, 2008	81.15	102.00	6522806
June, 2008	65.60	90.00	2497706
July, 2008	60.05	72.40	2837833
August, 2008	60.40	69.65	796589
September, 2008	50.00	69.90	896230
October, 2008	30.95	52.90	1181596
November, 2008	30.00	40.45	1638517
December, 2008	29.00	38.50	436635
January, 2009	28.60	38.40	336041
February, 2009	26.70	33.85	529210
March, 2009	25.80	33.00	1128633

Registrar and Transfer Agents

Members are requested to contact the Registrar and Share Transfer Agents for all matters connected with the Company's shares services at : M/s Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai – 400 059, Telephone: 28594060 / 28594442 / 28594428, Fax: 28503748

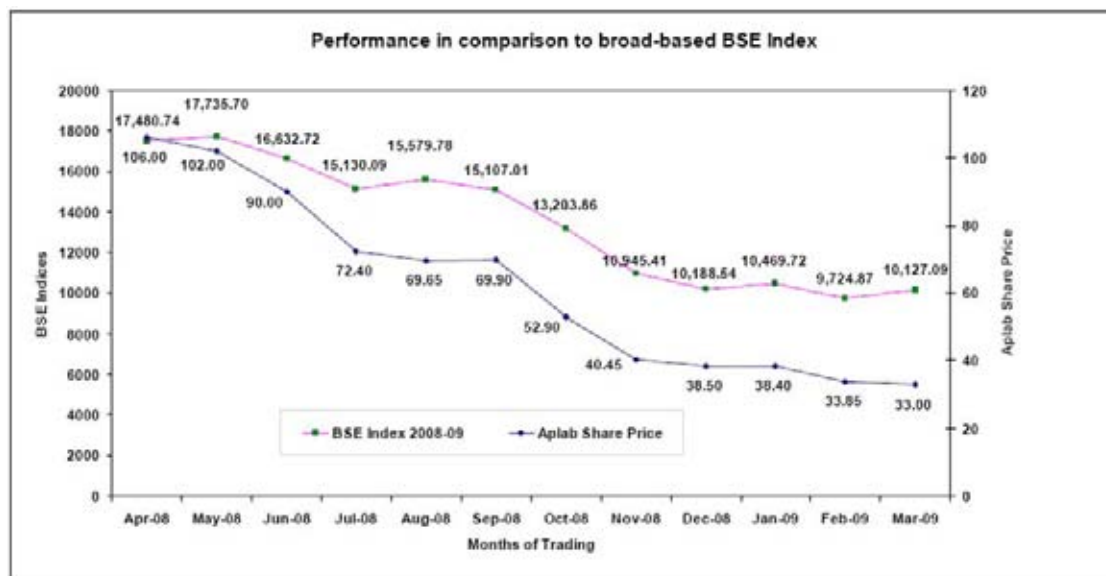
Share Transfer System

The Company's shares are traded on the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer with M/s Adroit Corporate Services Pvt. Ltd. are processed and returned to the shareholders within the stipulated time.

Distribution Schedule of Shareholding as on 31st March, 2009

No. of Shares	No. of Holders	% of Shareholders	No. of Shares	% of Shareholding
Up to - 100	2863	55.80	211817	4.24
1 – 500	1728	33.68	466446	9.33
501 – 1000	289	5.63	233503	4.67
1001 – 2000	126	2.46	187860	3.76
2001 – 3000	29	0.57	75332	1.50
3001 – 4000	14	0.27	48343	0.97
4001 – 5000	20	0.39	91751	1.84
5001 – 10000	28	0.55	199152	3.98
10001 - 20000	11	0.21	157163	3.14
20001 - 50000	13	0.25	450554	9.01
50001 & above	10	0.19	2878079	57.56
T O T A L	5131	100.00	5000000	100.00

Performance of Share Price in comparison to the BSE broad-based



Pattern of Shareholding as on 31st March, 2009

CATEGORY	NO.OF SHARES	% TO TOTAL CAPITAL
Directors	670135	13.40
Directors / Promoters Relatives	474183	9.48
Promoters	1321200	26.42
Employees	2150	0.04
Non Resident Indian	77208	1.54
NRI Corporate Bodies	1500	0.03
Corporate Bodies	249283	4.99
Associate Corporate Bodies	519499	10.39
Mutual Funds	2300	0.05
Corporate Body – Government	3000	0.06
Clearing Member	2776	0.06
Corporate Body – Brokers	6248	0.13
Public	1670518	33.41
T O T A L	5000000	100.00

Dematerialization of Shares

The Company's equity shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all investors. The Company has signed agreements with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and Adroit Corporate Services Pvt. Limited to offer Depository services to its shareholders and has paid their respective charges for the benefit of its members. As on 31st March 2009, 89.15% of the equity share capital of the Company has been dematerialized.

Plant : Thane - A-1, A-3, A-5, A-6 & B-92, Wagle Industrial Estate, Thane – 400 604.
Locations : Navi Mumbai – Plot No. 12, Kalwa Indl. Area, Vill. Digha, Navi Mumbai-400708
 Pune - 6 & 18, Electronics Sadan II, Bhosari, Pune – 411 026

Address for Correspondence:

Registered Office : A-5, Aplab House, Wagle Industrial Estate, Thane – 400 604
 Tel. Nos. : 022 – 67395588 Ext. 588
 Fax No. : 022 – 25823137
 E-mail : shares@aplab.com OR response@aplab.com
 Web : www.aplab.com

Shareholders are requested to address their correspondence to the Company's Registrar and Share Transfer Agents as mentioned above and for any queries contact persons are Mrs. Veena Shetty or Ms. Smitha Mulki. Shareholders may also contact Mr. A. Ramesh Babu, Secretarial Executive at the registered office of the company for any assistance.

Nomination Facility

Individual Shareholders can now avail of the facility of nomination. A Nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor also can be a nominee provided the name of the guardian is given in the nomination form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Financial Institutions, Kartas of HUF and holders of Power of Attorney.

CODE OF CONDUCT

The Company and its Officers which inter alia includes the Board of Directors and the Management Officials especially the senior management shall strictly follow the Code of Conduct. The Code of Conduct was already enumerated in the Balance Sheet for the year financial year ended 31st March, 2007.

CEO/CFO Certification:

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - 1. significant changes in internal control during the year;
 - 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Aplab Limited

P.S. Deodhar
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**To the Member of Aplab Limited**

We have examined the compliance of the conditions of Corporate Governance by Aplab Limited (the Company) for the year ended 31st March, 2009 as stipulated in Clause 49 of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee as at the year end.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai, 28th April, 2009

For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
ICAI M. No. 41037

AUDITORS' REPORT

We have audited the attached Balance Sheet of Aplab Limited as on March 31, 2009, the relative Profit and Loss Account and the Cash Flow Statement for the year ended on that date all of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:-

1. As required by the Companies (Auditor's Report) Order, 2003 and as amended by Companies (Auditor's Report) (Amednment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. *We invite reference to the annual report of the wholly owned subsidiary, Intel Instruments & Systems Ltd. (Intel) which is appended to the Company's annual report. It may be noted that Intel has accumulated losses threatening the realisability of the Company's Investment Rs.225 lacs (P.Y. Rs.175 lacs), Debtors Rs283.61 lacs (P.Y. Rs. 251.65 lacs) and Advances Rs. 55.05 lacs (P.Y. Rs. 53.25 lacs). This is also a matter referred to in our audit report for the previous year 2007-08*
3. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit *except complete particulars of old outstanding debtors and Earnest Money Deposits. This is also a matter referred to in our audit report for the previous year 2007-08.*
4. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of these books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
5. The Balance Sheet and Profit and Loss Account and the Cash Flow Statements dealt with by this report are in agreement with the books of accounts.
6. In our opinion and to the best of our knowledge and according to the explanations given to us, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable *subject to non-compliance with AS-15 which requires accounting for accrued liability towards retirement benefits including gratuity. As per the Company's accounting policy in this regard, gratuity is provided when contribution is made to the Group Gratuity Scheme. The year-end past service contribution payable to LIC under this scheme not recognized in the financial statements is Rs 246.81 lacs.*
7. On the basis of the written representations received from the Directors as on March 31, 2009 which have been taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
8. *We further report that, without considering our observations at Para 2 and 3 above, the effect of which could not be determined, had the observations made by us in Para 6 above been considered, while compiling accounts for the year, the profit after tax of Rs.69.82 lacs for the year would have turned into loss of Rs. 176.99 lacs and balance of Reserves and Surplus would have been Rs.2338.18 lacs as against the reported figure of Rs.2585.17 lacs.*
9. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required; however, in view of our observations in Paragraph 6 above, they do not give a true and fair view:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009,
 - in the case of the Profit and Loss Account, of the profit for the year ended on that date
 - in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M P Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
ICAI M. No. 41037

Mumbai,
April 28, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in Paragraph 1 of our report of even date on the accounts for the year ended 31st March 2009 of Aplab Limited)

- i. (a) The Company has maintained reasonable records showing full particulars including quantitative details and situation of fixed assets.

- (b) Physical verification of some items of fixed assets was conducted by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) During the year, Company has not disposed of any substantial/major part of fixed assets.
- ii. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- iii. (a) According to the information and explanations given to us, the Company has not taken loans from the parties listed in the register maintained under section 301 of the Companies Act, 1956; however, the Company has granted loans amounting to Rs. 55.05 lacs to its subsidiary, Intel Instruments & Systems Ltd. (P.Y. Rs. 53.25 lacs). The maximum balance outstanding during the year was Rs.55.04 lacs
- (b) This interest free loan is prima facie not prejudicial to the interest of the Company.
- (c) The Company has not stipulated any terms and conditions of repayment of this interest free loan given to its subsidiary.
- (d) Subject to our observations in para (iii) (c) above there is no overdue amount of loan granted to the company listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. *The internal control procedures in case of sale of services need to be strengthened.* Subject to this observation, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control procedures.
- v. In respect of transactions entered in the register maintained in pursuance of Sections 301 of the Companies Act, 1956,
 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
 - (b) According to the information and explanations given to us there are transactions of purchase and sale of goods in excess of Rs.5 lakhs with some parties / companies listed in the register maintained under section 301. We are informed that these goods are specialized items for which alternative sources of supply are not readily available; as such comparison of prices could not be made. However, as certified by the management, these transactions are at competitive prices considering the quality and non standard nature of products and terms of payment and other commercial considerations.
 - vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.
 - vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
 - viii. We have broadly reviewed the books of account maintained by the Company relating to the manufacture of electronic products and components thereof pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
 - ix. (a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Customs Duty, Excise Duty, cess and other statutory dues with the appropriate authorities during the year. There are no undisputed statutory dues outstanding as of March 31, 2009 for a period of more than six months since they became payable except the unclaimed debentures amounting to Rs. 7.93 lacs (Previous year Rs. 7.93 lacs) which should have been paid to the Investor Education & Protection Fund. However, this amount has been deposited by the company with Maharashtra Executor and Trustee Company Limited, the trustees of the debenture holders
 - (b) As at the year-end according to the records of the Company and information and explanations given to us, the following are particulars of disputed dues on account of sales tax and excise duty:-

Statute	Amount (Rs.in Lacs)	Financial Year	Forum where dispute is pending
Excise Duty	14.90	Apr 92 to Mar 94	Appellate Authority – upto Collector Levels
Excise Duty	56.73	Apr 91 to Mar 01	Appellate Authority – upto Commissioner Level
Excise Duty	10.76	Apr 98 to Mar 01	Appellate Authority – Tribunal
Custom Duty	5.30	Mar 04	Appellate Authority – Tribunal
Excise Duty	46.74	Jan 96 to Jun 96	Appellate Authority – upto Commissioner Level
Excise Duty	3.40	Apr 02 to Mar 03	Appellate Authority – upto Commissioner Level
Excise Duty	1.80	Mar 08	Appellate Authority – upto Asst. Commissioner Level
Custom Duty	14.15	Apr 08 to Mar 09	Refund Dept. Air Cargo - Appraising Officer Custom
Custom Duty	11.56	Apr 08 to Mar 09	Refund Dept. JNPT - Appraising Officer Custom

- x. *Subject to our observation in para 6 of the main report, the Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.*
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv. In our opinion and according to information and explanations given to us the Company is not a dealer or trader of shares, debentures and other securities.
- xv. According to the information and explanations given to us, the Company has given a guarantee for loans taken by its subsidiary from a bank on terms and conditions, which in our opinion, are prima facie, not prejudicial to the interest of the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company for the purposes for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used for long term investment and vice versa.
- xviii. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised money by any public issues during the year.
- xxi. Based on information and the explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the company noticed or reported during the year.

For M P Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
ICAI M. No. 41037

Mumbai,
April 28, 2009

Balance Sheet as at 31st March, 2009

(Rs. in lacs)

	Schedule	As At 31-03-2009	As At 31-3-2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	5,00.00	5,00.00
Reserves & Surplus	2	25,85.17	25,74.39
		<u>30,85.17</u>	<u>30,74.39</u>
LOANS			
Secured	3	36,18.77	28,88.27
Unsecured	4	6,42.44	5,04.80
		<u>42,61.21</u>	<u>33,93.07</u>
DEFERRED TAX LIABILITY (NET)			
		22.80	27.57
TOTAL		<u><u>73,69.18</u></u>	<u><u>64,95.03</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		37,54.06	31,99.49
Less : Depreciation		20,74.26	18,69.57
Net Block		<u>16,79.80</u>	<u>13,29.92</u>
Capital Work In Progress		9,33.37	5,46.56
		<u>26,13.17</u>	<u>18,76.48</u>
INVESTMENTS			
	6	2,32.68	1,82,28
CURRENT ASSETS, LOANS & ADVANCES			
	7		
Inventories		31,00.31	30,73.30
Sundry Debtors		32,40.83	28,84.35
Cash & Bank Balances		2,55.98	1,94.46
Loans & Advances		18,54.40	19,02.71
		<u>84,51.52</u>	<u>80,54.82</u>
CURRENT LIABILITIES & PROVISIONS			
	8		
Current Liabilities		27,40.10	24,79.61
Provisions		11,88.09	11,38.94
		<u>39,28.19</u>	<u>36,18.55</u>
NET CURRENT ASSETS			
		<u>45,23.33</u>	<u>44,36.27</u>
TOTAL		<u><u>73,69.18</u></u>	<u><u>64,95.03</u></u>
CONTINGENT LIABILITIES			
	9		
NOTES ON ACCOUNTS			
	18		
SIGNIFICANT ACCOUNTING POLICIES			
	19		

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Mumbai : 28th April, 2009

For and on behalf of the Board
P. S. Deodhar Chairman & Managing Director
Neelam K. Kumar Executive Director
A. G. Joshi Director

Thane : 28th April, 2009

Profit & Loss Account for the year ended 31st March, 2009

(Rs. in lacs)

	Schedule	2008-2009	2007-2008
INCOME:			
Sales and Operating Earnings	10	104,73.65	115,46.53
Other Income	11	92.78	71.77
Variation in Stocks	12	(13.87)	2,96.92
		<u>105,52.56</u>	<u>119,15.22</u>
EXPENSES:			
Materials Consumed	13	60,59.04	66,96.27
Payments to and provisions for Employees	14	20,28.48	20,62.47
Manufacturing Expenses	15	4,44.28	6,11.35
Other Expenses	16	11,71.53	13,47.19
Interest and Finance Charges	17	4,89.64	3,75.01
Depreciation	5	1,89.43	1,62.35
Less: Transferred to Revaluation Reserve		0.55	0.61
		<u>1,88.88</u>	<u>1,61.74</u>
		<u>103,81.85</u>	<u>112,54.03</u>
PROFIT BEFORE TAX		1,70.71	661.19
PROVISION FOR TAXATION			
Current Tax		80.28	275.47
Fringe Benefit Tax		25.37	32.74
Deferred Tax Liability / (Asset)		(4.76)	(22.47)
PROFIT AFTER TAX		<u>69.82</u>	<u>375.45</u>
Balance brought forward from previous year		0.00	0.01
Balance available for appropriation		<u>69.82</u>	<u>375.46</u>
APPROPRIATIONS :			
General Reserve		11.32	229.21
Surplus Carried to Balance Sheet		0	0.00
Proposed Dividend		50.00	125.00
Tax on proposed dividend		8.50	21.24
		<u>69.82</u>	<u>375.46</u>
Basic & Diluted Earning per Share (Rupees)		1.40	7.51

NOTES ON ACCOUNTS	18
SIGNIFICANT ACCOUNTING POLICIES	19

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Mumbai : 28th April, 2009

For and on behalf of the Board
P. S. Deodhar Chairman & Managing Director
Neelam K. Kumar Executive Director
A. G. Joshi Director

Thane : 28th April, 2009

Schedules forming part of the Balance Sheet as at 31st March, 2009

(Rs. in lacs)

	As At 31-03-2009	As At 31-03-2008
SCHEDULE 1:		
Share Capital		
Authorised		
70,00,000 (Previous year 70,00,000) Equity Shares of Rs. 10 each.	<u>7,00.00</u>	<u>7,00.00</u>
Issued And Subscribed		
50,00,000 (Previous year 50,00,000) Equity Shares of Rs. 10 each	<u>5,00.00</u>	<u>5,00.00</u>
Paid Up		
50,00,000 (Previous year 50,00,000) Equity Shares of Rs. 10 each fully paid up.	<u>5,00.00</u>	<u>5,00.00</u>
	<u>5,00.00</u>	<u>5,00.00</u>

Note: Share Capital includes 8,30,300 Equity Shares of Rs. 10 each allotted as fully paid bonus Shares by Capitalisation of General Reserve, in earlier years.

