

Three words
that put Aptech's
past, present and
future in
perspective.

Evolve.

Aptech has been in transition. The biggest opportunity is unfolding ahead of us. There is more need to enhance human skills today than ever before. We evolved.

To introspect.

To expand the addressability of the opportunity.

To become a global learning solutions company from an Indian IT training company.

To see things differently.

And most importantly, to think big.

Empower.

Evolved, Aptech is currently empowering in every direction.

Aligning priorities.

Investing in today for a much bigger, better and a more profitable tomorrow.

Building intellectual ammunition to create that difference.

Changing the qualitative paradigms in the marketplace.

And more importantly, creating a robust foundation for sustainable growth.

Grow.

We are in business to grow. If we have successfully evolved and empowered, growth should follow. Growth not just in terms of numbers, but qualitative too. Growth not just in India, but internationally too. Growth not just from training but from other services too. Growth not just organic, but inorganic too. A holistic growth.

So that we deliver consistent shareholder value in times to come.

Chairman's message

Dear Shareholders and Partners,



As I sit to pen my second statement to fellow shareholders, I cannot but dwell on the past year and the years to come. It is a matter of great personal satisfaction that the performance of the Indian economy has panned out to be one that has even exceeded the expectations of the eternal optimist on India - yours truly. I personally believe that this performance of the economy is only going to further accelerate. This has implications for every Indian and in every field of life whether economic, social or political. This economic growth has enhanced and opened manifold new opportunities for Aptech.

The biggest challenge facing societies is to provide employment as well as to find employable talent. Our conviction of the opportunity in skill development and education sector has also been vindicated. For instance, according to International Data Corporation (IDC), the Indian IT/ITES sector which is now Rs.198,000 crores (USD 48 billion) is on course to reach Rs.458,000 crores (USD 111 billion) by 2011. Indian IT sector has, hence, emerged as a large vertical for Aptech to train people for.

China as well as India's population in the working age group of 15-64 is expected to increase by 58 million and 198 million respectively over the next two decades. These additions to the workforce are significantly higher than most other populous economies in the world. US will add only 20 million and Europe's population in 15-64 age group will actually fall by 26 million. In fact, according to 'The Economist', 23% of the global workforce addition over the next five years will be from India. This opportunity of the need to enhance human skills is perhaps unparalleled in human history. This gives us the signal to enter new verticals of training and education like Aviation, Networking and Hardware, among others.

As I dwell upon the year gone by, I recall the butterflies in my stomach while contemplating the challenge of leading Aptech. It has been an enlightening and a humbling experience. So far, the journey has been a

fulfilling and profitable one. Aptech has been, and continues to be, in a transition, or shall I say in an evolution.

The controlling shareholder group has consciously chosen to be focused on strategic framework, corporate governance and efficient capital allocation rather than running the operations, which has been completely mandated to Mr. Pramod Khera, Mr. Krishnan and their team. Team Aptech has been empowered and appropriately incentivized towards focus, growth and RoI.

We have worked towards having a truly independent Board and making Aptech a Board managed Company to the extent that the strategic review of business and operations are done by a committee headed by an Independent Director.

It is a case of true separation of ownership and management, in letter and in spirit, and in many dimensions.

Evolve

During the past year and a half, Aptech has been in transition. Not just transition of ownership, but also transition of priorities, evolution of business model and strategic thrust, and building of the foundations for a scalable and sustainable organization. We have corrected the structural underinvestment in brands and people.

Over time, Aptech has evolved from a retail IT education Company into a Global Learning Solutions Company in many verticals. This initiative will enhance the addressable opportunity, balance business portfolio and enable wider and more intensive customer engagement.

In the continued evolution, Aptech has improved processes and systems towards implementing an ERP solution. A comprehensive new solution for interface with franchisees has been commissioned and will be implemented during the year. The effect of this initiative will be far reaching over time. Project management systems have been implemented for all non-retail engagement with corporates.



Initiative	Rationale
ACE-SSI network integration	Brand focus, network productivity, profitability
Internship + English language + Personality Development	Enhanced career focus, Employability
Corporate Training + ATTEST integration	Leverage business development, Solutions offering
Avalon acquisition	Non-IT offering, High growth sector
Synergetics acquisition	Differentiated offering, Ahead of the technology curve
Faculty certification + Invigilation	Improved teaching-learning-testing-certification process
Quality Control and Validation	Improved education quality, Enhanced acceptability

Key initiatives for the coming year include among others:

Launch of Networking / Hardware courses	Completes the offering matrix for the IT sector, High growth opportunity
Arena rollout in new geographies	Replicate Arena's success in new markets
Metro markets focus	Balanced roll-out all over India
Evolution to Global Learning Solutions	Leverage skill sets, brand, reach
Training Academy and Centre of Excellence	Deepen leadership, enhanced skill sets for the organization

Empower

RETAIL: Aptech has enhanced its global market presence through new centres and new course structures. Greater enrollments, improved business mix due to career enrollments, increased PSBs (per student bookings), improved per hour yields and above all, greater placements are validations of Aptech's strategy and execution. It is also a reflection of improved business environment driven by favourable megatrends of economic growth and prosperity, demographics, literacy, technology and aspirations. Aptech will leverage its pedagogy, content, training methodology, network management and quality control skills to enhance its leadership in IT and Multimedia education across emerging countries. We have forayed into training for Aviation sector (cabin crew, ground staff, customer interface) and Hospitality (customer interface and customer service) vertical as we see potential for a differentiated offering to students aspiring for these fast-growing sectors. This initiative too will leverage the Aptech DNA skills mentioned above.

NON-RETAIL: Unlike Retail, the Aptech Non-Retail businesses are in the process of reaching critical mass. Our business model in respective businesses on Learning Services, Corporate Training and Testing, and Specialised Training has been validated. While these businesses have demonstrated their contribution margins, the bottom line impact will be visible once we scale each of them. So far, Aptech has been investing in these businesses. This year will be the defining year for these businesses to achieve scale and to start contributing to the bottom line from next year onwards. These businesses will not just de-risk Aptech but also provide new growth opportunities for Aptech. There is a large unmet need of corporate customers. Aptech is well-placed to service and leverage the Aptech DNA skills for the same. We aspire to be amongst the market leaders in each of these business segments.