SCHEDULE 2:

Reserves & Surplus

1. General Reserve		
Balance last year	12,64.99	11,15.74
Less : Leave Encashment for earlier years	-	79.96
	<u>12,64.99</u>	<u>10,35.78</u>
Add: Amount set aside this year	11.32	2,29.21
	<u>12,76.31</u>	<u>12,64.99</u>
2. Share Premium Account	12,91.81	12,91.81
3. Capital Reserve	4.01	4.01
4. Revaluation Reserve		
Balance last year	13.58	14.19
Less: Amount transferred from Profit and Loss Account	0.55	0.61
	<u>13.03</u>	<u>13.58</u>
5. Surplus as per Profit & Loss Account	0.01	0.00
	<u>25,85.17</u>	<u>25,74.39</u>

SCHEDULE 3 :

Secured Loans

1. Term Loans from Banks :		
a) Corporation Bank	1,23.50	2,02.54
Secured by mortgage of Land and Buildings and other Fixed Assets subject to specific prior charges, at Thane and Digha, New Mumbai.		
(Repayable within 1 year Rs. 80 lacs previous year Rs. 80 lacs)		

Schedules forming part of the Balance Sheet as at 31st March, 2009

(Rs. in lacs)

	As At 31-03-2009	As At 31-03-2008
b) Bank of Maharashtra Secured by mortgage of Land and Buildings and other Fixed Assets subject to specific prior charges, at Bhosari Pune and Bangalore (Repayable within 1 year Rs. 2,40.00 lacs previous year Rs. 2,40.00 lacs)	8,81.24	5,97.40
c) Vehicle loans from Banks. : Secured by hypothecation of vehicles financed by respective bank (Repayable within one year Rs.12.56 lacs previous year Rs. 24.77 lacs)	22.48	47.15
2. Deferred Payment/Hire Purchase Credits : From other corporate Secured by charge / lien over assets acquired under hire-purchase agreements (Repayable within one year Rs.1.61 lacs previous year Rs.1.50 lacs)	2.61	4.11
3. Cash Credit : From Corporation Bank Secured by hypothecation of all stocks and book debts and further secured / to be secured by Second charge on Land & Buildings at Thane and other fixed assets Subject to specific prior charge (s).	17,22.78	15,40.35
4. Bill Discounting Secured by Bills discounted with Corporation Bank.	8,66.16	4,96.72
	<u>36,18.77</u>	<u>28,88.27</u>
SCHEDULE 4 :		
Unsecured Loans		
Fixed Deposits (Repayable within one year Rs. 1,32.90 lacs previous Rs. 1,61.31 lacs)	6,42.44	5,04.80
	<u>6,42.44</u>	<u>5,04.80</u>

Schedules forming part of the Balance Sheet as at 31st March, 2009

SCHEDULE - 5

FIXED ASSETS

(Rs. in lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Additions	Dele- tions	As on 31.03.2009	Up to 01.04.2008	For the Year	Written back	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
PRODUCTION										
Goodwill	1,34.10	-	-	1,34.10	80.46	26.82	-	1,07.28	26.82	53.64
Leasehold Land	3,26.26	-	-	3,26.26	19.56	3.64	-	23.20	3,03.06	3,06.70
Factory Buildings	5,99.74	2,31.34	-	8,31.08	2,45.52	45.79	-	2,91.31	5,39.77	3,54.22
Residential Premises	7.54	-	-	7.54	4.39	0.16	-	4.54	3.00	3.16
Office Premises	83.32	-	-	83.32	4.75	3.93	-	8.68	74.64	78.57
Plant and Machinery	9,90.77	19.94	1.66	10,09.05	7,48.02	38.54	1.06	7,85.50	2,23.54	2,42.75
Electrical Installations	68.89	23.08	-	91.98	36.94	5.34	-	42.28	49.70	31.95
Furniture and Fixtures	3,49.30	2,91.15	3.36	6,37.09	2,33.09	50.13	2.30	2,80.92	3,56.17	1,16.21
E.D.P. Systems/Computers	3,50.39	8.92	-	3,59.31	3,11.79	16.90	-	3,28.70	30.61	38.60
Vehicles	2,11.02	-	14.86	1,96.17	1,14.04	23.38	8.20	1,29.22	66.95	96.99
RESEARCH AND DEVELOPMENT										
Plant and Machinery	48.69	-	-	48.69	45.37	0.52	-	45.89	2.79	3.31
Electrical Installations	0.91	-	-	0.91	0.91	-	-	0.91	-	-
Furniture and Fixtures	8.51	0.02	-	8.53	6.64	0.32	-	6.96	1.58	1.87
E.D.P. Systems/Computers	20.03	-	-	20.03	18.09	0.78	-	18.87	1.17	1.94
TOTAL FOR THE YEAR	31,99.49	5,74.45	19.88	37,54.06	18,69.57	2,16.25	11.56	20,74.26	16,79.80	13,29.92
TOTAL PREVIOUS YEAR	30,12.42	2,08.67	21.60	31,99.49	16,99.33	1,89.17	18.94	18,69.57	13,29.92	-
Capital Work In Progress	5,46.56	3,86.81	-	9,33.37	-	-	-	-	9,33.37	-

Schedules forming part of the Balance Sheet as at 31st March, 2009

(Rs. in lacs)

	As At 31-03-2009	As At 31-03-2008
SCHEDULE 6 :		
Investments (Non-trade, Unquoted unless otherwise stated)		
A. Long Term Investments (At Cost)		
1. In shares of Subsidiary Companies:		
a) Intel Instruments & Systems Limited 2,25,000 Equity Shares of Rs. 100 each fully paid up. (Previous year 1,75,000 Equity Shares of Rs. 100 each fully paid up)	2,25.00	1,75.00
b) Sprylogic Technologies Ltd. 50,000 Equity Shares of Rs. 10 each fully paid up	5.00	5.00
2 Other Investments (Unquoted)		
a) 2000 Ordinary Shares of Rs. 10 each fully paid up of Saraswat Co. Op. Bank Ltd.	20	20
b) 1001 Ordinary Shares of Rs. 50 each fully paid up of The Thane Janata Sahakari Bank Ltd.	50	50
3 Other Investments (quoted) 4700 Ordinary Shares of Rs. 10 each fully paid up of Bank of Maharashtra at premium of Rs. 13 per share Market Value as on 31.03.2009 Rs. 20.75	1.08	1.08
4 Government Securities National Saving Certificates (Deposited with various Government Authorities)	90	50
	<u>2,32.68</u>	<u>1,82.28</u>
SCHEDULE 7:		
Current Assets, Loans & Advances		
(A) Current Assets		
1. Inventories (As certified by the Management)		
Stores & Spares at cost	79.01	78.51
Materials & Components at cost	19,98.75	19,31.32
Materials & Components lying with third parties	-	0.89
Goods in process at cost	7,02.87	5,78.07
Finished Goods at lower of cost or selling price	2,98.34	4,37.00
Materials in Transit and in Bonded Warehouse at cost	12.11	25.11
	<u>30,91.08</u>	<u>30,50.90</u>
Excise Duty paid/payable on Finished Goods	9.23	22.40
	<u>31,00.31</u>	<u>30,73.30</u>
2. Sundry Debtors (Unsecured)		
a) Due from Subsidiary Company (Considered good) Intel Instruments & Systems Limited		
Within 6 months	10.99	21.89
others	2,72.62	2,29.76
	<u>2,83.61</u>	<u>2,51.65</u>
b) Due from others(considered good)		
Within 6 months	24,92.04	19,37.50
others	4,65.18	6,95.20
	<u>32,40.83</u>	<u>28,84.35</u>

Schedules forming part of the Balance Sheet as at 31st March, 2009

(Rs. in lacs)

	As At 31-03-2009	As At 31-03-2008
SCHEDULE 7 Contd..		
3. Cash & Bank Balances		
Cash and Cheques on hand	9.68	6.77
In Deposit Accounts with Scheduled Banks	1,11.29	1,12.03
In Current Accounts with Scheduled Banks	1,35.01	75.66
	<u>2,55.98</u>	<u>1,94.46</u>
Deposit Receipts of Rs. 1,01.06 lacs (Previous year Rs.1,01.37 lacs) are pledged against Letters of Credit and Guarantees issued by Bank.		
(B) Loans & Advances (Unsecured) (considered good unless otherwise specified)		
1. Loans & advances to Employees	15.89	12.41
2. Advances recoverable in cash or in kind or for value to be received		
a) From Subsidiary Companies		
i) Intel Instruments & Systems Limited	55.05	53.25
ii) Sprylogic Technologies Ltd.	52.48	39.48
b) From others	3,92.18	6,43.04
c) Amount due as refund of additional duty of customs	25.71	-
3. Balance with Excise Authorities	86.60	1,13.22
4. Advance Income Tax/ T.D.S.	10,00.84	8,48.68
5. Deposits	2,25.65	1,92.63
	<u>18,54.40</u>	<u>19,02.71</u>
SCHEDULE 8 :		
Current Liabilities & Provisions		
1. Current Liabilities		
Sundry Creditors		
a) Micro, Small & Meddeum Enterprises	5.54	27.84
b) Others	10,51.14	8,00.80
Acceptances	6,33.97	3,10.21
Dues to Directors	3.29	10.40
Advance from customers	1,80.93	4,11.70
Interest accrued but not due	34.70	26.33
Other Liabilities	8,10.38	8,65.76
Unclaimed Debenture*	7.77	7.93
Unclaimed Fised Deposits*	10.62	15.84
Unclaimed Interest on above Fixed Deposits*	1.58	2.62
Cummulative Time Deposit from Employees*	0.18	0.18
*(Amount Transferable to Investor Education and Protection Fund, when due.)	<u>27,40.10</u>	<u>24,79.61</u>
2. Provisions		
Provision for Warranties	1,04.01	80.51
Provision for Taxation	9,36.77	8,31.12
Proposed Dividend	50.00	1,25.00
Tax on Dividend	8.50	21.24
Provision for Leave Encashment	88.81	81.07
	<u>11,88.09</u>	<u>11,38.94</u>
SCHEDULE 9:		
Contingent Liabilities		
1. Disputed Tax/duty demands not provided for	1,74.03	1,36.97
2. Corporate guarantees given to Banks on account of Subsidiary/ Other Companies	1,07.27	91.97
3. Bank guarantees given on behalf of company to third parties.	15,93.59	16,10.55
4. Estimated Liability on Capital Work in Process	1,09.00	-

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2009

(Rs. in lacs)

	2008-09	2007-08
SCHEDULE 10:		
Sales and Operating Earnings		
Product Sales	100,00.51	115,16.72
Less : Excise duty	<u>4,98.09</u>	<u>9,03.80</u>
Net Sales	95,02.42	106,12.92
Service Income	<u>9,71.23</u>	<u>9,33.61</u>
	<u><u>104,73.65</u></u>	<u><u>115,46.53</u></u>
SCHEDULE 11:		
Other Income		
Interest - on Bank Deposits (Gross, T.D.S. Rs.2.00 lacs) (Previous year Rs. 1.93 lacs)	9.99	9.48
- on Other Accounts (Gross, T.D.S. Rs. Nil) (Previous year Nil)	<u>0.31</u>	<u>0.15</u>
	10.30	9.63
Dividend	0.21	0.19
Insurance Claims	0.27	1.56
Miscellaneous Receipts	66.47	22.38
Exchange Variation Profit	-	23.28
Rent Received	14.28	14.28
Profit on sale of assets	1.25	0.45
	<u><u>92.78</u></u>	<u><u>71.77</u></u>
SCHEDULE 12:		
Variation in Stocks		
Stock at Close		
: Finished Goods	2,98.34	4,37.00
: Goods in process	<u>7,02.87</u>	<u>5,78.08</u>
	10,01.21	10,15.08
Stock at Commencement		
: Finished Goods	4,37.00	1,18.89
: Goods in Process	<u>5,78.08</u>	<u>5,99.27</u>
	10,15.08	7,18.16
	<u><u>(13,87)</u></u>	<u><u>2,96.92</u></u>
SCHEDULE 13:		
Materials Consumed		
Stock at Commencement	19,32.21	17,22.52
Add : Purchases	<u>60,15.61</u>	<u>68,53.29</u>
	79,47.82	85,75.81
Less : Stock at Close	<u>19,98.75</u>	<u>19,32.21</u>
	59,49.07	60,43.60
Add : Consumption of Stores & Spares	<u>1,09.97</u>	<u>52.67</u>
	<u><u>60,59.04</u></u>	<u><u>66,96.27</u></u>

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2009

(Rs. in lacs)

	2008-09	2007-08
SCHEDULE 14:		
Payments to and provisions for Employees		
Salaries, Wages & Bonus	17,02.56	16,55.30
Contribution to Provident & Other Funds	1,55.59	1,53.58
Gratuity & Leave Encashment	42.74	1,32.84
Staff Welfare Expenses	1,27.59	1,20.75
	<u>20,28.48</u>	<u>20,62.47</u>
SCHEDULE 15:		
Manufacturing Expenses		
Labour Charges	34.48	1,31.51
Rent	7.71	5.52
Rates & Taxes	98.22	1,75.18
Power & Electricity	60.23	74.10
Insurance Charges	7.60	6.98
Repairs to Plant & Machinery	1.60	0.28
Repairs to Factory Building	11.32	30.03
Miscellaneous Works Expenses	2,23.12	1,87.75
	<u>4,44.28</u>	<u>6,11.35</u>
SCHEDULE 16:		
Other Expenses		
Rent for Office/Residential Premises	50.22	36.09
Equipment Lease Rentals	1.36	1.48
Printing & Stationery	35.11	32.21
Postage & Telephone	1,13.02	1,03.98
Royalty	3.84	10.83
Travelling & Conveyance	2,64.42	2,51.11
Vehicle Expenses	35.75	35.27
Legal & Professional Charges	1,56.02	1,93.25
Advertisement & Publicity	44.72	47.25
Commission & Discount	50.43	73.04
Transport Outward & Other Charges	2,14.79	2,46.27
Sales Tax, Purchase Tax	0.97	3.70
Office Maintenance Charges	71.76	59.28
Repairs and Maintenance	15.29	15.54
Miscellaneous Expenses	21.80	29.55
Loss on Sale of Assets	0.61	0.11
Bad debts & other amounts written off	-	1,24.41
Exchange Variation loss (Net)	41.10	-
Amortisation of Goodwill	26.82	26.82
Provision for Warranties	23.50	57.00
	<u>11,71.53</u>	<u>13,47.19</u>
SCHEDULE 17:		
Interest and Finance Charges		
On Fixed Period Loans	1,16.76	72.81
On other Loans/Deposits	3,10.48	2,53.35
Bank Charges	62.40	48.85
	<u>4,89.64</u>	<u>3,75.01</u>

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

SCHEDULE 18

NOTES ON ACCOUNTS

1. i) The Company recognises its Gratuity liability on the basis of contribution to the LIC Group Gratuity Scheme. During the year, LIC informed the Company that based on its actuarial valuation as of March 31, 2008 a contribution of Rs.2,46.81 lacs is required to make the Scheme fully funded. LIC has agreed that the Company contribute this amount in five installments. Accordingly, Gratuity expenditure recognised represent Rs.11.02 lacs being the installment towardsthe contribution due for March 31, 2008 and Rs.23.98 lacs being the contribution for financial year 2008-09

ii) Employee benefit :

The Company provides benefits to its employees under the Leave Encashment pay plan which is a non-contributory defined benefit plan. The employees of the Company during the tenure of their employment are entitled to receive leave encashment in excess of 60 days leave to the credit of their account as on 1st January every year.

The benefit of Gratuity is funded defined benefit plan. For this purpose the Company has obtained a qualifying insurance policy from LIC of India.

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Non Funded)	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	Rs.	Rs.	Rs.	Rs.
The major categories of plan assets as a percentage of total plan				
Qualifying Insurance Policy	611868	611868		
Changes in the present value of the obligation				
1 Present Value of obligation 01/04/2008	5,90.26	*	81.07	79.96
2 Interest Cost	*	*	6.17	6.77
3 Current Service Cost	23.98	*	10.02	8,37
4 Past Service Cost	11.02	*	0	0
5 Benefits Paid	*	*	(5.94)	(7.54)
6 Actuarial (gain) / loss on Obligation	2,50.03	*	88.81	81.07
7 Present Value of obligation 31/03/2009				
Changes in the Fair Value of Assets				
1 Fair value of plan Assets 01/04/2008	*	*		
2 Expected Return on Plan assets	*	*		
3 Contributions	*	*		
4 Benefits Paid	*	*		
5 Actuarial gain(loss) on Plan Assets	*	*	Not applicable as unfunded	Not applicable as unfunded
Fair value of plan Assets 31/03/2009				
Profit & Loss - Expenses				
1 Current Service Cost	23.98	*	10.02	8.37
2 Interest Cost	*	*	6.17	6.77
3 Expected Return on Plan assets	*	*	0	0
4 Net Actuarial gain (loss) recognised in the year	*	*	6.29	6.49
5 Past Service Cost	11.02	*	0	0
6 Expenses Recognised in the statement of Profit & Loss	35.00	*	7.74	1.11
Actuarial Assumptions				
1 Discount Rate	8%	*	7.5%	8%
2 Expected Rate of Return on Plan Assets	*	*	N/A	N/A
3 Expected Rate of Salary Increase	4%	*	6%	6%
4 Attrition Rate	-	-	-	-
5 Mortality Post-retirement	LIC (94-96) Ultimate		LIC (94-96) Ultimate	

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

2. Expenditure on Research & Development (as certified by the Management)	2008-2009 Rupees	(Rs. in lacs) 2007-2008 Rupees
Capital Expenditure for acquisition of fixed assets	0.02	Nil
Other Expenses		
(i) Salaries, Allowances, etc	12.48	21.01
(ii) Materials Consumed	15.91	2.93
(iii) Other Expenses	4.60	5.65
	33.01	29.59
3. Payments to Directors		
(Exclusive of future liabilities in respect of retirement benefits like contribution to gratuity fund, provision for leave encashment on retirement and other retirement benefits)		
(a) Remuneration		
Salary	87.24	1,04.77
Provident Fund Contribution	9.36	8.20
Other Perquisites	19.29	13.07
Commission on Profit	14.66	67.31
	1,30.55	1,93.35
(b) Sitting Fees to non-executive directors	2.00	1.65
Computation of net profit in accordance with Section 349 of the Companies Act, 1956, and calculation of commission payable to Directors		
Profit/(Loss) before Taxation as per Profit and Loss Account	1,70.71	6,61.19
Add :		
1 Remuneration	1,06.53	1,17.84
2 Sitting fees	2.00	1.65
3 Commission on profit	14.66	67.31
4 Loss on sale of fixed asset	0.61	0.11
5 Fixed assets written off	0	0
6 Donation	0	0
7 Depreciation as per books of accounts	1,88.88	1,61.74
	4,83.39	10,09.84
Less :		
1 Depreciation under Section 350 of the Companies Act, 1956 *	1,88.88	1,61.74
2 Profit on sale of fixed asset	1.25	0.45
Profit as per Section 349 of the Companies Act, 1956	2,93.26	8,47.65
Commission payable to directors	14.66	67.31
Maximum commission as per service agreement	14.66	67.31
Commission allowed as per Companies Act, 1956	14.66	67.31

Resolution pertaining to increase in Directors' Remuneration was passed in the meeting of the Board Dt.31st January, 2008 effective 1st November, 2007. Approval of the shareholders is obtained through postal ballot and ballot papers received are all in favour of increase in remuneration. Result of the postal ballot has been informed to Stock Exchanges and now pending for Central Government's approval.

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

4. Payment to Auditors:

Audit Fees Rs.7.50 lac (Rs.6.75 lac), Tax Audit Fees Rs 1.25 lac (Rs.1.10 lac), Other Tax matters Rs. 70 lac, (Rs. 70 lac), Management Services Rs.1.35 lac (Rs.1.25 lac), Limited Review and Corporate Governance and other Certification Fees Rs 2.10 lac (Rs.1.10 lac), Expenses reimbursed and service tax Rs.2.59 lac, (Rs. 1.91 lac).

5. Investment in shares of Intel Instruments & Systems Limited, a subsidiary company Rs. 225.00 lac (Rs.175.00 lac) and advances and other dues from that Company Rs.338.66 lac (Rs.304.90 lac) are considered good in view of the strategic nature of this investment and the subsidiary's ongoing and potential business operations.

6. Loans and Advances in Schedule 7 include:

Rs. 6.16 lac (Rs.5.58 lac) as Sales Tax , in respect of which matters are pending with the appellate authorities and,

Rs.14.70 lac (Rs.14.70 lac) towards compensation paid to MTNL, in respect of which the Company has filed a suit for recovery.

7. Benefit available u/s35(2AB) of the Income Tax Act , 1961 is not considered while making provision for income tax pending Order of Secretary , DSIR, New Delhi in Form 3CM since last Order issued was valid from 01.04.2004 to 31.03.07 .

8 The company does not have the information whether the creditors are Small Scale and Ancillary Industrial Undertaking, as defined by "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1992". Hence, amounts, which were overdue and outstanding at the close of the year payable to the said Industrial Undertakings, are not ascertainable. Similarly Suppliers/Service providers covered under Micro, Small Medium Enterprises. Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not given. Accordingly, the following information is furnished:

	(Rs. in lacs)	
	Current Year	Previous Year
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	5.54	27.84
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iii) The amount on interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with out adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

9. Segment Reporting (Accounting Standard – AS 17)

The Company is engaged in business / operations of manufacture, sale and servicing of professional electronic equipment. Though the Company has a range of products, they all fall within the single segment of electronic equipment. It is a considered view of the management that the Company has no reportable segments envisaged in the Accounting Standard (AS17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.

10. Related Party Disclosures (Accounting Standard AS 18)

List of Related Parties and Relationship

Subsidiary Companies :

Intel Instruments and Systems Limited
Sprylogic Technologies Ltd

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

Associates (enterprises where Aplab Limited and its subsidiaries have 20% holding or, investing parties who have over 20% holding in Aplab Limited)

Zee Telefilms Limited

Key Management Personnel:

Mr. P.S. Deodhar	Chairman & Managing Director
Mr. Nishith Deodhar	Executive Director
Mr. S.A.Joshi	Executive Director
Mrs.Neelam K Kumar	Executive Director

Relatives of Key Management Personnel:

Mrs. A. P. Deodhar
Mrs. Aruna Narayanan
Mr Arun P Deodhar

Enterprises over which key management personnel and their relatives are able to exercise significant influence

Sr.No. Name of the Party

1	Deodhar Electro Design Pvt Ltd
2	TTL Technologies Private Limited
3	Intel Exports Corporation
4	Telemetrys Incorporated
5	Print Quick Private Limited
6	Origin Instrumentation Private Limited
7	Contech Soft-Tech Solution Pvt. Ltd
8	Telemetrys Systems Pvt. Ltd
9	A.N. Associates
10	Dakshin Media Gaming Solutions P.Ltd
11	Aalay Interiors

The following transactions were carried out with the related parties in the ordinary course of business.

Nature of Transaction	Subsidiaries Rs.	Associates Rs	Key Management Personnel Rs.	Relative of Management Personnel Rs.	(Rs. in lacs)
					Related Enterprises Rs.
Sale of Material / Finished Goods	29.54	-	-	-	3.40
Income received	14.28	-	-	-	-
Purchase of Materials / Finished Goods	3,35.77	-	-	4,85.51	4,55.83
Service/Labour Charges Paid/Payable	0.88	-	-	-	27.04
Rent Paid	-	-	10.20	-	18.06
Expenses Reimbursed	-	-	-	-	4.03
Investment as on 31.03.2009	2,30.00	-	-	-	-
Debit Balances as on 31.03.2009	3,91.13	-	-	-	-
Credit Balances as on 31.03.2009	0	-	-	-	-

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

11. Earning per Share (Accounting Standard – AS 20)

	(Rs. in lacs)	
	<u>2008-09</u>	<u>2007-08</u>
Profit computation for both Basic and Diluted Earnings per Share of Rs. 10 each		
Net profit after tax as per Profit and Loss Account available for Equity Shareholders	69.82	3,75.45
Number of shares for Basic EPS as above	50.00	50.00
Earning per Share		
Basic and Diluted (Rs.)	1.40	7.51

12. Deferred Tax Assets and Liabilities (Accounting Standard – AS 22)

Deferred Tax Liability / (Asset) at the year end comprise timing difference on account of:

- Depreciation	32.77	40.21
- Expenditure / Provisions	(18.75)	(12.64)

13. Additional information pursuant to paragraphs 3, 4C and, 4D of part II of Schedule VI to the Companies Act, 1956.

Information regarding capacity, stocks, production and sale (as certified by Management)

i) Licensed Capacity: Not applicable

ii) Installed Capacity:

Production of the items manufactured by the Company does not require special machinery. Production depends largely upon designing skills adequate space and competent staff. The term "installed capacity" does not have relevance in relation to the items manufactured by the Company

iii) Stocks, Production and Sales including outsourced items.

	(Rs. in lacs)				
	Opening Stock Nos.	Closing Stock Nos.	Production during the year Nos.	Quantity sold Nos.	Sales Value Net of Excise Rs.
I) Electronic Test & Measuring Instruments including Digital / Microprocessor based Instruments	2374 (2282)	3469 (2374)	32548 (58368)	31453 (58276)	20,04.65 (20,93.20)
II) Microprocessor based systems (including Electronic Transaction Control Systems)	13593 (15525)	14142 (13593)	91680 (88103)	91131 (90035)	11,81.21 (10,37.68)
III) D.C .Regulated Power Supplies/Inverters/ Converters/A.C. Line Voltage Regulators/ Controllers/Transducers	9649 (9151)	10665 (9649)	30879 (22909)	29863 (22411)	58,14.41 (49,55.32)
IV) Accessories, Spares and Other Miscellaneous	19 (31)	20 (19)	12913 (15016)	12912 (15028)	12.43 (38.62)
V) Pumps for dispensing fuel & accessories	395 (0)	1 (395)	1026 (2712)	1420 (2317)	4,89.73 (24,88.10)
Grand Total	26030 (26989)	28297 (26030)	169046 (187108)	166779 (180067)	95,02.43 (1,06,12.92)

(Figures for previous year are shown in bracket.)

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

Raw Materials and Components consumed:

(Rs. in lacs)

Particulars	2008-2009		2007-2008	
	Nos.	Rupees	Nos.	Rupees
Resistors, Pots, etc.	3828150	30.06	4557698	1,30.17
Capacitors	1422942	95.06	1998187	1,60.13
Transformers, Laminations, Printed Circuit Boards	*	2,03.82	*	1,93.39
Diodes, ICs, Transistors, CRTs	126957	56.67	167063	82.17
Relays, Fuses, Meters, Switches	1733949	2,00.50	2303177	3,08.30
Sub-assemblies & others	*	8,58.10	*	4,28.88
		14,52.77	*	28,63.41
Sub Total		28,96.98		41,66.45
Less : VAT set off		87.05		1,98.15
Sub Total		28,09.93		39,68.30
Add: Consumption of Outsourced Items		31,39.14		26,75.30
Add: Consumption of Stores & Spares		1,09.97		52.67
Grand Total		60,59.04		66,96.27

Notes : 1. * Quantity in various units of measurements

2. None of the items included in the groups individually account for 10% or more of the total value of materials consumed. In the absence of verifiable records the Auditors have relied upon the management's representation to this behalf

		2008-09	2007-08
		Rupees	Rupees
14.2	Value of Imports calculated on CIF basis		
	Components and Spares & outsourced items	17,25.42	19,57.60
	Capital Goods	Nil	Nil
	Others	Nil	Nil
14.3	Earnings in Foreign Exchange:		
	FOB Value of Exports	6,30.60	9,19.25
	Other charges	11.14	1.44
14.4	Expenditure in Foreign Currency:		
	Travelling	19.01	13.37
	Subscription to Foreign Journals & Membership Fees	0.36	0.21
	Commission on Sales	30.15	57.11

14.5 Value of Raw Materials and Components Consumed:

	2008-09		2007-08	
	Rupees	Percent	Rupees	Percent
Imported	5,71.96	20	11,95.90	30
Indigenous	22,37.97	80	27,72.40	70
	28,09.93	100	39,68.30	100

14.6 Value of Stores and Spares consumed:

	2008-09		2007-08	
	Rupees	Percent	Rupees	Percent
Imported	0	0	0	0
Indigenous	1,09.97	100	52.67	100
	1,09.97	100	52.67	100

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

15. Details of movement in provision in accordance with Accounting Standard-29

Particulars	Opening as on 01.04.2008	Provision made during the year	Provision reversed /adjusted	Closing as on 31.03.2009
Taxation -Income Tax - FBT	7,43.24 87.88	80.28 25.38	0 0	8,23.52 1,13.26
Dividend	1,25.00	50.00	1,25.00	50.00
Tax on Dividend	21.24	8.50	21.24	8.50
Provosion for Warranties	80.51	35.50	12.00	1,04.01
Provosion for	81.07	7.74	0	88.81

16. Figures for the previous year have been regrouped wherever necessary.

SCHEDULE 19

SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting:

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis. Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in purchasing power of money. These statements have been prepared to comply in material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions to the Companies Act, 1956.

2. Revenue Recognition:

Sale of goods is recognised on shipment or dispatch to customer. Service Income is considered on accrual basis.

3. Fixed Assets and Depreciation:

Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less depreciation. Cost comprises the purchase price and other attributable costs, including interest and finance costs incurred till the asset is commissioned.

Capital Work-in-progress:

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use, advances paid to acquire fixed assets and, the cost of assets not put to use before the balance sheet date.

Depreciation:

Depreciation is provided on the written down value method.

Depreciation pertaining to the incremental values of assets revalued is adjusted against Revaluation Reserve.

Depreciation is provided at the rates and in manner laid down in Schedule XIV to the Companies Act, 1956. Leasehold Lands are amortised.

Items costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

From Financial year 2006-07 Cenvat credit is availed on fixed asset purchases of Rs.50,000 and above.

Schedules forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009

4. Goodwill

Goodwill is written off over a period of five financial years in line with AS-14 and AS-26

5. Inventories:

Stocks of raw materials, components, dies and moulds are stated at cost and are valued on weighted average cost basis.

Goods in bonded warehouse and in transit are valued at costs.

Finished goods are stated at cost or selling prices whichever is lower.

Goods in process are stated at cost based on technical estimates / evaluation of the state of completion of individual work order. Cost of goods in process and finished goods include, Material Costs, Labour, Factory Overheads and related administrative expenses.

6. Sundry Debtors and Advances:

Specific debts and advances in respect of which certain amounts are identified as irrecoverable are written off.

7. Taxation:

Income tax comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognised using current tax rates. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed as at each Balance Sheet date to reassess realisation.

8. Foreign Exchange Transactions:

Realised gains and losses on foreign exchange transaction are recognised in the Profit and Loss Account. Assets and liabilities are translated at the year end exchange rates.

9. Research and Development costs:

Research and Development cost of revenue nature is written off in the year in which it is incurred and expenditure resulting in development of enduring know-how is capitalised.

10. Retirement Benefits:

Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account of the year. Gratuity is considered accrued and accounted for as per actuarial valuation done by LIC under its Group Gratuity Scheme (subject to Note No1. Schedule 19). Leave Encashment is considered accrued and accounted for based on actuarial valuation report.

Signature to Schedules '1' to '19'

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Mumbai : 28th April, 2009

For and on behalf of the Board
P. S. Deodhar Chairman & Managing Director
Neelam K. Kumar Executive Director
A. G. Joshi Director

Thane : 28th April, 2009

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in lacs)

Particulars	2008-09	2007-08
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extra ordinary items	1,70.71	6,61.19
Adjustments For :		
Depreciation	1,88.88	1,61.74
Net Loss on sale of Fixed Assets	0.61	0.11
Profit on Sale of Fixed Assets	(1.25)	(0.45)
Amortisation of Goodwill	26.82	26.82
Fixed Assets scrapped/ Amounts W/off	-	-
Diminution in value of investments	-	-
Interest received	(9.99)	(9.63)
Dividend received	(0.21)	(0.19)
Operating Profit before working capital changes	3,75.57	8,39.59
Adjustments For :		
(Decrease) / Increase in Working Capital	5,27.07	(8,83.40)
	<u>9,02.64</u>	<u>(43.81)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,74.45)	(57.62)
Capital Work in Progress	(3,86.81)	(3,80.54)
Sale of Fixed Assets	8.96	3.01
Adjustment of Provision for Leave Encashment through General Reserve	-	(79.96)
Investment in equity shares of Subsidiary Co.	(50.40)	-
Dividend Paid	(1,46.24)	(1,46.24)
Net Cash used in Investing Activities	<u>(11,48.94)</u>	<u>(6,61.35)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Borrowings	2,97.62	6,65.32
Interest received	9.99	9.63
Dividend received	0.21	0.19
Provision written back	-	-
Net Cash from Financial Activities	<u>3,07.82</u>	<u>6,75.14</u>
Net Increase / (Decrease) Increase in Cash and Cash Equivalent (A+B+C)	<u>(61.52)</u>	<u>(30.02)</u>
Opening Balance of Cash and Cash Equivalent	1,94.46	2,24.48
Closing Balance of Cash and Cash Equivalent	2,55.98	1,94.46
Net Increase / (Decrease)	<u>(61.52)</u>	<u>(30.02)</u>

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
Mumbai : 28th April, 2009

For and on behalf of the Board

P. S. Deodhar
Chairman & Managing Director

Thane : 28th April, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

Balance Sheet

State Code

Date : Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserve & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

Total Expenditure

Profit/Loss Before Tax

+ -

Profit/Loss After Tax

+ -

(Please tick Appropriate box + for Profit - for Loss)

Earning per Share in Rs.