STRATEGIC: After many years, Aptech will be a net zero debt Company this year. Apart from a high free cash flow business profile, Aptech has an intrinsically high RoI business model. The business model has been re-focused on value accretive businesses and away from value destroying businesses. The capital infusion and its operating accruals will now be available to tap strategic opportunities and real options. We hope Aptech will now be able to consider paying dividends from the current year. Business visibility has improved significantly in both the Retail and Non-Retail businesses with both reflecting increased order books. Seasonality and cyclical concerns have diminished with a more evolved and de-risked business model. Among other structural changes, attrition rates have fallen, business heads are focused on RoI and strong performance incentives are in place.

Grow

For many years now, survival has been a way of life for Aptech. Now onwards, we hope Growth will be a way of life. It can be delayed, but not denied. The growth enablers are in place. Team Aptech is motivated, energized and empowered - for Growth; Growth that is sustainable, scalable and profitable. We are working towards much more than market share - towards customers' faith, towards shareholders' credibility, towards RoI, towards profit share, towards new frontiers and towards leadership!

"The great thing in the world is not so much where we stand, as in what direction we are moving." - Oliver Wendell Holmes (American Physician, Poet, Writer, Humourist and Professor at Harvard 1809-1894).

I hope that we have put Aptech on the right path. I am confident that the results of these efforts will be apparent in the times to come. The seeds have been sown; the fruits have to be reaped in time. Lest we forget, all we need now is God's grace.

I must end by thanking my fellow shareholders for their patience during the trying times, my fellow Board members for their invaluable advice and guidance, Pramod, his team and all Aptechites for their efforts and last but not the least, Aptech's customers for their continued support.

Warm regards,

Rakesh Jhunjhunwala

Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow.



Think. Innovate. Grow.

Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow.

Retail - India

We are in a very interesting business. Uniqueness comes from the nature of business. Because we empower students through knowledge, our courses are career-oriented ranging from 6 months to 3 years. From a shareholder's perspective, this enhances the visibility of our business.

Given the dynamics of our business, we put a lot of thought to benefit from this uniqueness. We introspected and empowered ourselves with innovative ways to leverage our strength.

Several initiatives were launched during the year to ensure that not only do we grow our system wide bookings significantly, but also grow margins faster.

- Rather than just focusing on enrollments, we innovated and moved the focus on the quality of offerings for each enrollment. For instance, we shifted the focus to high value career courses. Not only do career courses

increase booking per enrollment, the margins are much higher for us.

- We strengthened our leadership and dominance in multimedia and animation courses with Arena Multimedia recording the highest ever bookings of over Rs.109 crores.
- We introduced internship in our career courses. The internship gives the student on-the-job training which makes the student better equipped in the job.
- We reduced the student attrition rates to ensure that more students end up doing the entire course. This increased the margins for us.

Aptech ended the year with system wide bookings growth of 97% for Retail - India as compared to last year. If the current trend is any indication of the future, we will not disappoint this year too. And to remind, what we book today we recognize over the duration of the course.

Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow.



Lead. Dominate. **Grow.**

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Retail - China

Think of an Indian Company or joint venture that dominates the Chinese market.

Aptech.

Beijing Aptech Beida Jade Bird Information Technology Co. Ltd. is perhaps the only Indian joint venture that has positioned itself in a leadership position in China with over 32% market share in 2006 according to the IDC (International Data Corporation) Report. Such is the understanding of the Chinese markets that the joint venture which was a leader in 2005 with a gap of 13 percentage points, consolidated and increased the lead significantly in 2006. The number two player is at around 8 percent, a gap of 24 percentage points.

What differentiates us in China is our approach. We looked at the China market distinct from India. We took time in understanding the needs of the Chinese consumer. It would have been easier to get our Indian courses and

offer it to China. We decided to take the road less traveled.

Besides our regular ACCP course, we offered two in-demand courses on networking (BENET) and testing (BTEST). These courses were created specifically for the China market. We have set up a distinct franchisee network for each of the courses and this strategy has proved to be extremely fruitful in the Chinese market. Our partner, Beida Jade Bird IT Co. Ltd. helped us in creating tailor-made solutions. The result has been dominance and leadership in the second fastest growing IT market in the world.

We are empowering the China opportunity further. For the first time, our joint venture is investing in building a strong consumer connect and brand through national TV advertising in China. We believe this will not just enhance the visibility and business, it will also increase our dominance.



Introspect. Reorganise. Grow.

Non-Retail India

The non-retail market for Aptech comprising of corporate training, learning solutions and on-line testing is a fast growing market. As the Corporate sector in India evolves, this market keeps on growing and the demand for qualitative trainers who can deliver high volumes is increasing. Aptech began by providing training solutions to government institutions to get volumes and build size. However, this business had its limitations due to lower margins and higher capital involvement.

Aptech introspected and reorganized its approach.

In 2006, Aptech focused more on corporate training and testing services. Aptech worked with some of the best names in the industry. Interestingly, the margin profile of this business is also on the rise.

In the first quarter of 2007, the Company organized itself vertically to focus on Academics, Auto, BFSI, Retail and Others (Telecom, Pharmaceutical etc.) and the business development team was

structured around these verticals.

Aptech created a niche for itself by dominating the testing market. It expanded the scope of this market from academic-led to include non-academic tests for clients. Aptech conducted over 500,000 tests in 2006 and expects to conduct over a million tests in 2007, thereby emerging as a leader in this business. What began as online testing for a few educational institutions is now finding huge acceptance from the academic community and new clients on the non-academic side.

As we look deeper into the segment, we believe that this sector is at an inflection point. As companies like Aptech evolve and create capabilities to handle large volumes, Corporate training and testing will eventually be outsourced to specialists like Aptech thereby saving time, effort and cost to the client.