Dividend %

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

STATEMENT RELATING TO SUBSIDIARIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the Subsidiary Company	INTEL INSTRUMENTS & SYSTEMS LIMITED	SPRYLOGIC TECHNOLOGIES LIMITED
2. Financial year of the subsidiary ended on	31st March, 2009	31st March, 2009
3. Date from which it became subsidiary	5th April, 1985	16th August, 2005
4. Extent of the Holding Company's interest in the subsidiary company at the end of the financial year of the subsidiary company	2,25,000 Equity Shares of Rs.100/- each fully paid-up, i.e., 100% of the paid up capital of the subsidiary company.	50,000 Equity Shares of Rs.10/- each fully paid up.
5. Net aggregate amount of the profit (losses) of the subsidiary company not dealt within the Holding Company's accounts (concerning the members of the Holding Company)		
a. For the current year	Loss Rs. 24.97 lacs	Profit Rs. 15.01 lacs
b. For the previous years since it became subsidiary	Loss Rs. 127.59 lacs	Loss Rs. 8.96 lacs
6. Net aggregate amount of the profit (losses) of the subsidiary company dealt within the Holding Company's account		
a. For the current year	Nil	NIL
b. For the previous years since it became subsidiary	Nil	Nil
7. Change of interest of Aplab Ltd. in the subsidiary between end of the financial year of subsidiary and that of Aplab Ltd.	N.A.	N.A.
8. Material changes between the end of the financial year in the subsidiary and the end of financial year of Aplab Ltd in respect of subsidiary's fixed assets, investments, lending and borrowing for purposes other than meeting their current liabilities	N. A.	N. A.

For and on behalf of the Board of Directors

Thane
28th April, 2009

P.S. Deodhar
Chairman & Managing Director

Intel Instruments & Systems Limited

Annual Report 2008-2009

Board of Directors

S.A. Joshi
K. B. Valia

Director
Director

Registered Office & Works

37, SDF-2, SEEPZ
Andheri (East)
Mumbai 400 096

Auditors

Karmarkar & Co.
Chartered Accountants
Mumbai

Bankers

Bank of Maharashtra
Mumbai

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DIRECTORS' REPORT TO THE MEMBERS:

Gentlemen,

Your Directors present herewith their Annual Report and Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS:

The operating results for the year are summarized below:

	(Rs. in Lacs)	
	<u>2008-09</u>	<u>2007-08</u>
Profit/(Loss) before depreciation and Interest	(21.55)	(35.49)
Less : 1) Depreciation	1.78	1.91
2) Interest	9.51	8.52
	<u>11.29</u>	<u>10.43</u>
	(32.84)	(45.92)
Add/(Less) :		
1) Adjustment on a/c of Deferred Tax (Net)	8.39	14.10
2) Provision for FBT	(0.52)	(0.56)
3) Provision for Current Tax	-	(0.22)
	<u>(24.97)</u>	<u>(32.60)</u>
Balance from previous year	<u>(127.59)</u>	<u>(94.99)</u>
	(152.56)	(127.59)

BUSINESS OPERATIONS & PROSPECT FOR THE CURRENT YEAR:

During the current year your company has made a net loss to the tune of Rs. 32.84 lakhs. Due to a very high recession in the US, the sale to the US market has gone down tremendously. Because of this recession, Company's one of the major customer could not pay in time and delayed the payment by 3-4 months. The real growth will come since business out sourcing opportunities from the US and Western Europe are looking into our face. It is endeavor that our products are made as good as the best in the world.

DIRECTORS:

During the year, Mr. Rajesh Deharkar, Director has resigned from the Board of Directors of the Company. Board of Directors has placed on record their sincere appreciation of his valuable contribution during his long tenure. Subsequently, Mr. Nishith Deodhar has been appointed as an Additional Director.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

The Directors confirm that –

- (i) in the preparation of the Annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,

- (ii) appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2009 and of the Loss of the Company for the year ended 31st March, 2009,
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) the Annual Accounts have been prepared on a going concern basis.

PERSONNEL:

The Directors wish to put on record their appreciation towards employees for their support and co-operation. During the year under review, the Company had no employee covered by Section 217(2A) of the Companies Act, 1956.

ENERGY CONSERVATION:

Your company's manufacturing process is not a power intensive process. However, all efforts are made to conserve the energy by avoiding wastage of energy by motivating employees.

FOREIGN EXCHANGE EARNING AND OUTGO:

Your company is a 100% export oriented unit situated in Special Economic Zone. The net earning in foreign exchange during the year under review after allowing for the outgo on imports and other expenses was Rs. 254.07 Lacs.

AUDITORS:

Karmarkar & Co. Chartered Accountants retire and being eligible, offer themselves for reappointment. With regard to Para 3(v) of the Auditors' Report, the Company has been accounting liability towards gratuity and leave encashment on payment basis. With reference to remarks in Auditors' Report in respect of delays in depositing Provident Fund dues are not outstanding for a period of more than six months from the date this become payable.

ACKNOWLEDGEMENT:

The Directors wish to place on record their grateful thanks to the Company's Bankers and Government bodies. The directors also take this opportunity to acknowledge the contribution made by the managers and employees at all level.

For and on behalf of
the Board of Directors

Place: Mumbai
Date: 25th April, 2009

Director

AUDITOR'S REPORT

To,
The Members of Intel Instruments & Systems Ltd.,

We have audited the attached Balance Sheet of Intel Instruments & Systems Ltd, as at 31st March, 2009 and Profit and Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in Paragraph '2' above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit, except confirmation of balances of debtors and other parties under loans and advances.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books.
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (iv) According to the information and explanations given to us, in relation to the affairs of the company, no director is disqualified from being appointed as a director under section 274 (1) (g) of the Companies Act, 1956.

(v) *No Provision has been made during the year for accrued liability in respect of gratuity and leave encashment payable to employees. The aforesaid accounting practice is not in compliance with Accounting Standard - 15 of the Institute of Chartered Accountants of India referred to in Section 211 (3C) of the Companies Act, 1956 which requires accounting for accrued liability towards gratuity and leave encashment. Had provision for gratuity, valued actuarially at Rs.24.30 lakhs been made, the loss shown in the Profit & Loss account would have been higher at Rs. 49.27 lakhs. Further, taking into account gratuity not provided in earlier years valued actuarially at Rs. 84.47 lakhs, the accumulated loss shown in the Balance Sheet would have been higher at Rs. 261.33 lakhs against the reported figure of Rs. 152.56 lakhs. Further the company's accrued liability towards leave encashment is not determined.*

(vi) Subject to our observations in paragraph (v) above,

- a) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- b) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the accounting policies and the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009.

AND

In the case of the Profit and Loss Account, of the Loss of the company for the year ended on that date.

For and On behalf of
KARMAKAR & CO.
Chartered Accountants

(S. D.BAL)
Proprietor

M.No. 100/17574

Place: Mumbai
Date: 25th April, 2009

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDIT REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 OF INTEL INSTRUMENTS & SYSTEMS LTD.,

Referred to in paragraph 2 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A major portion of the assets were physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a major part of the plant and machinery, therefore the question of reporting on clause 4 (i)(c) of the Companies (Auditor's Report) Order, 2003 does not arise.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) During the year, the company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The company has also not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(ii) (b) and 4(iii) (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) There is no overdue amount of loans from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are competitive having regard to nature of items and non availability of suitable alternative sources of supply.
- (vi) In our opinion and according to the information and explanations given to us, the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the company, as the company has not accepted any deposits from the public.
- (vii) The company did not have an internal audit system during the year under review. However, we are informed that, keeping in view the aforesaid requirements, the company has instituted internal controls in the key operating areas.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, for any of the products of the company.
- (ix) (a) During the year, the company has generally deposited its E. S. I. C. dues with the appropriate authorities before due date. The company was not regular in depositing its Provident Fund dues with the appropriate authorities. The outstanding provident fund dues as at the last day of the financial year concerned are not outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no undisputed dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess as at 31st March, 2009, for a more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

- (x) The accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company has not dealt or traded in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) During the year, the company has not raised any term loan. Accordingly, the provisions of clauses 4(xvi) and 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- (xviii) The company has not issued any debentures.
- (xix) The company has not raised any money by public issue during the year.
- (xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For and On behalf of
KARMARKAR & CO.
Chartered Accountants

(S. D.BAL)
Proprietor

M.No. 100/17574

Place: Mumbai
Date: 25th April, 2009

Balance Sheet
As At 31st March, 2009 (Rs. in lacs)

SCHEDULE	AS AT 31.03.2009	AS AT 31.03.2008
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital A	2,25.00	1,75.00
Reserves and Surplus B	0.03	0.03
	<u>2,25.03</u>	<u>1,75.03</u>
LOANS		
Secured C	99.67	88.39
Unsecured D	21.75	21.75
	<u>1,21.42</u>	<u>1,10.14</u>
	<u>3,46.45</u>	<u>2,85.17</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block E	57.81	56.78
Depreciation	51.08	49.30
	<u>6.73</u>	<u>7.48</u>
CURRENT ASSETS, LOANS AND ADVANCES		
Stocks & Stores	4,25.35	3,56.42
Sundry Debtors	1,30.21	98.39
Cash & Bank Balances	2.44	2.27
Loans & Advances	82.79	81.54
	<u>6,40.79</u>	<u>5,38.62</u>
LESS: CURRENT LIABILITIES AND PROVISIONS		
Current liabilities G	4,32.87	3,59.90
Provisions	45.93	45.41
	<u>4,78.80</u>	<u>4,05.31</u>
NET CURRENT ASSETS	1,61.99	1,33.31
DEFERRED TAX		
(Refer Schedule 9 (B) (2b))		
Deferred tax asset	25.70	17.36
Deferred tax liability	(0.53)	(0.57)
PROFIT & LOSS ACCOUNT	1,52.56	1,27.59
	<u>3,46.45</u>	<u>2,85.17</u>
CONTINGENT LIABILITIES		
ACCOUNTING POLICIES & NOTES ON ACCOUNTS	9	

Profit & Loss Account for the year ended
31st March, 2009 (Rs. in lacs)

SCHEDULE	2008-2009	2007-2008
INCOME		
Sales 1	5,10.30	3,23.55
Other Income 2	0.18	13.84
Variation in closing stock of finished goods & goods in process 3	29.30	2.53
	<u>5,39.78</u>	<u>3,39.92</u>
EXPENSES		
Materials Consumed 4	3,17.11	1,81.28
Payments to & Provision for employees 5	1,89.89	1,49.23
Service Charges and Works Expenses 6	28.42	19.04
Other Expenses 7	25.91	25.86
Interest 8	9.51	8.52
Depreciation	1.78	1.91
	<u>5,72.62</u>	<u>3,85.84</u>
Profit/(Loss) before Tax	(32.84)	(45.92)
Provision for Taxation		
Add/Less : Deferred tax	8.39	14.10
Less : Fringe Benefit Tax	0.52	0.56
Profit/(Loss) after Tax	<u>(24.97)</u>	<u>(32.38)</u>
Less : Current tax provision for earlier year	-	0.22
Less : Deferred tax provision for earlier year	-	-
	<u>(24.97)</u>	<u>(32.60)</u>
Balance brought forward from Previous Year	(1,27.59)	(94.99)
Loss transferred to Balance Sheet	<u>(1,52.56)</u>	<u>(1,27.59)</u>
ACCOUNTING POLICIES & NOTES ON ACCOUNTS		
9		

As per our Report of even date FOR AND ON BEHALF OF
For KARMARKAR & CO., THE BOARD OF DIRECTORS
Chartered Accountants

S. D. BAL S.A. Joshi K. B. Valia
Proprietor Director Director
Membership No. 100/17574

Mumbai. Mumbai.
Date : 25th April, 2009 Date : 25th April, 2009

As per our Report of even date FOR AND ON BEHALF OF
For KARMARKAR & CO., THE BOARD OF DIRECTORS
Chartered Accountants

S. D. BAL S.A. Joshi K. B. Valia
Proprietor Director Director
Membership No. 100/17574

Mumbai. Mumbai.
Date : 25th April, 2009 Date : 25th April, 2009

Schedules forming part of the Balance Sheet as at 31st March, 2009
(Rs. in lacs)

	AS AT 31.03.2009	AS AT 31.03.2008
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL	3,00.00	3,00.00
300000 Equity Shares of Rs.100 each	3,00.00	3,00.00
ISSUED AND SUBSCRIBED		
2,25,000 Equity Shares of Rs.100 each fully paid up. (Previous year - 1,75,000 Equity Shares of Rs.100 each fully paid up). (All the above shares are held by the holding company, Aplab Limited.)	2,25.00	1,75.00
	2,25.00	1,75.00
SCHEDULE 'B'		
RESERVES AND SURPLUS		
RESERVES		
Investment Allowance Reserve (Utilised) Account.	0.03	0.03
	0.03	0.03
SCHEDULE 'C'		
SECURED LOANS FROM BANKS		
a) Packing Credit Loan (Secured by Hypothecation of Raw Material, Finished & Semi-finished goods)	51.14	43.37
b) Foreign Bills Purchase Account (Against Export Documents)	48.53	45.02
	99.67	88.39
SCHEDULE 'D'		
UNSECURED LOANS		
Advance from Aplab Limited	21.58	21.58
Loan from Directors	0.17	0.17
	21.75	21.75

SCHEDULE - E
FIXED ASSETS
(Rs. in lacs)

PARRICULAR	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01.04.2008 Rs.	Additions for the Year Rs.	Ded. for the Year Rs.	Cost As At 31.03.2009 Rs.	As At 01.04.2008 Rs.	For the Year Rs.	Ded. For the Year Rs.	Upto 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Plant and Machinery	7.30	-	-	7.30	6.41	0.14	-	6.55	0.75	0.89
Test Equipment	19.30	-	-	19.30	17.52	0.28	-	17.80	1.50	1.78
Electrical Installations	2.46	-	-	2.46	2.06	0.06	-	2.12	0.34	0.40
Computers	13.33	0.62	-	13.95	11.27	0.94	-	12.21	1.74	2.06
Office Equipments	3.62	-	-	3.62	3.11	0.07	-	3.18	0.44	0.51
Furniture & Fixtures	9.02	-	-	9.02	8.03	0.18	-	8.21	0.81	0.99
Air Conditioners	1.75	0.41	-	2.16	0.90	0.12	-	1.02	1.14	0.85
Total	56.78	1.03	-	57.81	49.30	1.78	-	51.08	6.73	7.48
Total For Previous Year	55.74	1.04	-	56.78	47.40	1.91	-	49.30	7.48	8.34

Schedules forming part of the Balance Sheet as at 31st March, 2009
(Rs. in lacs)

	AS AT 31.03.2009	AS AT 31.03.2008
SCHEDULE 'F'		
CURRENT ASSETS, LOANS AND ADVANCES		
1) CURRENT ASSETS		
a) Stocks & Stores: (as per inventories valued and certified by the Management)		
- Stores spares, Materials & Components at cost	2,14.78	1,75.15
- Goods in Process at Estimated cost	1,39.76	99.84
- Finished Goods at lower of cost or selling price	70.81	81.43
	<u>4,25.35</u>	<u>3,56.42</u>
b) Sundry Debtors (Unsecured considered good)		
Within 6 months	95.74	43.32
over 6 months	34.47	55.07
	<u>1,30.21</u>	<u>98.39</u>
c) Cash & Bank Balances		
Cash on hand	0.12	0.13
Bank Balance with scheduled Banks :		
In Current Accounts	0.24	1.02
In E.E.F.C. Account	0.45	0.22
In Margin and Deposit Accounts	1.63	0.90
	<u>2.44</u>	<u>2.27</u>
2) LOANS & ADVANCES (Unsecured considered good)		
Advances recoverable in cash or in kind	54.86	54.10
Loans & Advances to staff	18.82	18.87
Interest accrued and not due	0.01	0.01
Prepaid expenses	1.32	1.68
Deposits	2.42	2.44
Advance income tax and tax deducted at source	2.89	2.85
Fringe Benefit Tax	2.48	1.59
	<u>82.79</u>	<u>81.54</u>
SCHEDULE 'G'		
CURRENT LIABILITIES & PROVISIONS		
1) CURRENT LIABILITIES		
Temporary Bank Overdraft	17.25	5.19
Sundry Creditors for Supplies	3,47.98	2,93.31
Sundry Creditors for Expenses	27.75	23.36
Advances against orders	33.47	31.67
Other Liabilities	6.42	6.37
	<u>4,32.87</u>	<u>3,59.90</u>
2) PROVISIONS		
Provision for Gratuity	43.27	43.27
Provision for Fringe Benefit Tax	2.44	1.92
Provision for Current Tax	0.22	0.22
	<u>45.93</u>	<u>45.41</u>
SCHEDULE 'H'		
CONTINGENT LIABILITIES		
I Counter Guarantees given to Development Commissioner SEEPZ :		
for Letter of Authority	0.02	0.02
for Excisable Goods	20.00	20.00
II For Labour Law Matter in appeal	2.36	2.36
III For Import Letter of credit	7.60	3.58

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2009
(Rs. in lacs)

	2008-2009	2007-2008
SCHEDULE 1		
SALES		
Products	5,09.66	2,71.62
Service Charges Received TDS Rs. 0.01 lac (T.D.S. - Previous Year Rs. 1.18 lac)	0.64	51.93
	<u>5,10.30</u>	<u>3,23.55</u>
SCHEDULE 2		
OTHER INCOME		
Interest received on Bank Deposit. T.D.S. Rs. 0.04 lac (Previous Year Rs. 0.04 lac)	0.18	0.19
Sales Tax Refund	-	4.21
Sundry Balances Written Back	-	9.44
	<u>0.18</u>	<u>13.84</u>
SCHEDULE 3		
VARIATION IN STOCKS		
STOCKS AT CLOSE		
Finished Goods	70.81	81.43
Goods in Process	1,39.76	99.84
	<u>2,10.57</u>	<u>1,81.27</u>
Less : Stock at Commencement		
Finished Goods	81.43	1,14.10
Goods in Process	99.84	64.64
	<u>1,81.27</u>	<u>1,78.74</u>
	<u>29.30</u>	<u>2.53</u>
SCHEDULE 4		
MATERIALS CONSUMED		
Raw Materials & Components		
Stocks at commencement	1,75.15	1,76.12
Add:Purchases	3,56.74	1,80.31
	<u>5,31.89</u>	<u>3,56.43</u>
Less : Stocks at close	2,14.78	1,75.15
	<u>3,17.11</u>	<u>1,81.28</u>
SCHEDULE 5		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries, Wages , Allowances & Bonus	1,61.13	1,24.61
Gratuity	3.76	1.73
Contribution to P. Fund, F. P. Fund & E.S.I.C, etc.	15.08	15.12
Staff Welfare expenses	9.92	7.77
	<u>1,89.89</u>	<u>1,49.23</u>
SCHEDULE 6		
SERVICE CHARGES & WORKS EXPENSES		
Service Charges	10.73	6.54
Works Expenses		
Rent	4.14	2.74
Rates & Taxes	2.48	2.08
Light & Power	9.50	6.43
Insurance	0.33	0.15
Repairs to Factory Building	0.23	0.36
Repairs to Plant & Machinery	1.01	0.74
	<u>28.42</u>	<u>19.04</u>

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2009

(Rs. in lacs)

	2008-2009	2007-2008
SCHEDULE 7		
OTHER EXPENSES		
Printing & stationery	3.07	1.94
Postage Telegram, Telephones, etc.	1.57	1.53
Bank Charges & ECGC Commission	4.15	2.80
Travelling & conveyance	3.25	3.54
Vehicle expenses	0.80	0.72
Legal Professional & Consultation fee	2.83	8.90
Freight, transport, octroi etc.	8.62	5.39
Other repairs & maintenance	0.25	0.39
Other expenses	1.30	0.65
Advertisement & Publicity	0.02	-
Sales Tax	0.05	-
	<u>25.91</u>	<u>25.86</u>
SCHEDULE 8		
INTEREST		
On fixed period loan	-	-
On other loans	9.51	8.52
	<u>9.51</u>	<u>8.52</u>

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

SCHEDULE 9

A. SIGNIFICANT ACCOUNTING POLICIES

1) ACCOUNTING CONCEPTS

The accounts are prepared on historical cost basis and as a going concern. The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except where otherwise stated.

2) SALES

Sales are recognised at the time of despatch or shipment of material after completion of SEEPZ customs clearance formalities.

3) FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.

4) DEPRECIATION

Depreciation on fixed assets is provided on the basis of written down value method and at the rates prescribed for this purpose in schedule XIV of the Companies Act, 1956. Depreciation is provided on pro-rata basis on assets added / disposed off / discarded during the year with reference to date of addition / disposal / discarding.

5) FOREIGN CURRENCY TRANSACTIONS

- i) Exchange differences relating to acquisition of fixed assets are adjusted in the cost of such assets.

- ii) Exchange gains or losses on settlement of revenue transactions are recognised in the Profit & Loss account.

- iii) Export receivables discounted with the banks (FOBN Credit) and outstanding on the balance sheet date are stated at the exchange rates prevailing at the time of discounting, since these receivables upon realisation would be appropriated by the bank at the aforesaid rates.

- iv) The balance standing to the company's credit in the Exchange Earner's Foreign Currency Account is at the rate prevailing on the day of credit by bank.

- v) Other current assets and current liabilities on the balance sheet date are translated at year-end exchange rates, any exchange differences on translation being recognised in the Profit & Loss account.

6) INVENTORIES

Items of inventories are valued on the following basis:

- i) Raw Materials, components, spares and stores - at cost.
- ii) Goods in process - at estimated cost comprising of materials, labour and manufacturing overheads.
- iii) Finished goods - at lower of cost or selling prices in the export market.

7) STAFF BENEFITS

- i) Provident fund and family pension benefits are accounted on the basis of contributions made to government provident fund and family pension funds.

- ii) Gratuity and leave encashment is being accounted on payment basis.

8) TAXES ON INCOME

The company recognises current tax and deferred tax as a charge or credit, as the case may be, in the Profit and Loss account of a period. Current tax is the amount of income tax determined to be payable (recoverable) in respect of the taxable income (tax loss) for a period. Deferred tax is the tax effect of timing differences, these being the difference between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods.

B) NOTES ON ACCOUNTS

- 1) During the year, 50,000 shares of Rs. 100/- each were issued to the holding company, Aplab Ltd. As a result, the issued, subscribed and paid up capital of the Company has increased to Rs. 2.25 Crores.

- 2) Payment to Auditors:

	(Rs. in Lacs)	
	2008-2009	2007 - 2008
Audit Fees	0.65	0.65
For Tax advice and representation	0.15	0.15
Tax Audit	0.15	0.15
Other Services	0.20	0.20
Reimbursement of Expenses	0.15	-
	1.30	1.15

- 3) a) Provision for current taxation has not been considered necessary in view of loss incurred by the company in the current year and unabsorbed loss and unabsorbed depreciation brought forward from the earlier years.

- b) Deferred tax assets and liabilities shown in the Balance Sheet are attributable to the following items:

	(Rs.in Lacs)	
	As at 31-03-2009	As at 31-03-2008
Assets		
a) Brought forward loss/ unabsorbed depreciation as per Income Tax Return	17.36	3.32
b) Income Tax disallowance	0.37	0.17
c) Unabsorbed loss/ Unabsorbed depreciation to be carried forward	7.97	13.87
	25.70	17.36

Liabilities

a) Differences between income tax depreciation and book depreciation	0.53	0.57
b) Income Tax allowances	-	-
	0.53	0.57

- 4) Exchange differences arising on foreign currency transactions during the year:

- i) Credited to Profit & Loss Account is Rs. 5.78 Lacs (2007-2008 Rs.3.74 Lacs - Debit).
ii) Included in the carrying amount of fixed assets Rs.Nil (2007-2008 Rs. Nil)

- 5) As per the information available with the company, there are no outstanding dues to Small Scale Industrial Undertakings as defined under clause (j) of section 3 of the Industries (Development & Regulation) Act, 1951.

- 6) Related Party Disclosures:

- i) Accounting Standard - 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India is not applicable to the company vide General Clarification (GC) - 1/2002 issued by the Institute. However, as the aforesaid standard is applicable to the holding company, Aplab Ltd. and Intel Instruments & Systems Ltd's accounts are being consolidated with Aplab Ltd., related party disclosures are being given for the sake of uniformity in the presentation of accounts.

- ii) Related parties with whom there were transactions during the year are listed below:

- a) Holding Company:
The Company is a wholly owned subsidiary of Aplab Ltd.
b) Other related companies / enterprises:
Deodhar Electro Design Pvt.Ltd.
Intel Exports Corporation.
Print Quick Pvt. Ltd.

- iii) The following transactions were carried out with the above related parties at normal commercial terms:

(Rs. in Lacs)			
Sr.No.	Particulars	Holding Company	Other companies/ enterprises
1	Purchase of Materials	29.43	0.35
2	Sale of Finished goods	150.57	178.08
3	Outstandings payable / (receivable) by the company (net)*	316.95	(10.94)
4	Service charges received	0.59	-
5	Reimbursement of Expenses received	-	3.60
6	Processing Charges paid	0.90	-

- * Excluding balances in Share Capital and Unsecured Loan Accounts.

- 7) As per Accounting Standard - 20 on 'Earnings per share' issued by the Institute of Chartered Accountants of India, the Earnings per share of the company is Rs. (-) 13.94 (Previous Year - Rs. (-) 18.63).

- 8) Additional information pursuant to paragraph 3, 4C, 4D of Part II of Schedule VI of the Companies Act, 1956. Information regarding capacity, stocks, production and sales (as certified by the Management)

8.1) Licensed Capacity: Not applicable as the company being a small-scale unit, is not subject to industrial licensing policy.

8.2) Installed Capacity: Production of the items manufactured by the Company does not require special machinery. Production depends largely upon designing skill, adequate space and competent staff. The term installed capacity does not have any significant meaning in relation to the items manufactured by the Company.

8.3) Stocks, Production and Sales:

	Opening Stock No. of Pcs.	Closing Stock No. of Pcs.	Production No. of Pcs.	Sales Quantity No. of Pcs.	Sales Value Rs. in lacs
Test and Measuring Instruments (Oscilloscopes, Cable Fault Locators, Decade Boxes, Output Meters etc.)	1853 (1919)	746 (1853)	2127 (3800)	3234 (3866)	207.04 (130.00)
AC to DC Inverters	0 (0)	0 (0)	15 (0)	15 (0)	2.46 (0.00)
AC to DC Power Supplies (Power Supplies, OFLs, AC Sources, Isolated Line Supplies, Spares Etc.)	760 (866)	382 (760)	2548 (1415)	2926 (1521)	220.35 (136.30)
AC to DC Power Systems (Frequency Converters Voltage Regulators and Stabilizers Etc.)	76 (33)	54 (76)	353 (443)	375 (400)	50.42 (21.17)
Telephone Exchange	3 (3)	3 (3)	0 (0)	0 (0)	0 (0)
Custom Built Electronic Devices (Lab Discharge Lamps and Printer DPN)	-	-	1902 (1250)	1902 (1250)	2134 (17.84)
OEM Products	-	-	598 (2056)	598 (2056)	2.27 (4.04)
TOTAL				*	503.88 (275.36)

* Sales excluding exchange rate differences.

NOTE: - Figures for previous year have been regrouped and shown in brackets.

8.4) Raw Material and Component Consumed:

(Rs. in Lacs)

	2008 - 2009		2007 - 2008	
	Quantity	Rs.	Quantity	Rs.
Resistors	1821582	4.59	1052775	2.65
Capacitors	4416132	22.98	4297264	13.39
Potentiometers	197288	24.86	113341	13.50
Valves, Crystals	7416	54.15	4350	30.85
Transistors	248107	35.47	140690	21.42
Diodes, SCRS	571089	36.39	327035	19.72
Switches	184569	38.01	105161	21.22
IC's	271555	52.38	156433	32.15
Knobs, Terminals, Cover, Fuses Moldings etc.				
Copper Wire Aluminum Sheets * Sections, Bobbins etc.		48.29		26.38
	**	317.11	**	181.28

* 1. Quantity in various units of measurements. None of the items included in the groups individually account for 10% or more of the total value of Raw Material consumed.

** 2. The amount is inclusive of consumption of stores and spares.

8.5) Value of imports calculated on CIF Basis: -

	(Rs. in Lacs)	
	2008-2009	2007-2008
Components & Spares	142.91	49.15
Capital Goods	-	-
	142.91	49.15
	(Rs. in Lacs)	
	2008-2009	2007-2008

8.6) Earnings in Foreign Exchange: -

F.O.B Value of Exports	396.98	211.22
	396.98	211.22

Note: The above figure is inclusive of Sales through SEEPZ & other Export Units.

8.7) Value of Raw Materials and Components Consumed

	(Rs. in Lacs)			
	2008-2009	%	2007-2008	%
Imported	124.74	39.34	52.06	28.72
Indigenous	192.37	60.66	129.22	71.28
	317.11	100.00	181.28	100.00

9. Previous year's figures have been regrouped / recast to confirm to this year's classification.

Signatures to Schedules A to H & 1 to 9

As per our Report of even date FOR AND ON BEHALF OF
For KARMARKAR & CO., THE BOARD OF DIRECTORS

Chartered Accountants

S. D. BAL S.A. Joshi K. B. Valia
Proprietor Director Director

Membership No. 100/17574

Mumbai. Mumbai.
Date : 25th April, 2009 Date : 25th April, 2009

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009
(Rs. in lacs)

Particulars	2008-2009	2007-2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extra ordinary items	(32.84)	(45.92)
Adjustments For :		
Depreciation	1.78	1.91
Net Loss on Sale of Fixed Assets	-	-
Profit on Sale of Fixed Assets	-	-
Fixed Assets scrapped / Amount w/off	-	-
Diminution in value of investments	-	-
Interest received	(0.18)	(0.19)
Dividend Received	-	-
Provision for Gratuity	-	-
Operating Profit before working capital changes	<u>(31.24)</u>	<u>(44.20)</u>
Adjustments For :		
(Decrease) / Increase in Working Capital	<u>(41.08)</u>	53.02
	<u>(72.32)</u>	<u>8.82</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1.03)	(1.04)
Sale of Fixed Assets	-	-
Dividend Paid	-	-
Investments made	-	-
Net Cash used in Investing Activities	<u>(1.03)</u>	<u>(1.04)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Borrowings	11.28	(0.50)
Interest received	0.18	0.19
Dividend received	-	-
Issue of Shares	50.00	-
Net Cash from Financing Activities	<u>61.46</u>	<u>(0.31)</u>
Net Increase in Cash and Cash Equivalent (A+B+C)	<u>(11.89)</u>	<u>7.47</u>
Opening Balance of Cash and Cash Equivalent	2.92	10.39
Closing Balance of Cash and Cash Equivalent	<u>(14.81)</u>	<u>2.92</u>
Increases / (Decrease)	<u>(11.89)</u>	<u>7.47</u>

For KARMARKAR & CO.,
Chartered Accountants

S. D. BAL
Proprietor
Membership No. 100/17574

Mumbai.
Date : 25th April, 2009

For and on behalf of the Board of Directors

Director

Mumbai.
Date : 25th April, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

 Registration No.

 Balance Sheet State Code

Date : Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Bonus Issue

Rights Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Sources of Funds

Paid-up Capital

Secured Loans

Total Assets

Reserve & Surplus

Unsecured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Investments

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousand)

Turnover Including Other Income

Total Expenditure

Profit/Loss Before Tax

Profit/Loss After Tax

(Please tick Appropriate box + for Profit - for Loss)

+ - Earning per Share in Rs.

Dividend %

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

 Item Code No. (ITC Code)

 Product Description

 Item Code No. (ITC Code)

 Product Description

 Item Code No. (ITC Code)

 Product Description

Sprylogic Technologies Ltd.

4th Annual Report 2008-2009

Board of Directors

P. S. Deodhar
S. A. Joshi
Neelam K. Kumar
U. V. Save

Chairman
Director
Director
Executive Director

Registered Office & Works

Unit No. 18, Electronic Sadan II,
MIDC, Bhosari,
Pune - 411026.

Corporate Office

A/1, Wagle Industrial Estate,
Thane - 400 604.

Auditors

Puranik Kane & Co.
Chartered Accountants
Thane

Bankers

Corporation Bank,
Thane

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DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in submitting their 4th Annual Report together with the audited annual accounts of the Company for the year ended 31st March 2009.

	(Rs. in Lacs)	
	Year ended 31.03.2009	Year ended 31.03.2008
Total Revenue	183.56	73.91
Total Expenditure	137.95	64.35
PBDIT	45.61	9.56
Finance Cost	0.77	0.53
Depreciation	6.75	4.02
Amortisation of Product Cost	17.14	12.21
Profit Before Tax	20.95	(7.20)
Provision for Tax	3.51	-
Provision for Fringe Benefit Tax	0.57	0.35
Deferred Tax Liability/(Asset)	1.86	1.41
Net Profit/(Loss)	15.01	(8.96)
Amount available for appropriations	-	-
Appropriations :	6.05	-
1. General Reserve	-	-
2. Proposed Dividend	-	-
3. Tax on Dividend	-	-

Working Results & Operations:

For the year ended March 31, 2009, our income from software services grew to Rs 183.56 Lacs, which represents an increase of 148% over the previous years Rs 73.91Lacs. We saw strong growth across both, the embedded and application software solutions.

The Profit After Tax for the year grew Rs 15.01 Lacs as compared to Rs 8.96 lacs losses in the previous year.

Over the last two operational years, we have strengthened our capability in the traditional areas of Embedded, software application Development, web based application development and power electronics, which continue to show strong traction in the market.