At Aptech we have empowered ourselves with the right ammunition to take on this market.



Identify. Implement. Grow.

New Initiatives

At Aptech, we represent the training industry. We believe that with the country on an accelerated growth momentum, the training industry is in a sweet spot. We expect the training industry to grow exponentially as India emerges as the service capital of the world. Several new opportunities are arising, which did not exist a few years back.

At Aptech, we identified two such opportunities and implemented them. The process is currently on to unleash our dominance in these categories and scale these businesses to the next desired level.

One such opportunity was training needs of the airlines and hospitality industry. The Indian aviation space is witnessing rapid growth. With more than 10 airlines operational and the advent of low cost carriers, more people are flying every year. Indian air traffic increased astronomically in the year 2006 as compared to 2005, giving a new impetus for airline industry to grow rapidly. Every airline, without any exception, has placed orders for new

aircrafts. This has unleashed a tremendous opportunity to train the cabin crew and ground staff that will service the passengers. Aptech acquired Avalon Aviation Academy to participate in this opportunity. The current year will see a rapid rollout of this service.

Another such opportunity was high-end training in the IT space. With a view to strengthen our IT training vertical, Aptech acquired majority control of Mumbai-based, Synergetics Information Technology Services India Private Limited, a leading developer training and consulting company. The opportunity in this segment is huge. Aptech is already on course to increase the number of trainers and expects to ramp this business opportunity significantly in the current year.

At Aptech, inorganic growth is a strategic area to grow. With change in promoters and their ability to infuse large sums of capital, Aptech is looking at bigger and better inorganic opportunities in the coming years.

Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow.



Differentiate. Value-add. Grow.

Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow.

Learning Company

The training and learning industry is quite generalized. There are learning centres and there are more learning centres. The ability to differentiate and scale adds the flavor to the business and builds the brand and the trust.

The industry is continuously evolving with the evolution of the user industry. What was relevant yesterday is not relevant today. Need to evolve and create learning solutions that are more relevant helps Aptech grow and scale the business. That's what keeps the brand alive, powerful and popular.

The quality of education drives the quantity of enrollment of students that trust us. It is this quality that drives the topline and the margin. It is the basis of our existence and growth. At Aptech we have taken this quality mindset to a new

paradigm. Some of the initiatives included:

- Online certificate authentication through which one can confirm whether an individual is a bonafide Aptech student.
- E-projects, which the students are required to submit directly to Aptech and serve as a clear indication of the students learning.
- New examination process with invigilation and built-in checks leading to maximum transparency.
- Trainer certification process at franchisee level.

In our business, we like to keep it simple. Get the foundation right. The rest will follow.

Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow.



Plan. Invest. **Grow.**

Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow. Evolve. Empower. Grow.

The end result

The proof of the pudding, as they say, lies in the eating. We believe a lot in the same. No matter how good we may be qualitatively, if we cannot create this competitive advantage into enrollments, placements and numbers, it's not worth it.

An indication of what were the improvements in not just our headline numbers but also the quality of those numbers:

- With over 80% growth at Rs.923 crores of system wide bookings, we enhanced the visibility of the business for the next three years. Continuing with the trend, in the first quarter of 2007, system wide bookings grew by 103%.
- Within the domestic retail business, the increase in career and

internship-led courses marked a movement towards better margin businesses.

- Inorganic growth in areas that we expect to grow exponentially in the coming years has de-risked the business and created larger opportunities.
- Reorganisation of Corporate training business from lower RoI government business to high RoI Corporate business will enhance margins and ROCE.

The numbers followed too.

Topline growth of over 12%; Profit Before Exceptional Items and Tax growth of 397% and PAT growth of 137%.

And this is just the beginning.

Aptech at

Who we are

APTECH Limited (Aptech) is a Global Learning Solutions Company that provides IT and specialized Education and Training services to the retail and the institutional customers. Established in 1986, Aptech has over the last two decades, trained over 4.5 million students across 5 continents.

Quality education and training has always been a hallmark of Aptech, which was the first IT education and training company in Asia to receive the ISO 9001 quality certification for Education Support Services in 1993.

Services

Aptech offers a range of courses spanning from basic computer education to high-end technology training. The Company also offers services in the learning business which includes certification and testing,

e-learning and content development.

In the retail segment, our presence is achieved through a network of training centres. In the institutional segment, we operate via strategic alliances.

Business lines

IT Education & Training- Aptech Computer Education

Multimedia Education & Training- Arena Multimedia

Aviation Training- Avalon Aviation Academy

Offshore Content Development- Aptech Learning Services

e-learning- onlinevarsity.com

Training & Assessment Solutions for Corporates and Institutions- Aptech Training Solutions and ATTEST

Developer Training & Consultancy- Synergetics

a glance

Reach

Aptech's network spans across 5 continents and its current international operations encompass countries across Africa, Latin America, South East Asia, Middle East, APAC and SAARC. In China, Aptech has 246 centres in 24 provinces across 80 cities.