Management Discussion and Analysis Report:
a) Industry Structure and Developments

The sub prime credit crisis has meant an overall slowdown in the ITES sector; Indian IT demand continues to be robust and this has more than made up for our business plans for the previous year of operation. With the experience achieved in the past years over Agile Web based Application development, and the efforts put on the Power Electronics & Embedded applications domain and DSP based developments, the company aims to have good business in the coming year. With recession making the conditions tight to survive for service providing companies, we are trying to make our future secure by undergoing changes to be a

Product & Service providing company this year. This shall in turn enhance the IP assets with the company and also increase the ROI.

b) Opportunities and Threats

Even the strongest feel the cracks in the face of an earthquake, so is the effect of Recession. The competition is now getting tougher with all giants also bidding for tenders which were earlier looked upon by only SME's. At the same time since now the bidding prices also are getting curtailed, dynamic entrants like Sprylogic have a better chance with the systematic approach, Agile Development Process deployed and modular testing at each phase. Apart from this, our dedicated efforts on Power Electronics related designs which incorporates a huge market sector gets us with good opportunity for coming year.

Our go-to-market strategy over last few years and at least for the next couple of years of leveraging business partners and OEM vendors has already been extremely successful; this has given Sprylogic the opportunity to focus on building its software portfolio and relying on their partners for market access. Our strategy is to quickly move to a direct sales model as soon as we reach meaningful level of software deployments.

c) Company Achievements

Sprylogic has made some excellent in-roads into the banking and retail automation segment. Over the year, the company has been actively scouting for international business, and initial responses have been quite encouraging. The Indian IT market has been extremely robust, and customer interest in our products has surpassed our most optimistic estimates. Over the year, Sprylogic has developed and offered a new line of kiosk software for the consumer and retail banking segments. Initial feedback on our early beta releases of our software has been well received. The company plans to gain some significant market share in the Indian kiosk business. Our kiosk software solutions are extremely modular, customizable and low-cost. Our strategy to license our software through OEM kiosk vendors has already seen some success. Despite its smaller headcount Sprylogic has already developed a comprehensive portfolio of technologies that span low-level logic designs to enterprise-level web based applications. Efforts and time spent on web based application development technologies in past year, is reaping fruits now, the agile development with customer interaction playing major role in each phase of development reduces time to market and increased customer satisfaction. Expanding grip in power domain also adds to the achievement list.

d) Internal control systems

The Company is ensuring that proper and adequate controls are in place and all our software assets and intellectual property is adequately protected. Deployment of version control systems for all our software and IP assets is in progress. Business processes with feedback and continuous

improvement have been put in place over the year; this is helping us to acquire CMMI certifications in the future. Test cases for testing modules, strict code reviews, perks for bug reporting, all these mechanisms improve the final product and reduce the error ratios at customer-end considerably and hence generate the confidence at customer level and strengthen the bonding. Proper planning and scheduling with the use of software like project management, performance management and CRM, etc helps in proper monitoring and control for better results.

Fixed Deposits:

The Company has not accepted any deposit during the year.

Directors:

In accordance with the Articles of Association of the Company Mr. S. A. Joshi is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, have communicated his willingness to be reappointed as Director of the company.

People:

The company is continuing to focus on being an Employer of Choice to attract and retain the best industry talent. Several initiatives were undertaken during the course of the year to create tighter and deeper bonds with the people. For the company to continue to enhance its market presence, it is important that new people entering the organization are better skilled, differentiated and more emotionally attached to the organization than their industry peers.

The company is looking and planning ahead for the future. In the current year, the company will focus on the theme of Empowering and Enabling Line Managers. This will allow decision making at the operating level and creation of environment that facilitates nurturing, development and satisfaction of people. It will allow us to build the second level leadership capability which will be essential for the company to sustain its growth in the years ahead.

Auditors:

M/s. Puranik Kane & Co., Chartered Accountants, Thane, the Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. You are requested to appoint the Auditors and fix their remuneration.

Conservation of Energy and Technology Absorption and Research and Development:

The range of activities of your Company require minimal energy consumption and every endeavour has been made

to ensure optimal utilization of energy and avoid wastage through automation and deployment of energy efficient equipment.

Your Company takes adequate measures to reduce energy consumption by using efficient computer terminals and by using latest technology.

Foreign Exchange Earnings and Outgo:

The foreign exchange outgo of the Company were to the tune of Rs.2,89,000/- during the year. We have also signed up our first international contract worth Rs. 2,15,000/-.

Employees Particulars:

The information pursuant to Sec. 217 (2A) of the Companies Act of 1956 as amended read with the Companies (Particulars of employees) Rules 1975 are not applicable to the Company for the year under review.

Directors Responsibility Statement:

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, the Directors hereby state:

- a) that while preparing the annual accounts for the year ended 31st March 2009, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year;
- c) 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;
- d) that the directors had prepared the annual accounts on a going concern basis.

Acknowledgements:

The directors thank the shareholders and government authorities for their support to the company.

For Sprylogic Technologies Limited

Place: Pune
Date: April 25, 2009

U. V. Save
Executive Director

AUDITORS' REPORT

To the Members of Sprylogic Technologies Limited,

We have audited the attached Balance Sheet of Sprylogic Technologies Limited as at 31st March 2009, relevant Profit & Loss Account and the Cash Flow Statement for the year ended on that date all of which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
- 2) Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by the report is in agreement with the books of account of the Company.
 - d) On the basis of written representations received from the directors as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March 2009, from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to explanations given to us, the Accounts, read together with the Notes thereon, give the information required by The Companies Act, 1956 in the manner so required and present a true and fair view:
 - i) in case of the Balance Sheet of state of the affairs of the Company as at 31st March, 2009
 - ii) in case of Profit & Loss Account of the Profit for the year ended on 31st March 2009; and
 - iii) in case of the Cash Flow Statement of the cash flows for the year ended on that date.

For and on behalf of
Puranik Kane & Co.
 Chartered Accountants

Ashish Ashok Kane
 Partner
 Membership No. 104076

Place: Pune
 Date: 25th April, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in Paragraph 1 of our report of even date on the accounts for the year ended 31st March 2009 of Sprylogic Technologies Limited

- 1) The Company is in the process of maintaining the Fixed Assets Register showing full particulars, including quantitative details and situation of fixed assets.
- 2) As informed to us, the fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification. Further we are of the opinion that considering the size of the Company, the frequency of the verification of fixed assets is reasonable.
- 3) During the year, Company has not disposed off any substantial part of fixed assets.
- 4) In our opinion and according to the information and explanations given to us, the Company does not own any stock of inventory. Hence sub clause (a), (b) and (c) of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- 5) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 6) The Company has not taken any loans, secured or unsecured from Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- 7) In our opinion and according to the information and explanations given to us, the Company has adequate internal control system considering the size of the Company and nature of its business, for purchase of inventory, fixed assets and for sale of services during the year.
- 8) In our opinion and according to the information and explanations given to us, the particulars of the contract or arrangement referred to in section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.
- 9) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contracts of arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 10) In our opinion and according to the information and explanations given to us, the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 are not applicable to the Company, as the Company has not accepted any deposits from the public.
- 11) Since the Company is not listed, does not have a paid up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year and also does not have an average annual turnover exceeding five crore rupees for the period of three consecutive financial years immediately preceding the financial year under audit, clause 4 (vii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- 12) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, for any of the products of the Company.
- 13) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income tax, Service tax, Sales tax with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- 14) Since the Company has been registered for a period of less than five years, clause 4 (x) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- 15) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or bank.
- 16) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 17) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.
- 18) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader of shares, debentures and other securities.
- 19) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 20) In our opinion and according to the information and explanations given to us, the Company has obtained term loan and applied the same for the purpose for which the loans were obtained.
- 21) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis.
- 22) The Company has made preferential allotment to parties covered in the Register maintained under section 301 of the Act. Further price at which the shares have been issued are not prejudicial to the interest of the Company.
- 23) The Company has not issued any debentures during the year.
- 24) The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- 25) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For and on behalf of
Puranik Kane & Co.
Chartered Accountants

Ashish Ashok Kane
Partner
Membership No. 104076

Place: Pune
Date: 25th April, 2009

Balance Sheet as at 31st March 2009
(Rs. in lacs)

	Schedule	As At 31-3-2009	As At 31-3-2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	8.50	8.50
Reserves & Surplus	2	6.05	-
		<u>14.55</u>	<u>8.50</u>
LOANS			
Secured	3	5.57	6.86
		<u>5.57</u>	<u>6.86</u>
DEFERRED TAX LIABILITY (NET)			
		<u>3.27</u>	<u>1.41</u>
		<u>23.39</u>	<u>16.77</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	95.17	69.03
Less Depreciation		40.12	16.23
Net Block		<u>55.05</u>	<u>52.80</u>
Capital work in progress		11.99	-
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	5	4.15	1.69
Cash & Bank Balances		0.42	1.08
Loans & Advances		32.12	7.10
		<u>36.69</u>	<u>9.87</u>
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	6	76.15	54.82
Provision		4.43	0.35
		<u>80.58</u>	<u>55.18</u>
NET CURRENT ASSETS			
		<u>(43.89)</u>	<u>(45.31)</u>
MISCELLANEOUS EXPENDITURE			
(To the extent not W/off or Adjusted)	7		
Priliminary & Pre - operative Expenses		0.23	0.31
Profit & Loss Account		-	8.96
TOTAL		<u>23.39</u>	<u>16.77</u>
NOTES ON ACCOUNTS			
SIGNIFICANT ACCOUNTING POLICIES			

As per our report attached
For Puranik Kane & Co.
Chartered Accountants

Ashish Kane
Partner

Pune :
25th April, 2009

For and on behalf of the Board

P. S. Deodhar Chairman
U.V. Save Executive Director

Pune :
25th April, 2009

Profit & Loss Account for the year ended 31st March, 2009
(Rs. in lacs)

	Schedule	2008-2009	2007-2008
INCOME:			
Sales and Operating Earnings	8	183.28	73.91
Other Income	9	0.28	-
		<u>183.56</u>	<u>73.91</u>
EXPENSES:			
Payments to and provisions for Employees	10	125.47	79.10
Excise Duty			
Other Expenses	11	41.91	35.23
TOTAL		<u>167.38</u>	<u>114.33</u>
Less : Product Development Cost		<u>29.43</u>	<u>49.97</u>
		<u>137.95</u>	<u>64.36</u>
Interest and Finance Charges	12	0.77	0.53
Depreciation	4	6.75	4.02
Amortization of Product Cost	4	17.14	12.21
		<u>162.61</u>	<u>81.11</u>
PROFIT BEFORE TAX		20.95	(7.20)
PROVISION FOR TAXATION			
Current Tax		3.51	-
Fringe Benefit Tax		0.57	0.35
Deferred Tax Liability / (Asset)		1.86	1.41
PROFIT AFTER TAX		15.01	(8.96)
Balance brought forward from previous year		-	-
Balance available for appropriation		<u>15.01</u>	<u>(8.96)</u>
APPROPRIATIONS :			
General Reserve		(8.96)	-
Surplus/Loss Carried to Balance Sheet		15.01	(8.96)
		<u>6.05</u>	<u>(8.96)</u>
Basic & Diluted Earning per Share (Rupees)		17.66	(10.54)
NOTES ON ACCOUNTS	13		
SIGNIFICANT ACCOUNTING POLICIES	14		

As per our report attached
For Puranik Kane & Co.
Chartered Accountants

Ashish Kane
Partner

Pune :
25th April, 2009

For and on behalf of the Board

P. S. Deodhar Chairman
U.V. Save Executive Director

Pune :
25th April, 2009

Schedules forming part of the Balance Sheet as at 31st March, 2009
(Rs. in lacs)

Schedule	As At 31-3-2009	As At 31-3-2008
SCHEDULE 1 :		
Share Capital		
Authorised		
10,00,000 Equity Shares of Rs. 10 each.	100.00	100.00
Issued And Subscribed		
85,000 Equity Shares of Rs. 10 each	8.50	8.50
Paid up		
85,000 Equity Shares of Rs. 10 each (50,000 Equity shares of Rs. 10 each held by holding company M/s. Aplab Ltd.)	8.50	8.50
SCHEDULE 2 :		
Reserves & Surplus		
1. Profit & Loss Account		
Balance last year	(8.96)	-
Add. Current year profit	15.01	-
Closing Balance	6.05	-
SCHEDULE 3 :		
Secured Loans		
1. Term Loans from Banks :		
a) Vehicle Loans from Banks Secured by hypothecation of Vehicles financed by respective bank.	5.57	6.86
	5.57	6.86

SCHEDULE - 4
FIXED ASSETS
(Rs. in lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Additions	Dele- tions	As on 31.03.2009	Up to 01.04.2008	For the Period	Written back	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
Plant and Machinery	0.23	0.40	-	0.62	0.02	0.06	-	0.08	0.55	0.21
E.D.P. Systems/Computers	9.32	8.30	-	17.62	2.32	4.66	-	6.98	10.63	7.00
Vehicles	9.51	-	-	9.51	1.68	2.03	-	3.71	5.80	7.82
TOTAL FOR THE YEAR	19.06	8.70	-	27.75	4.02	6.75	-	10.77	16.98	15.03
Owned Products	49.97	17.45	-	67.42	12.21	17.14	-	29.35	38.07	37.77
	69.03	26.15	-	95.17	16.23	23.89	-	40.12	55.05	52.80
Total for the previous year	-	69.03	-	69.03	-	16.23	-	16.23	52.80	-

Schedules forming part of the Balance Sheet as at 31st March, 2009
(Rs. in lacs)

	As At 31.03-2009 Rs.	As At 31.03-2008 Rs.
SCHEDULE : 5		
Current Assets, Loans & Advances		
(A) Current Assets		
1. Sundry Debtors (Unsecured)		
a) Due from others (Considered good)		
Within 6 months	4.15	1.69
Others	-	-
	<u>4.15</u>	<u>1.69</u>
2. Cash & Bank Balances		
Cash and Cheques on hand	0.12	0.04
In Deposit Accounts with Scheduled Banks		
In Current Accounts with Scheduled Banks	0.30	1.04
	<u>0.42</u>	<u>1.08</u>
(B) Loans & Advances (Unsecured)		
(considered good unless otherwise specified)		
1. Advance Income Tax/T.D.S.	30.32	6.05
2. Deposits :	1.80	1.05
	<u>32.12</u>	<u>7.10</u>
SCHEDULE 6 :		
Current Liabilities & Provisions		
1. Current Liabilities		
Sundry Creditors	3.14	2.60
Other liabilities	20.42	11.74
Advance from customers	52.59	40.48
	<u>76.15</u>	<u>54.82</u>
Provision for Taxation	4.43	0.35
	<u>4.43</u>	<u>0.35</u>
SCHEDULE 7 :		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary and Pre Operative Expenses		
Company Formation Expenses	0.19	0.25
Audit Fees	0.04	0.06
	<u>0.23</u>	<u>0.31</u>

Schedules forming part of the Profit & Loss Account as at 31st March, 2009
(Rs. in lacs)

	2008-2009	2007-2008
	Rs.	Rs.
SCHEDULE 8		
Sales and Operating Earnings		
Product Sale	-	24.85
Service Income	183.28	49.06
	<u>183.28</u>	<u>73.91</u>
SCHEDULE 9		
Other Income		
Sales Commission	0.27	-
Misc. Income	0.01	-
	<u>0.28</u>	<u>-</u>
SCHEDULE 10		
Payments to and provisions for Employees		
Salaries, Wages & Bonus	112.44	69.80
Contribution to Provident & Other Funds	9.55	6.06
Gratuity	3.25	2.36
Staff Welfare Expenses	0.23	0.88
	<u>125.47</u>	<u>79.10</u>
SCHEDULE 11		
Other Expenses		
Rent for Office/Residential Premises	15.23	14.59
Exhibition Expenses	1.91	5.73
Printing & Stationery	0.66	0.29
Postage & Telephone	1.07	0.72
Business Promotion Expenses	0.10	0.06
Traveling	9.99	6.43
Vehicle Expenses (Car maint.)	1.69	0.22
Legal & Professional Charges	4.26	4.21
Advertisement & Publicity	-	0.16
Brokerage & Commission	0.21	0.11
Books & periodical Exp	0.10	0.07
Office Maintenance Charges	1.04	0.59
Repairs and Maintenance	0.02	0.03
Stamp Duty	1.58	0.19
Computer Maintenance	0.51	0.14
Food Expenses	0.30	0.11
Gift Distribution exp	0.05	0.18
Insurance	0.33	0.02
Meembership Fees	0.21	-
Internet Exp	2.34	0.87
Miscellaneous Expenditure written off	0.08	0.08
Misc. Expenses	0.01	0.18
Octroi	0.05	0.01
Seminar & Conference Exp	0.17	0.24
	<u>41.91</u>	<u>35.23</u>
SCHEDULE 12		
Interest and Finance Charges		
On Fixed Period Loans	0.74	0.50
Bank Charges	0.03	0.03
	<u>0.77</u>	<u>0.53</u>

Schedules forming part of the Balance Sheet and Profit & Loss Account as at 31st March, 2009
SCHEDULE 13
NOTES ON ACCOUNTS

1. Payments to Directors
(Exclusive of future liabilities in respect of retirement benefits like contribution to gratuity fund, provision for leave encashment on retirement and other retirement benefits)

(Rs. in lacs)

	2008-2009	2007-2008
	Rupees	Rupees
(a) Remuneration		
Salary	11.34	11.25
Provident Fund Contribution	1.00	0.96
Other Perquisites	0.70	1.07
Total	<u>13.04</u>	<u>13.28</u>

2. Payment to Auditors:

Audit Fees Rs.0.55 (Rs.0.50), Tax Audit Fees Rs.0.11 (Rs.0.12).