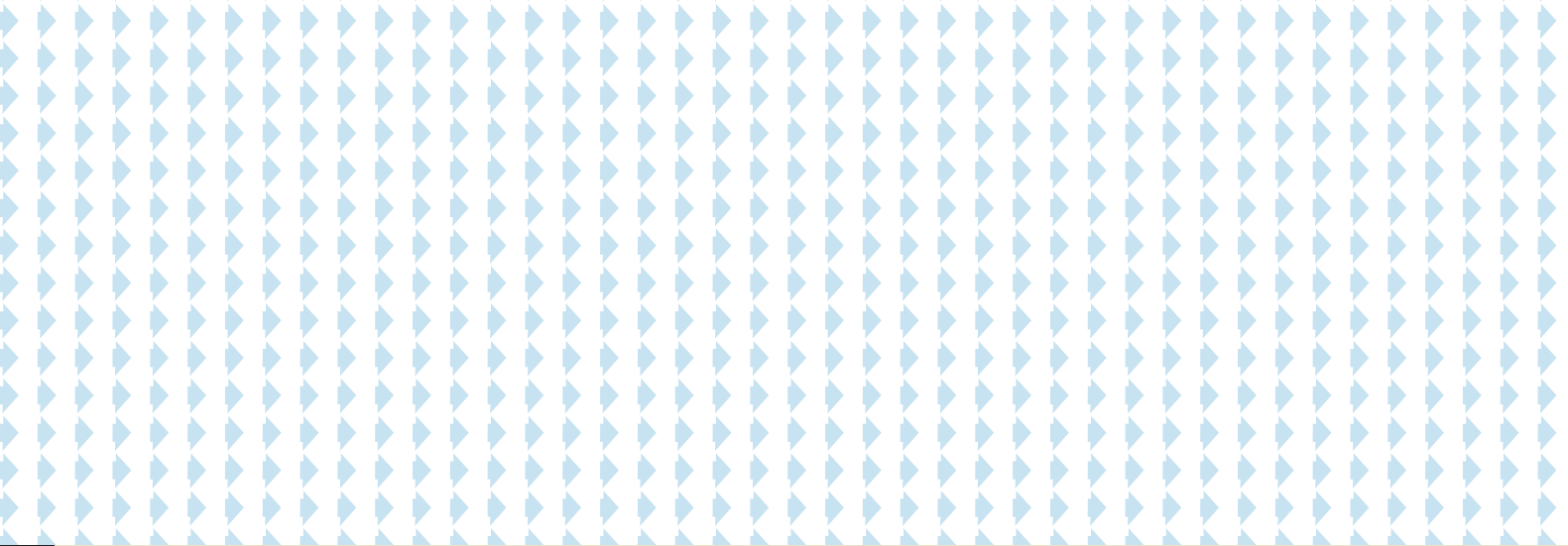
In addition, Aptech has set up dedicated computer training centres/labs in institutions, colleges and schools.

Mergers, Acquisitions and Alliances

- Aptech acquired the Pune based, Avalon Aviation Academy to foray into the rapidly developing Aviation training arena.
- Aptech acquired the Mumbai based, Synergetics Information Technology

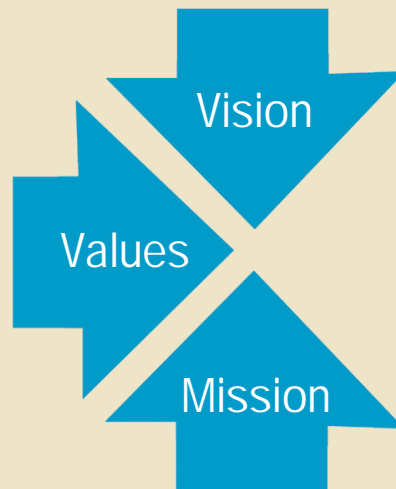
Services India Pvt. Ltd, a leading organization in the high end IT training space as well as the preferred partner for Microsoft Developer Training.

- Aptech signed an MOU with the Information Technology Institute (ITI), Cairo, Egypt to collectively penetrate strategic markets surrounding Egypt.
- Aptech has entered into a tie up with Infosys to deliver end user training on its core banking solution Finacle.
- Joint venture with Beida Jadebird IT Co. Ltd, an affiliate of Beijing University to provide IT training in China.
- Tie-ups with the University of Portsmouth, UK, Southern Cross University and Institute of Technology, Australia.



"To be the preferred Learning Solutions partner globally, delivering superior customer service for performance enhancement, through World-Class processes."

- Respect for the individual.
- Fairness and transparency with members.
 - Creating value through consistent superior performance.
 - Exceeding customer expectations.
- A shared destiny approach.
- Adherence to societal laws, norms and ethos.



"Empowerment through Technology".
IT is an empowering technology, when rightly employed leads to productivity improvements and prosperity at individual, organizational, societal, national and global level.

Corporate Achievements

- Aptech was awarded the IT People Award for Leadership in IT Education in 2007.
- Aptech bagged 3 prestigious awards at the celebrated Indian Franchising Awards, 2007. Aptech Ltd, which got nominated in 7 categories, won the awards for Indian Global Franchisor of the Year for attaining excellence in overseas franchising operations and Win-win Franchising Partnership of the Year. Arena Multimedia bagged the Franchise Growth Driver of the Year Award for new initiatives introduced which in turn revolutionized the industry and resulted in increased growth for the franchisees.
- Aptech was featured among India's Biggest Newsmakers in the prestigious Business Today - Cirrus Review of CEOs and companies for three consecutive years - 2004, 2005 and 2006. It was also amongst the Top 10 Biggest Newsmakers in IT companies' category in 2006.
- Aptech was ranked Number 1 in the Chinese IT Training market for the FIFTH consecutive

year, according to the latest IDC report. The Company's share in this market has jumped over 32% in year 2006 from 27% in year 2005.

- Aptech has been ranked amongst the Top 20 Global companies in the Training Outsourcing Industry by TrainingOutsourcing.com
- ISO 27001 Certification was awarded to both Aptech Learning Services and ATTEST.

Performance

2006 was a landmark year for Aptech and it proved to be the turning point in the performance of the Company. It ended with a commendable all-round performance, which is clearly reflected in the Company's robust growth figures and healthy profitability. The income from operations increased by over 12% to Rs. 174.14 crores for the year ended December 31, 2006. The EBIDTA of the Company increased by around 7% to Rs. 37.44 crores during the year. The Profit before exceptional items and tax was Rs. 20.07 crores, an increase of 397% over the previous year.