3. The Company has no dues to Small Scale Industrial Undertaking for more than 30 days and of an amount exceeding Rs.1,00,000/-.

4. Segment Reporting (Accounting Standard – AS 17)

The Company is engaged in business / operations of sale and servicing of Embedded Software & Application Software. It is a considered view of the management that the Company has no reportable segments envisaged in the Accounting Standard (AS 17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.

5. Related Party Disclosures (Accounting Standard AS 18)

List of Related Parties and Relationship

Holding Company:
Aplab Limited

Key Management Personnel:

Mr. P.S. Deodhar	Chairman
Mr. Uttam Save	Executive Director
Mr. S.A. Joshi	Director
Mr. Neelam Kumar	Director

Relatives of Key Management Personnel

Mr. Nishith P. Deodhar

Schedules forming part of the Balance Sheet and Profit & Loss Account as at 31st March, 2009

The following transactions were carried out with the related parties in the ordinary course of business.

Nature of Transaction	Holding company Rs.
Sale & services of Software	164.40 (73.91)
Rent paid	14.28 (14.28)
Advance from Customer as on 31.03.09	52.48 (39.48)

6. Earning Per share (Accounting Standard –AS 20)

Profit computation for both Basic and Diluted Earning per share of Rs. 10 each	2008-09	2007-08
Net Profit / (Loss) after tax as per Profit and Loss Account available for Equity Shareholder	15.01	(8.96)
Number of shares for Basic EPS	8,50,000	8,50,000
Earning per share Basic and Diluted	Rs 17.66	Rs (10.54)

7. Deferred Tax Assets and Liabilities (Accounting Standard – AS 22)

Deferred Tax Liability / (Asset) at the year end comprise timing difference on account of:

	2008-09 Rupees	2007-08 Rupees
- Depreciation	1.13	7.31
- Expenditure / Provisions not allowable	(5.11)	(3.16)

**8. Additional Information pursuant to paragraphs 3,4C and, 4D of part II of Schedule VI to Companies Act, 1956
Schedule forming part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2009**

	2008-09 Rs.	2007-08 Rs.
8.1 Value of Imports Calculated on CIF basic Components and spares & outsourced items Capital Goods Other	NIL NIL	NIL NIL
8.2 Earning in Foreign Exchange: FOB Value of Exports Other Charges	NIL NIL	NIL NIL
8.3 Expenditure in Foreign Currency Traveling	2.89	1.92

9. Details of movement in provision in accordance with Accounting Standard-29

Particulars	Opening as on 01.04.2008	Provision made during the year	Provision reversed / adjusted	Closing as on 31.03.2009
Taxation				
- Income Tax	Nil	3.51	Nil	3.51
- FBT	0.35	0.57	Nil	0.92

10. Figures for the previous year have been regrouped wherever necessary.

Schedules forming part of the Balance Sheet and Profit & Loss Account as at 31st March, 2009**SCHEDULE 14****SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Preparation of Financial Statement:**

The financial statements have been prepared to comply in all material respect with mandatory Accounting Standards issued by Institute of Chartered Accounts of India and relevant provisions of Companies Act, 1956.

Financial Statements are based on historical cost convention, on the basis of going concern and on accrual method of accounting, in accordance with provision of Companies Act, 1956 as adopted consistently by the company. All income and expenditure having a material bearing on financial statements are recognized on accrual basis.

2. Fixed Assets and Depreciation:

Tangible and Intangible Fixed Assets are stated at acquisition cost less accumulated depreciation. The cost comprises of purchase price and any attributable cost bringing the asset to its working conditions for its intended use.

3. Depreciation and Amortisation

Depreciation is provided on written Down Value Method in accordance with the Companies Act, 1956, except for the items mentioned below. All the individual items costing Rs. 5,000 or less have been fully written off.

The rates of depreciation are in accordance with Schedule XIV to the Company Act, 1956 on a Pro-rate basis except as given below

Acquired / Own Software Products To be amortized over estimated life of asset on Straight Line Value Method. The estimated life is taken as Four Year.

4. Taxation:

Income tax comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

5. Retirement Benefits:

Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account of the year.

6. Revenue Reorganization:

Revenue from software development / software products / services is recognized on the basis of invoices raised.

Signature to Schedules '1' to '14'

As per our report attached
For Puranik Kane & Co.
Chartered Accountants

Ashish Kane
Partner

Pune :
25th April, 2009

For and on behalf of the Board

P. S. Deodhar Chairman
U.V. Save Executive Director

Pune :
25th April, 2009

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009
(Rs. in lacs)

Particulars	2008-2009	2007-2008
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extra ordinary items	20.95	(7.20)
Adjustments For :		
Depreciation	6.75	4.02
Amortization of Product Cost	17.14	12.21
	<u>44.84</u>	<u>9.03</u>
Operating Profit before working capital changes		
Adjustments For :		
(Decrease) / Increase in Working Capital	(6.08)	45.77
	<u>38.76</u>	<u>54.80</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Development of Fixed Assets	(38.13)	(69.03)
Issue of Equity Share Capital	-	3.50
	<u>(38.13)</u>	<u>(65.53)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Borrowings	(1.29)	6.85
Net Cash from Financial Activities	(1.29)	6.85
Net Increase / (Decrease) Increase in Cash and Cash Equivalent(A+B+C)	(0.66)	(3.88)
Opening Balance of Cash and Cash Equivalent	1.08	4.96
Closing Balance of Cash and Cash Equivalent	0.42	1.08
Net Increase / (Decrease)	(0.66)	(3.88)

As per our report attached
For Puranik Kane & Co.
Chartered Accountants

Ashish Kane
Partner

Pune :
25th April, 2009

For and on behalf of the Board

P. S. Deodhar Chairman
U.V. Save Executive Director

Pune :
25th April, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

Balance Sheet State Code

Date : Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Rights Issue	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Bonus Issue	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Private Placement	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="9"/>	Total Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="9"/>
Sources of Funds	Paid-up Capital	Reserve & Surplus	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="5"/>
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/>	Unsecured Loans	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
	Secured Loans		
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="7"/>		

Application of Funds

Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="4"/>	Investments	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Net Current Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="9"/>	Misc. Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/>
Accumulated Losses	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>		

IV. Performance of Company (Amount in Rs. Thousand)

Turnover	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="6"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="1"/>
+ - Profit/Loss Before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="5"/>	+ - Profit/Loss After Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/>

(Please tick appropriate box + for Profit - for Loss)

Earning per Share in Rs.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="6"/>	Dividend %	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
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V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="8"/> <input type="text" value="0"/>
Product Description	<input type="text" value="S"/> <input type="text" value="O"/> <input type="text" value="F"/> <input type="text" value="T"/> <input type="text" value="W"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value=" "/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="I"/> <input type="text" value="G"/> <input type="text" value="N"/> <input type="text" value=" "/> <input type="text" value=" "/> <input type="text" value=" "/> <input type="text" value="D"/> <input type="text" value="E"/> <input type="text" value="V"/> <input type="text" value="E"/> <input type="text" value="L"/> <input type="text" value="O"/> <input type="text" value="P"/> <input type="text" value="M"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value=" "/> <input type="text" value="S"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="V"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="E"/> <input type="text" value="S"/>
Item Code No. (ITC Code)	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="8"/> <input type="text" value="0"/>
Product Description	<input type="text" value="S"/> <input type="text" value="O"/> <input type="text" value="F"/> <input type="text" value="T"/> <input type="text" value="W"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value=" "/> <input type="text" value="T"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="G"/> <input type="text" value=" "/> <input type="text" value=" "/> <input type="text" value=" "/> <input type="text" value="M"/> <input type="text" value="A"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="C"/> <input type="text" value="E"/> <input type="text" value=" "/> <input type="text" value="S"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="V"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="E"/> <input type="text" value="S"/>
Item Code No. (ITC Code)	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="8"/> <input type="text" value="0"/>
Product Description	<input type="text" value="K"/> <input type="text" value="I"/> <input type="text" value="O"/> <input type="text" value="S"/> <input type="text" value="K"/> <input type="text" value=" "/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="D"/> <input type="text" value=" "/> <input type="text" value="K"/> <input type="text" value="I"/> <input type="text" value="O"/> <input type="text" value="S"/> <input type="text" value="K"/> <input type="text" value=" "/> <input type="text" value="M"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="A"/> <input type="text" value="G"/> <input type="text" value="E"/> <input type="text" value="M"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value=" "/> <input type="text" value="S"/> <input type="text" value="O"/> <input type="text" value="F"/> <input type="text" value="T"/> <input type="text" value="W"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="E"/>

**AUDITORS' REPORT ON CONSOLIDATED
FINANCIAL STATEMENTS**

We have examined the attached financial statements of Aplab Limited and its subsidiaries ("the Aplab Group") as at 31st March, 2009 comprising the consolidated balance sheet, the consolidated profit and loss account and consolidated cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on them based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all respects, in accordance with the prescribed financial reporting framework and are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of two subsidiaries, Intel Instruments & Systems Ltd., ("Intel") whose financial statements reflect total assets of Rs.346.45 lacs (PY Rs. 285.17 Lacs) as at March 31, 2009 and total revenues of Rs.539.78 lacs (PY Rs. 339.92 lacs), and Sprylogic Technologies Ltd whose financial statements reflect total assets of Rs.23.39 lacs (PY Rs. 16.77 lacs) as at March 31, 2009 and total revenue of Rs.183.56 lacs (PY Rs.73.91 lacs). These financial statements have been audited by other firms of auditors, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of subsidiaries, is based solely on the reports of the auditors of those companies.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Aplab Group companies included in the consolidated financial statements.

We invite attention to the reports issued by auditors of individual Aplab Group Company and particularly, the auditors' adverse remarks provided in *italics/bold* print. Having due regard to those audit reports and on the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Aplab Group, we are of the opinion that the said consolidated financial statements subject to our adverse remarks in *italics / bold* in respect of Aplab Group companies *do not give a true and fair view:*

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
- b) in the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Group for the year then ended and
- c) in the case of the Consolidated Cash Flow Statement of the consolidated cash flow of the Group for the year then ended

in as much as the Aplab Group companies do not provide for accrued liability for gratuity as on March 31, 2009 of Rs. 246.81 lacs.

For M P Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
ICAI M. No. 41037

Mumbai,
April 28, 2009

Consolidated Balance Sheet as at 31st March, 2009

(Rs. in lacs)

	Schedule	As at 31.03.2009	As At 31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	5,00.00	5,00.00
Reserves & Surplus	2	24,36.20	24,41.57
		29,36.20	29,41.57
LOANS			
Secured	3	37,24.01	29,83.52
Unsecured	4	6,42.60	5,04.96
		43,66.61	34,88.48
DEFERRED TAX LIABILITY (NET)		0.90	12.19
		73,03.71	64,42.24
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	39,07.05	33,25.30
Less: Depreciation		21,65.46	19,35.10
Net Block		17,41.59	13,90.20
Capital Work In Progress		9,45.35	5,46.56
		26,86.94	19,36.76
INVESTMENTS	6	2.68	2.28
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	35,25.67	34,29.72
Sundry Debtors		30,91.58	27,06.93
Cash & Bank Balances		2,58.84	1,97.82
Loans & Advances		18,61.80	18,98.63
		87,37.89	82,33.10
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	8	28,79.60	25,45.71
Provisions		12,38.44	11,84.69
		41,18.04	37,30.40
NET CURRENT ASSETS		46,19.85	45,02.70
MINORITY INTEREST		(5.99)	0.19
MISCELLANEOUS EXPENDITURE			
9 (To the extent not W/off or adjusted)			
Preliminary & Pre-Operative expenses		0.23	0.31
		73,03.71	64,42.24
CONTINGENT LIABILITIES	10		
NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	19		

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Mumbai : 28th April, 2009

For and on behalf of the Board
P. S. Deodhar Chairman & Managing Director
Neelam K. Kumar Executive Director
A. G. Joshi Director

Thane : 28th April, 2009

Consolidated Profit & Loss Account for the year ended 31st March, 2009

(Rs. in lacs)

	Schedule	2008-09	2007-08
INCOME:			
Sales and Operating Earnings	11	108,01.04	116,71.98
Other Income	12	78.95	71.33
Variation in Stocks	13	15.44	2,99.45
		108,95.43	120,42.76
EXPENSES			
Materials Consumed	14	60,10.84	67,12.26
Payments to and provisions for Employees	15	23,43.84	22,90.80
Manufacturing Expenses	16	4,71.82	5,73.22
Other Expenses	17	12,20.93	13,41.65
		100,47.43	109,17.93
Less : Product Development Cost		29.44	49.97
		100,17.99	108,67.96
Interest and Finance Charges	18	5,04.07	3,86.85
Depreciation	5	1,97.96	1,68.29
Less : Transferred to Revaluation Reserve		0.55	0.61
		1,97.41	1,67.68
Amortisation of Product Cost		17.14	12.21
		107,36.61	114,34.70
PROFIT BEFORE TAX		1,58.82	6,08.06
Provision for Taxation			
Current tax		83.79	2,75.47
Fringe Benefit Tax		26.47	33.64
Deferred tax Liability/(Assets)		(11.29)	(35.16)
PROFIT AFTER TAX		59.85	3,34.11
Less : Current Tax Provision for earlier year		-	0.22
Less : Deferred Tax Provision for earlier year		-	0
Less : Balance brought forward from previous year		(1,36.54)	(94.98)
		Balance available for appropriation	2,38.91
APPROPRIATIONS:			
General Reserve		17.37	2,29.21
Surplus Carried to Balance Sheet		(1,52.56)	(1,36.54)
Proposed Dividend		50.00	1,25.00
Tax on Proposed Dividend		8.50	21.24
		(76.69)	2,38.91
Basic and diluted earning per share (Rupees)		1.20	6.68
NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES			
19			

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Mumbai : 28th April, 2009

For and on behalf of the Board
P. S. Deodhar Chairman & Managing Director
Neelam K. Kumar Executive Director
A. G. Joshi Director

Thane : 28th April, 2009

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

		As at 31.03.2009	As at 31.03.2008			As at 31.03.2009	As at 31.03.2008
SCHEDULE 1: Share Capital				Pune and Bangalore (Repayable within 1 year Rs. 2,40.00 lacs Previous year Rs. 2,40.00 lacs)			
Authorised				(c) Vehicle loans from Banks. : 28.04 54.01			
70,00,000 (Previous year Rs. 70,00,000) Equity Shares of Rs. 10 each.		7,00.00	7,00.00	Secured by hypothecation of vehicles financed by respective banks (Repayable within one year Rs.14.01 lacs Previous year Rs. 26.06 lacs)			
Issued And Subscribed				2. Deferred Payment/Hire Purchase Credits: 2.61 4.11			
50,35,000 (Previous year Rs. 50,35,000) Equity Shares of Rs. 10 each		5,03.50	5,03.50	From other corporate Secured by charge /lien over assets acquired under hire-purchase agreements (Repayable within one year Rs.1.61 lacs Previous year Rs. 1.50 lacs)			
Paid Up				3. Cash Credit : 17,22.80 15,40.34			
50,35,000 (Previous year Rs. 50,35,000) Equity Shares of Rs.10 each fully paid up.		5,03.50	5,03,50	From Corporation Bank, secured by hypothecation of all stocks and book debts			
Note: Share Capital includes 8,30,300 Equity Shares of Rs.10 each allotted as fully paid bonus shares by Capitalisation of General Reserve, in earlier years.				4. Bill Discounting 8,66.16 4,96.72			
				Secured by bills discounted With Corporaton Bank			
SCHEDULE 2 Reserves & Surplus				5. Packing Credit Loan 51.14 43.37			
1. General Reserve				From Bank of Maharashtra, secured by Hypothecation of Raw material, Finished Goods, & Semi finished goods)			
Balance last year		12,64.99	11,15.74	6. Foreign Bills Purchase Account (Against Export Documents) 48.53 45.02			
Less: Leave Encashment for Previous year		-	79.96				
		12,64.99	10,35.78				
Add : Amount set aside this year		17.37	2,29.21				
		12,82.36	12,64.99				
Less : Profit & Loss Account		1,52.56	1,36.54				
		11,29.80	11,28.45				
2. Share Premium Account		12,91.81	12,91.81				
3. Capital Reserve		4.01	4.01				
4. Revaluation Reserve				SCHEDULE 4: Unsecured Loans			
Balance last year		13.58	14.19	Fixed Deposits 6,42.44 5,04.80			
Less: Amount transferred from Profit and Loss Account		0.55	0.61	(Repayable within one year Rs. 1,32.90 lacs Previous year Rs.1,61.31 lacs) Cumulative Time			
		13.03	13.58	Loan from Directors 0.16 0.16			
5. Surplus as per Profit & Loss Account		0.04	0.03				
		24,38.69	24,37.88				
SCHEDULE 3: Secured Loans							
1. Term Loans from Banks :							
(a) Corporation Bank :							
secured of by mortgage of Land, & Building & other Fixed Assets Subject to prior charges at Thane & Digha, New Mumbai (Repayable within one year Rs.80.00 lacs previous year Rs.80.00 lacs)		1,23.50	2,02.54				
(b) Bank of Maharashtra :							
secured of by morgage of Land, & Building and other fixed assets subject to specific prior charges at Bhosri,		8,81.23	5,97.41				