BOARD OF DIRECTORS

RAKESH JHUNJHUNWALA

Chairman

C. Y. PAL

Vice Chairman

(Elevated with effect from September 14, 2006)

ASIT KOTICHA

Director

UTPAL SHETH

Director

RAJIV AGARWAL

Director

(Appointed with effect from October 29, 2006)

PRAMOD KHERA

Managing Director

R. KRISHNAN

Executive Director

(Appointed with effect from October 29, 2006)

RAMESH S. DAMANI

Director

YASH MAHAJAN

Director

VIJAY AGGARWAL

Director

ASHISH PANT

Director

NINAD KARPE

Director

(Appointed with effect from October 29, 2006)

AUDITORS

M/s. Khimji Kunverji & Company, Mumbai

COMPANY SECRETARY

Sree Vidhya Raju

BANKERS

Union Bank of India

Corporation Bank

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REGISTRAR & TRANSFER AGENTS

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Fax : 91 22 2837 56 46

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian IT Training and Education Industry

The IT-ITES industry is rapidly evolving with many opportunities and challenges. With revenues of around Rs. 198,000 crores in 2006, the Indian IT-ITES industry continues to grow 5 times faster than the global IT services industry, clocking a Compounded Annual Growth Rate (CAGR) of 28% since FY 1999-2000. NASSCOM has forecasted that the growth rate of over 25% is expected to continue and will help Indian IT-ITES exceed Rs. 450,000 crores by FY 2011.

This growth is supplemented with a tremendous surge in employment opportunities in the IT-ITES sector. According to the latest NASSCOM- KPMG Report, the requirement for IT professionals in India is likely to reach

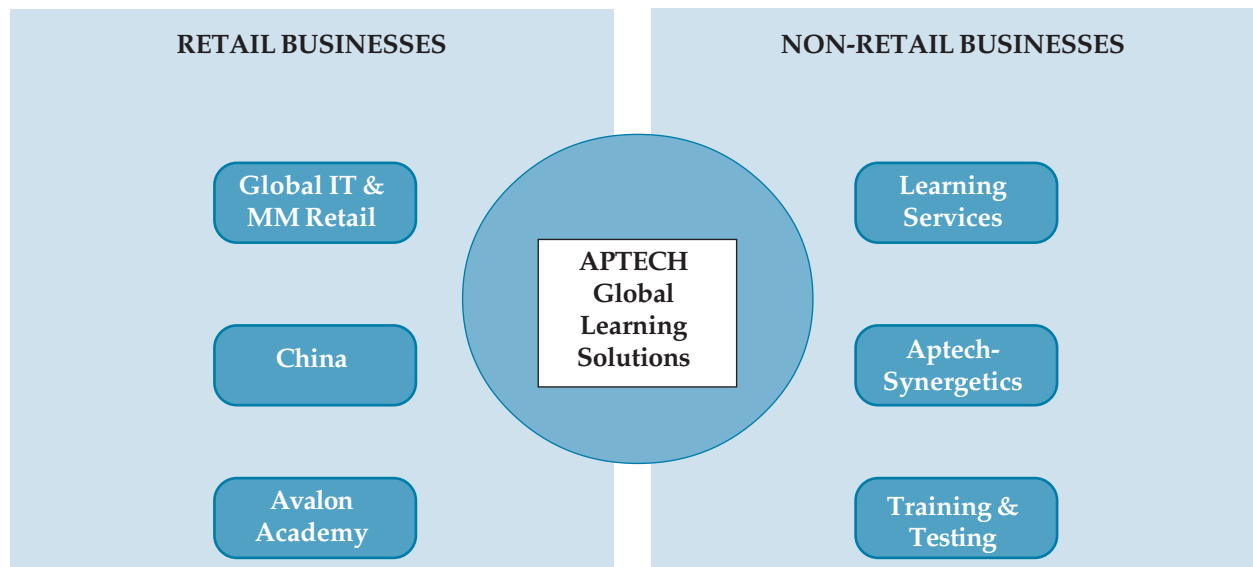
2.7 million by 2012 The IT training and education industry is getting geared to cater to this huge potential customer base. The total market for IT training in India is currently estimated to be Rs. 2100 crores (out of which around 10% is attributed to corporate training).

Interestingly, the NASSCOM-KPMG Report also states that the number of non-IT graduates employed in the IT sector has been growing faster than the number of IT graduates, thus fuelling the demand for private institutes offering IT education. Specifically, languages, networking and multimedia are the leading courses in the market.

Considering the above, the opportunity in the IT education industry is huge. And Aptech, with two decades of experience and expertise is well positioned to seize this opportunity and establish itself as the market leader in this space.

2. BUSINESS SEGMENTS

Aptech Business Segments



Aptech Limited operates under two distinct business segments, retail and non-retail (institutional). The retail segment comprises of global IT and multimedia training, China and Avalon Academy (for aviation, hospitality and personality development training).

The non-retail segment consists of learning services, training and testing solutions and Aptech-Synergetics.

Retail

The global retail segment accounted for over Rs. 120 crores of revenues in 2006, more than two-third of the Company's total income from operations. The Company has continued its focus on improving the performance and productivity of its centres, resulting in an average increase of 56% in the revenue per operating outlet over the previous year.

APTECH LIMITED

Global IT and Multimedia Training

This segment comprises of domestic retail and Rest of the World (ROW) retail operations.

Domestic Retail

After a deep phase of consolidation in the IT training industry, the domestic retail market has reached a stage wherein the recognized players enjoy customer preference due to their established brand, superior infrastructure, world class service offerings and enhanced quality standards.

APTECH has been a pioneer in the IT and Multimedia education segment. During the year 2006, Aptech aligned its two brands viz., Aptech Computer Education (ACE) and SSI Education, which were operating in the same segment. Today, Aptech provides career education programmes to students and professionals through a network of retail education centres under the 20 year old flagship brand of ACE. The premium course offering under this brand is the Aptech Certified Computer Professional (ACCP). This is a three year career program with a built-in 1 year internship.

The number of people employed by the software and BPO industry world over has grown rapidly, from 284,000 in 2000 to 1.6 million for FY 2006. Considering this increasing demand for IT and ITES people, the NASSCOM strategic review expects the requirement to be over 2.2 million by 2009-10 and India remains the preferred destination across all offshore locations. In line with this and with a view to making the students increasingly employable and productive, the ACCP course has been the focal point for ACE and has recorded an increase in enrolments of 50% over the previous year. Going forward, this program will be enhanced to include training in work-place skills as well.

The SSI JQ course addresses the engineering and the working professionals segment through certified courses from Sun Microsystems, Microsoft, Red Hat and Oracle. In addition, there are short courses that are offered for specific skill-enhancement in new technologies.

Over the years, Aptech has established its network of centres across the country ensuring that it caters to all the major towns and cities in

India. The entire network is linked through an integrated electronic system that comprehensively captures academic, marketing, operational and financial metrics for appropriate monitoring and control.

The Company caters to the multimedia and animation segment through the Arena Multimedia brand. Established in 1996, Arena is Asia's leader in animation education and has trained over 200,000 students in a range of diverse career programs in graphics, print, publishing, web designing and animation. The Arena Multimedia Specialist Program (AMSP) and the Arena Animation Academy Specialist Program (AAASP) are some of the courses available for students seeking global careers in this area.

In 2006, Arena recorded its highest bookings of Rs. 109 crores. Going forward, the Company envisages a huge demand for animation courses as the animation industry in India is facing a severe shortage of quality workforce. The domestic industry needs over 30,000 people, while the demand met is a mere 10% of the requirement.

Based on extensive market research and survey, the Company has decided to make a foray into hardware and networking courses which constitute approximately 30% of the IT training and education market. In line with this, Aptech has formed an alliance with Comptia, USA in this space and plans to roll out more than 15 centres by the end of 2007.

The year 2006 was labelled as the "Year of Placements" at Aptech and several initiatives were taken by the Company in this regard. These included two mega job fairs with participation from over 150 companies, campus recruitment programs, placement weeks and e-newsletters. The Company also conducted work-place skills development and technical workshops on an ongoing basis for around 15,000 students to bridge the industry academia gap. Aptech students are placed in renowned organizations in prestigious and leading IT, Animation and User industries worldwide.

Rest of the World (ROW)

Aptech's Rest of the World (ROW) operations encompass Africa, Latin America, South East

Asia, Middle East, APAC and SAARC. Aptech's course content is translated into English, Spanish, Russian, Chinese, Turkish and Vietnamese.

The ROW continues to grow significantly in terms of revenue and expansion. The Company recorded a significant revenue increase in the ROW space with the opening of 15 new centres in 2006. These were set-up in Nigeria, Indonesia, Mexico, UAE, Syria, Mongolia, Afghanistan, Philippines, Iran, Vietnam and Thailand.

Some of the key highlights during 2006 were as under:

- In South Africa, Aptech got its first learnership order from the state government.
- The Company set-up a corporate training centre in the heart of Kuala Lumpur city in Malaysia.
- Earlier the ROW space had majority of its business from ACE courses. With an increase in demand for animation and multimedia courses ARENA Multimedia courses are becoming increasingly popular internationally.

In the coming year Aptech plans to further expand its international network. For this, the Company has short-listed countries like Brazil, Vietnam, Iran, Nigeria and Sudan for expansion.

Aptech offers a unique IT program designed specially for international participants who want to study IT in India, called the "India Window Program (IWP)". This is a futuristic and industry-focused Information Technology program with intensive English language training and internship in Indian IT companies. During 2006, the IWP centre at Bangalore has played host to professionals representing various fields from countries like South Korea, Japan, Kyrgyzstan and Maldives. For instance, the Ministry of Human Resources, Employment and Labour in Maldives and Ministry of Education Kyrgyzstan sent their trainers to enhance their skills in software technology for human resource development.

China

Aptech established its operations in China in the year 2000 through its joint venture – Beijing Aptech Beida Jade Bird Information Technology Co. Ltd., which was set up in affiliation with

Beijing University. Over the years it has trained over 330,000 students through its extensive network of 246 centres in 24 provinces across 80 cities. Out of the above, over 130,000 students were added to its rolls in 2006.

- The JV received the first ISO quality certification in China in the scope of development and service of computer software, education and training management.
- It received an Alliance Certificate with OSTA of MOLSS of China - an exclusive co-operation with the Government in China to gain a lead in the China IT education industry.
- The joint venture enjoys market leadership in the Chinese IT training and education market with over 32% market share in 2006, according to the IDC (International Data Corporation) Report.
- The joint venture was awarded the 'No. 1 – IT Training Brand in China' status for the fifth consecutive year by China Center for Information Industry Development (CCIID).
- Revenues from the joint venture showed an increase of 69% over 2005. This growth can be attributed to improved product mix, brand visibility, increased geographical penetration, standardization of all systems and quality of training and curriculum. Additionally, co-operation with colleges, technical schools and other social institutions has helped the Company to improve its market share.

The courses offered in the Chinese market include The Aptech Certified Computer Professional (ACCP), Networking Training (BENET), Software Testing (BTEST) and ACCP junior courses.

New Initiative – Avalon Aviation Academy

Another highlight of the year 2006 was our acquisition of the Pune based, Avalon Aviation Academy. With this, we now have an offering in the Aviation and Hospitality vertical, which is a high growth sector. This initiative leverages Aptech's strengths, broadens our offerings, expands addressable markets and builds additional competencies.

APTECH LIMITED

A wholly owned subsidiary, Avalon caters to a wide spectrum of people. Our course offerings range from basic personality development courses like spoken English language, grooming, etc to high-end professional courses for the Aviation industry like training for Cabin Crew, Ground Staff and Cargo Handlers.

Avalon has also established strategic relationships with 37 leading international and domestic airlines. These tie-ups have been extremely beneficial to our students during the job placement process.

Non-Retail (Institutional)

Learning Services

Aptech has over two decades of instructional design experience in delivering learner-centric content and instructional kits. Leveraging on this experience, the Company offers customized e-learning and content development solutions for clients in diverse areas of sales, product, customer services, R & D, technical and other corporate functions. Aptech has developed more than 1,000 courses serving millions of learners worldwide.

Aptech partners with global clients to develop content for IT, management, healthcare and life sciences courses, application and procedural training, engineering equipment, machinery, technical and help manuals as well as e-learning portals. The content is developed in media of choice, online and offline, collaborative learning, synchronous and asynchronous learning etc. The delivery platforms include various forms like CBT (Computer Based Training), WBT (Web Based Training), instructor led, virtual classrooms and a blended model of training.