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

SCHEDULE - 5

FIXED ASSETS

(Rs. in lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Additions	Dele- tions	As on 31.03.2009	Up to 01.04.2008	For the Year	Written back	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
PRODUCTION										
Goodwill	1,34.10	-	-	1,34.10	80.46	26.82	-	1,07.28	26.82	53.64
Leasehold Land	3,26.26	-	-	3,26.26	19.56	3.64	-	23.21	3,03.06	3,06.70
Factory Buildings	5,99.74	2,31.34	-	8,31.08	2,45.51	45.79	-	2,91.31	5,39.77	3,54.22
Residential Premises	7.54	-	-	7.54	4.38	0.16	-	4.54	3.00	3.16
Office Premises	83.32	-	-	83.32	4.75	3.93	-	8.68	74.64	78.57
Plant and Machinery	10,17.60	20,33	1.66	10,36.27	7,71.98	39.01	1.06	8,09.93	2,26.34	2,45.62
Electrical Installations	71.36	23.08	-	94.44	39.01	5.39	-	44.40	50.04	32.35
Furniture and Fixtures	3,63.63	2,91.57	3.36	6,51.89	2,45.12	50.50	2.30	2,93.32	3,58.57	1,18.57
E.D.P. Systems/Computers	3,73.04	17.84	-	3,90.87	3,25.38	22.50	-	3,47.88	42.99	47.66
Vehicles	2,20.53	-	14,85	2,05.68	1,15.72	25.41	8.20	1,32.93	72.75	1,04.82
RESEARCH AND DEVELOPMENT										
Plant and Machinery	48.69	-	-	48.69	45.38	0.52	-	45.89	2.79	3.31
Electrical Installations	0.91	-	-	0.91	0.91	0	-	0.91	0	0.0
Furniture and Fixtures	8.51	0.02	-	8.53	6.64	0.32	-	6.96	1.58	1.87
E.D.P. Systems/Computers	20.03	-	-	20.03	18.09	0.78	-	18.87	1.17	1.94
Owned Products	49.97	17.45	-	67.42	12.21	17.14	-	29.35	38.07	37.77
TOTAL FOR THE YEAR	33,25.30	6,01.62	19.87	39,07.05	19,35.10	2,41.92	11.56	21,65.46	17,41.59	13,90.20
TOTAL PREVIOUS YEAR	30,68.16	2,78.74	21.60	33,25.30	17,46.73	2,07.31	18.94	19,35.10	13,90.20	-
Capital Work In Progress	5,46.56	3,98.79		9,45.35	0	-	0	-	9,45.35	-

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31.03.2009	As at 31-03-2008		As at 31.03.2009	As at 31-03-2008
SCHEDULE 6:			(B) Loans & Advances (Unsecured)		
Investments (Non-trade, Unquoted unless otherwise stated)			(Considered good unless otherwise specified)		
A. Long Term Investments (At Cost)					
1. Other Investments : (Unquoted)			1. Loans and advances to Employees	34.71	31.29
a) 2000 ordinary Shares of Rs. 10 each fully paid up of Saraswat Co-op Bank Ltd.	0.20	0.20	2. Advances recoverable in cash or in kind or for value to be received		
b) 1001 ordinary Shares of Rs. 50 each fully paid up of The Thane Janata Sahakari Bank Ltd.	0.50	0.50	a) From Others	4,48.36	6,98.82
c) 4700 ordinary Shares of Rs. 10 each fully paid of Bank of Maharashtra at premium of Rs. 13 per share Market value as on 31st March 2009 Rs. 20.75	1.08	1.08	b) Amount due as refund of additional duty of customs	25.71	-
2. Government Securities			3. Balance with Excise Authorities	86.60	1,13.22
National Savings Certificates	0.90	0.50	4. Advance Income Tax / T.D.S.	10,36.55	8,59.18
(Deposited with various Govt. authorities)			5. Deposits	2,29.87	1,96.12
	<u>2.68</u>	<u>2.28</u>		<u>18,61.80</u>	<u>18,98.63</u>
SCHEDULE 7:			SCHEDULE 8:		
Current Assets, Loans & Advances			Current Liabilities & Provisions		
(A) Current Assets			1. Current Liabilities		
1. Inventories			Sundry Creditors		
(As certified by the Management)			a) Micro small & Medium Enterprises		
Stores & Spares, Dies & Moulds at cost	2,93.79	2,53.66	b) Others	11,46.42	8,42.58
Materials & Components at cost	19,98.75	19,32.21	Acceptances	6,33.97	3,10.21
Materials & Components Lying with third parties			Dues to Directors	3.29	10.40
Goods in process at cost	8,42.63	6,77.91	Advance from customers	1,81.04	4,12.70
Finished Goods at lower of cost or selling price	3,69.15	5,18.43	Interest accrued but not due	34.70	26.33
Materials in Transit and in Bonded Warehouse at cost	12.12	25.11	Other Liabilities	8,54.49	8,89.08
	<u>35,16.44</u>	<u>34,07.32</u>	Unclaimed Debenture *	7.77	7.93
Excise Duty Paid / Payable on Finished Goods	9.24	22.40	Unclaimed Fix Deposit	10.62	15.84
	<u>35,25.67</u>	<u>34,29.72</u>	Unclaimed Interest on above Fix Deposit	1.58	2.62
			Cummulative Time Deposit from Employees	0.18	0.18
			*(Amount Transferable to Investors Education & Protection fund when due)	<u>28,79.60</u>	<u>25,45.71</u>
			Provisions		
			Provision for Warranties	1,04.01	80.51
			Provision for Taxation	9,43.85	8,33.60
			Provision for Gratuity	43.27	43.27
			Proposed Dividend	50.00	1,25.00
			Tax on Dividend	8.50	21.24
			Provision for Leave Encashment	88.81	81.07
				<u>12,38.44</u>	<u>11,84.69</u>
			SCHEDULE 9		
			Miscellaneous Expenditure		
			(To the extent not written off / adjusted)		
			Preliminary & Pre-operative Expenses		
			Company Formation Expenses	0.19	0.25
			Audit Fees	0.04	0.06
				<u>0.23</u>	<u>0.31</u>
			SCHEDULE 10		
			Contingent Liabilities		
			1. Disputed Tax/duty demands not provided for	1,96.41	1,59.35
			Corporate guarantees given to Banks on account of Subsidiary / Other Companies	1,07.27	91.97
			3. Bank Guarantees given on behalf of Company to third parties	15,93.59	16,10.57
			4. Counter Guarantees	7.60	3.58
			5. Estimated Liability on Capital Work in Progress	1,09.00	-
				<u>20,13.87</u>	<u>18,65.47</u>
* Deposit Receipts of Rs. 1,01.06 lacs (Previous year Rs.1,00.37 lacs are pledged against letters of Credit and Guarantees issued by Bank.					

Schedules forming part of the Consolidated Profit & Loss Account For the Year Ended 31st March, 2009

	2008-09	2007-08		2008-09	2007-08
SCHEDULE 11			SCHEDULE 15		
Sales and Operating Earnings			Payments to and provisions for Employees		
Product Sales	103,28.60	115,90.24	Salaries, Wages & Bonus	19,76.13	18,49.71
Less : Excise Duty	4,98.09	9,03.80	Contribution to Provident & Other Funds	1,80.23	1,74.76
Net Sales	98,30.51	106,86.44	Gratuity & Leave Encashment	49.74	1,36.93
Service Income	9,70.53	9,85.54	Staff Welfare Expenses	1,37.74	1,29.40
				23,43.84	22,90.80
	108,01.04	116,71.98			
SCHEDULE 12			SCHEDULE 16		
Other Income			Manufacturing Expenses		
Interest-on Bank Deposits (Gross, T.D.S. Rs.2.00 lacs) Previous year Rs. 1.93 lacs)	10.16	9.66	Labour Charges	44.33	80.88
-on Other Accounts (Gross, T.D.S. Rs. Nil Previous year Rs. Nil)	0.31	0.16	Rent	11.85	8.26
Sales Tax Refund	-	4.21	Rates & Taxes	1,00.70	1,77.27
Sundry Balances written Back	-	9.44	Power & Electricity	69.73	80.53
	10.47	23.47	Insurance Charges	7.93	7.12
			Repairs to Plant & Machinery	2.61	1.02
Dividend	0.21	0.19	Repairs to Factory Building	11.55	30.39
Insurance Claims	0.27	1.56	Miscellaneous Works Expenses	2,23.12	1,87.75
Miscellaneous Receipts	66.75	22.38		4,71.82	5,73.22
Exchange Variation Profit	-	23.28			
Profit on sale of assets	1.25	0.45			
	78.95	71.33			
SCHEDULE 13			SCHEDULE 17		
Variation in Stocks			Other Expenses		
Stock at Close			Rent for Office/Residential Premises	51.16	36.40
Finished Goods	3,69.15	5,18.43	Equipment Lease Rentals	1.36	1.49
Goods in process	8,42.63	6,77.91	Printing & Stationery	38.93	34.50
	12,11.78	11,96.34	Postage & Telephone	1,18.00	1,07.09
Stock at Commencement			Royalty	3.84	10.83
Finished Goods	5,18.43	2,32.99	Travelling & Conveyance	2,77.66	2,61.08
Goods in Process	6,77.91	6,63.91	Vehicle Expenses	38.25	36.21
	11,96.34	8,96.90	Legal & Professional Charges	1,63.12	1,57.30
	15.44	2,99.45	Advertisement & Publicity	46.97	53.63
			Commission & Discount	50.65	73.15
			Transport Outward & other charges	2,23.46	2,51.68
			Sales Tax, Purchase Tax	1.02	3.70
			Office Maintenance Charges	73.31	60.01
			Repairs and Maintenance	15.55	15.96
			Miscellaneous Expenses	25.62	30.28
			Loss on Sale of Assets	0.61	0.11
			Bad debts & other amounts written off	-	1,24.41
			Exchange Variation loss (Net)	41.10	-
			Amortisation of Goodwill	26.82	26.82
			Provision for Warranties	23.50	57.00
				12,20.93	13,41.65
SCHEDULE 14			SCHEDULE 18		
Materials Consumed			Interest and Finance Charges		
Stock at Commencement	21,07.36	19,77.16	On Fixed Period Loans	1,16.76	72.81
Add : Purchases	60,07.04	68,68.30	On Other Loans / Deposits	3,20.73	2,62.37
	81,14.40	88,45.46	Bank charges	66.58	51.67
Less : Stock at close	22,13.54	21,85.87		5,04.07	3,86.85
	59,00.86	66,59.59			
Add : Consumption of Stores & Spares	1,09.98	52.67			
	60,10.84	67,12.26			

Schedules forming part of the Consolidated Balance Sheet and Profit & Loss Account For the Year Ended 31st March, 2009**SCHEDULE 19****A. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**

1. Loans and Advances in Schedule 7 include
 - i) Rs.6.16 lacs (Rs.5.58 lacs) as Sales Tax, in respect of which matters are pending with the respective appellate authorities and,
 - ii) Rs.14.70 lacs (Rs.14.70 lacs) towards compensation paid to MTNL, in respect of which the Company has filed a suit for recovery.
2. The Company recognises its Gratuity liability on the basis of contribution to the LIC Group Gratuity Scheme. During the year, LIC informed the Company that based on its actuarial valuation as on March 31, 2008 a contribution of Rs.2,46.81 lacs is required to make the Scheme fully funded. LIC has agreed that the Company contribute this amount in five installments. Accordingly, Gratuity expenditure recognised represent Rs.11.02 lacs being installment towards the contribution due for March 31, 2008 and Rs. 23.98 lacs being the contribution for financial year 2008-09.

B. SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of land and building which have been revalued, on the accrual basis of accounting and in accordance with the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to "Aplab Limited", (Parent Company) and "Sprylogic Technologies Limited (partly owned subsidiary company) and "Intel Instruments and Systems Limited" (the wholly owned subsidiary company)

- a. The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intragroup transactions resulting in unrealised profits or losses, if any.
- b. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances

and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

- c. As on 31st March, 2008, 35000 no.of equity shares at face value of Rs.10 each amounting to Rs.3,50,000 of Sprylogic Technologies Ltd. were issued to Mr.Nishith Deodhar due to which Sprylogic did not remain 100% subsidiary Company of Aplab Ltd.as on 31st March,2008. Disclosure of minority interest is made in the Consolidated Balance Sheet for above transaction.

3. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out in the notes to accounts under "Significant Accounting Policies" of the financial statements of Aplab Limited and its group companies.

Signature to Schedules '1' to '19'

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Mumbai : 28th April, 2009

For and on behalf of the Board
P. S. Deodhar Chairman & Managing Director
Neelam K. Kumar Executive Director
A. G. Joshi Director

Thane : 28th April, 2009

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	2008-09	2007-08
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extra ordinary items	1,58.82	6,08.06
Adjustments for :		
Depreciation	2,14.55	1,79.88
Net loss on sale of Fixed Assets	0.61	0.11
Profit on Sale of Fixed Assets	(1.25)	(0.45)
Amortisation of Goodwill	26.82	26.82
Interest Received	(10.48)	(9.82)
Dividend Received	(0.21)	(0.19)
Provision/Balances written back	0	(9.44)
Operating Profit before working capital changes	<u>3,88.86</u>	<u>7,94.97</u>
Adjustment For :		
(Decrease) / Increase in Working Capital	4,84.60	(7,96.42)
	<u>8,73.46</u>	<u>(1.45)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,01.62)	(1,27.69)
Capital Work in Progress	(3,98.79)	(3,80.54)
Sale of Fixed Assets	8.95	3.01
Adjustment in Value of Investments of Subsidiaries due to Merger	0	(79.96)
Investment in Equity Share of Subsidiary	0	3.50
Dividend Paid	(1,46.24)	(1,46.24)
Sales / (Purchase) of Other Investments made	(0.40)	0
Net Cash used in Investing Activities	<u>(11,38.10)</u>	<u>(7,27.92)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Borrowings	3,14.97	6,72.18
Interest Received	10.48	9.82
Dividend Received	0.21	0.19
Provision Written Back	0	9.44
Net Cash from Financial Activities	<u>3,25.66</u>	<u>6,91.63</u>
Net Increase / Decrease in (A+B+C)	<u>61.02</u>	<u>(37.74)</u>
Opening Balance of Cash and Cash Equivalent	1,97.82	2,35.56
Closing Balance of Cash and Cash Equivalent	2,58.84	1,97.82
Increase / (Decrease)	<u>61.02</u>	<u>(37.74)</u>

As per our report attached
For M. P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Mumbai : 28th April, 2009

For and on behalf of the Board

P. S. Deodhar
Chairman & Managing Director

Thane : 28th April, 2009

Aplab Limited*Registered Office : Aplab House, A-5, Wagle Industrial Estate, Thane 400 604.***PROXY FORM**

Folio No. : _____

No. of Shares : _____

Client ID No. : _____

DP ID : _____

I / We _____

of _____ in the district of

_____ being a member(s) of the above named Company, hereby appoint

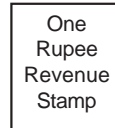
_____ in the district of

_____ or failing him _____ in the district of

_____ as my / our proxy to

attend and vote for me / us on my / our behalf at the 44th Annual General Meeting of the Company to be held on Thursday, 25th June, 2009 at 12.30 p.m. at Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Opp. Singhanian High School, Thane (W) - 400 606.

Signed this _____ day of _____ 2009.

_____
Signature

N.B.: Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself on a poll and the proxy need not be a member. The form duly completed should be deposited at the Registered Office of the Company at Thane not later than 48 hours before the time from holding the meeting.

—TEAR HERE—

Aplab Limited*Registered Office : Aplab House, A-5, Wagle Industrial Estate, Thane 400 604.***ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Venue)

Folio No. : _____

No. of Shares : _____

Client ID No. : _____

DP ID : _____

Name of the attending member (in block letters)_____
Name of the proxy (in block letters)
(To be filled by the proxy attending instead of member)

I hereby record my presence at the 44th Annual General Meeting of the Company to be held on Thursday, 25th June, 2009 at 12.30 p.m. at Hotel Satkar Residency, Pokhran Road No. 1, Next to Cadbury, Opp. Singhanian High School, Thane (W) - 400 606.

Member's / Proxy Signature

Note : 1) Interested joint members may obtain attendance slips from the Registered Office of the Company.
2) Members / Joint Members / Proxies are requested to bring the attendance slip with them.
3) Duplicate slip will not be issued at the entrance of the Auditorium.

TEAR HERE



Glimpses of Your Company