The content developed by the Company conforms to international standards such as SCORM (1.2 & 1.3), AICC, Accessibility standards - Sec 508 and W3C. The Company has three development centres based in Mumbai, Chennai and Pune which have been assessed and certified for ISO 27001 (Information Security Management) and are currently on the CMMi Roadmap.

In 2006, the learning services group recorded a growth of 137% over the previous year. The US business development team of Aptech Learning Services (which was set-up in April 2005) has

contributed significantly towards this growth and revenues from US account for around 70% of the revenues. Going forward, the Company views this segment as a huge opportunity and is looking at expanding to new geographies and increasing its capacity.

Training Solutions and ATTEST

The training solutions division is responsible for selling end-to-end solutions in IT training and soft skills training primarily to the corporates. The division offers performance enhancement solutions in areas of customer interface, managerial development, application software training, basic IT training, high-end IT training etc.

During 2006, large orders were received from Indian and Multinational corporates, public and private sector banks, insurance companies etc. for training their employees on IT applications.

The Company has firmly entrenched itself in the Auto vertical with several contracts and renewals for training dealers of those companies on their Dealer management software.

In the IT vertical, the Company procured several contracts from IT majors who outsourced high end IT training of their employees to Aptech. In 2006, the Company had set-up a dedicated pool of trainers to cater to the requirements of these companies.

Soft Skills training programs have been conducted for organizations from the Telecom, Banking, Insurance, Retail, BPO and Auto verticals.

Aptech received a large order from an insurance company and a mutual fund to train their salesforce for Customer Interface Training (CIT). The Company also received a repeat order from a financial institution to provide soft skills training to its employees. Aptech had also entered into a contract with an Oil major to train its petrol pump attendants in different parts of the country. Due to its wide reach and network, Aptech has established itself as a preferred player for national and large format training roll-outs.

In the first quarter of 2007, the training solutions division has organized itself vertically to focus on Academics, Certifications & Government, Auto, BFSI, Retail, IT-ITES and others (Telecom, Pharmaceutical etc.) and the business

development team has been structured around these verticals.

Going forward the Company feels that CI (Customer Interface) Training is a promising area and will be one of the key growth drivers for this business. In order to capture this attractive opportunity and address the global market Aptech is focusing on developing international level content for CI training and related courses to achieve and ensure the highest standards of quality. Infact the trainers are required to go through three levels of rigorous certification before conducting client training.

The Company envisages e-learning to be another thrust area in the time to come as corporates are constantly increasing their focus on training their employees and will adapt to the online training regime.

The testing and certification services of Aptech are addressed through ATTEST, which offers contemporary and complete technology based testing and assessment solutions to various clients. ATTEST operates through a network of Company owned and operated testing centres and ATTEST authorized test centers across India and other countries. The client base includes state government organizations, educational institutes, certification bodies and corporates among others.

Online tests and assessments are becoming increasingly popular due to accuracy, convenience, efficiency and adaptability while retaining cost effectiveness and security. The corporate segment has increasingly started using tests for filtering candidates at the time of recruitment due to the higher recruitment needs and low conversion ratios. Even professional institutes have started outsourcing tests for their entrance examinations. With more than three years of experience and expertise ATTEST is the preferred option for these institutions to outsource their testing requirements. ATTEST through its collaborative approach assists organizations in implementing assessment solutions that enhance performance and reliability. It also has an added advantage that the tests are proctored unlike other web-based assessments available.

During 2006, ATTEST further strengthened its

foothold in the academic segment. One of the major highlights in this regard was the contract from Prometric for TOEFL exams. ATTEST set up dedicated test centres to cater to this requirement. Besides this, ATTEST also procured contracts and renewals from several other educational institutes. The Company was successful in broadening its client base further by adding diverse clients.

The Company focused on technology innovation to attain the highest standards of quality and to cater to the changing needs of existing and prospective clients. It also enabled the Company to address more complex and high-value services which are more profitable and growth oriented.

The number of tests conducted increased from around 250,000 in 2005 to over 500,000 in 2006. Going forward the Company views this area as a huge opportunity with the traditional pen and paper assessment being gradually replaced by the online evaluation system. ATTEST is well poised to be the preferred choice for corporates, government institutions and educational organizations to outsource their testing and assessment requirements.

In 2006, the system wide booking for this division increased by 475% over the previous year.

New Initiative – Aptech-Synergetics

One of the major highlights of 2006 was the acquisition of Mumbai-based, Synergetics Information Technology Services India Pvt. Ltd., a leading developer training and consulting company.

Synergetics has been providing customized, high-end IT training solutions since 1993 and has several top Indian and MNC IT services companies as its clients. It has trained over 5,000 software professionals spanning 100 plus organizations and also has the distinction of being the preferred partner for Microsoft Developer Training.

In a move to strengthen our IT training vertical and put us ahead of the technology curve, we took majority stake in this company. We have now integrated Aptech's IT training team with Synergetics. Our aim is to enter into strategic partnerships with IT companies and provide them end-to-end training solutions.

APTECH LIMITED

Aptech-Synergetics is on course to increasing the number of trainers from 22 to 100 to capture the largest share in IT training. We foresee significant returns from this venture in the coming years.

3. OPPORTUNITIES AND THREATS

Opportunities

The spectacular growth rate of India's economy is well noticed. Asia's fourth-largest economy, growing at an average of 8% in the last three years has been largely led by the service sector. The Company's opportunities for sustaining profitable growth emerge from the driving sectors of the economy, viz IT, banking and retail. The Company's extensive network in the length and breadth of the country and the presence in increasing number of verticals allow it to exploit the emerging opportunities in India.

China, one of the most important markets for the Company is also showing immense potential. The high growth in the service sector as well as increase in demand for technology professionals in the country is likely to strengthen our market leadership in the country.

Over the years, the Company has extended its geographic footprint to emerging countries that are likely to be the important markets in the future. Our presence in countries like Vietnam, Iran, Turkey and Nigeria will give us a first mover advantage and allow us to seize the opportunity. Progressive operations, wide network reach across the globe, scalable model and commitment from the investors and management are factors that will help us leverage the opportunities that lie ahead.

Threats

Like in most other industries, opportunity brings with itself competition. While our leadership and market position as a leading global solution provider remains strong, we face different levels of competition in each segment.

As we venture into new geographies and verticals, establishment of a strong team continues to be a challenge. Besides, retaining existing talent is a threat faced by the entire industry.

However, with superior methodologies and improved processes and systems, the Company is well positioned to lead a high-growth path.

4. CONSOLIDATED SEGMENT PERFORMANCE

(Rs. in Crs.)						
	2006			2005		
	Retail	Instl.	Total	Retail	Instl.	Total
Income *	119.97	55.00	174.97	96.43	59.57	156.00
Composition %	68.57	31.43	100.00	61.81	38.19	100.00
Operational Exp.	71.92	62.37	134.29	50.10	72.42	122.52
Operational Profit *	48.05	-7.37	40.68	46.33	-12.85	33.48

* Excluding unallocated Income and Expenditure

The Company's focus on the Retail Segment continued with 68.57% of the total income being contributed by Retail, while the low margin Government projects has tapered down and as a result, the contribution from the Institutional Segment was about 31.43%. The operational losses in the institutional segment which were high in the previous year, have been substantially reduced during the current year and over the next two years with the complete phasing out of high capital intensive Government projects, the losses would be completely arrested.

5. OUTLOOK

As India and the IT/ITES sector reach new pinnacles, the need for skill development and education is becoming indispensable. Our foray into new verticals and acquisition of Avalon Aviation Academy and Synergetics are a reflection of the immense opportunities that lie ahead. As a leading global solution provider, the Company continues to strengthen its operations and enhance its global market presence. Several initiatives taken by the Company in the recent past have demonstrated positive results and will help accomplish our aspirations of becoming market leaders in each business segment.

6. RISKS AND CONCERNS

As the Company evolves from a retail IT education Company to a Global Learning Solutions Company, several new opportunities have emerged. To harness these opportunities, the Company has steadily created different business models and new competencies in emerging areas to address changing environments. The Company ensures that the risks it undertakes are commensurate with better returns. The Company has also been managing the seasonality and the cyclicity of the business by a more evolved and de-risked business model.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The Company has adequate internal controls for its business processes across departments to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. The internal control system is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records.

During the year, Aptech has improved processes and systems by implementing an ERP solution. A comprehensive new solution for interface with franchisees has been commissioned and will be implemented during the year. Project Management systems have been implemented for all non-retail engagement with corporates.

8. DISCUSSION ON FINANCIAL PERFORMANCE

The Company reported a total consolidated income from operations at Rs. 174.14 crores for the year, as compared to Rs. 154.35 crores for the previous year. The income growth was 12.82%. The Company's continued thrust on the retail segment coupled with the defocusing of the capital intensive Government projects resulted in a healthy bottom line of Rs. 16.16 crores after tax as compared to a loss after tax of Rs. 43.82 crores. Some of the new initiatives embarked upon by the Company in the institutional segment would start yielding positive results in the years to come.

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Aptech's dedication to developing and retaining human resources bore good results in the last one year. The employee attrition rate was brought down by 18% in 2006 through various initiatives like compensation benchmarking, organizational development and employee engagement programs. The Company had 642

employees at the end of 2006. Another accomplishment of our team has been to bring down the lead time for filling in a vacancy by 9 days. This was achieved by restructuring the sourcing team and improving the hiring processes.

Our constant endeavour is to sensitize Aptech's employees towards achieving a healthy work-life balance. The Company's various employee engagement schemes like the buddy scheme and employee competitions are some of the initiatives in this regard. We also have performance awards and incentives for our franchisees and their employees. These measures have had a positive impact on employee morale and commitment.

We give a lot of emphasis to the quality of performance of our employees. Keeping this in mind, a 360 degree assessment of our senior management was held last year. A new performance management system was also introduced that enabled us to get more insight into the employees' mindset. A performance linked reward system too is in place.

One of the leading new initiative for employee development last year was the C3e (Clarity, Competence, Capacity for Efficacy) program for business heads and their immediate subordinates. This program was immensely successful and is going to be the highlight for the year 2007 as well.

A training academy for trainers across the Aptech network is also in the pipeline for this year.

10. CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.

APTECH LIMITED

DIRECTORS' REPORT

The Members of Aptech Limited

Your Directors are pleased to present their Seventh Annual Report on the business and operations of your Company and the Audited Financial Results for the period ended December 31, 2006.

FINANCIAL RESULTS

The Consolidated financial results of the Aptech group of companies alongwith the Standalone financial results of the Company for the Accounting year ended December 31, 2006 are presented below:

(Rs. in Lacs)

Particulars	Year ended 31st December			
	Aptech Group Consolidated		Aptech Limited Standalone	
	2006	2005	2006	2005
INCOME FROM OPERATIONS	17,414	15,435	8,121	10,029
OTHER INCOME	133	268	392	1,416
TOTAL REVENUE	17,547	15,703	8,513	11,445
TRAINING & EDUCATION EXPENSES	4,210	5,380	3,310	4,043
PAYMENTS TO AND PROVISION FOR EMPLOYEES	4,053	2,841	1,857	1,240
ADMINISTRATION AND OTHER EXPENSES	5,540	3,981	2,439	2,086
INTEREST AND FINANCE EXPENSES (Net)	248	616	237	573
TOTAL EXPENDITURE	14,051	12,818	7,843	7,942
PROFIT BEFORE EXCEPTIONAL ITEMS AND DEPRECIATION	3,496	2,886	670	3,503
DEPRECIATION AND AMORTISATION	1,489	2,482	1,258	1,951
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	2,007	404	(587)	1,552
EXCEPTIONAL ITEMS				
FIXED ASSETS WRITTEN OFF	-	127	-	127
PROVISION FOR DOUBTFUL ADVANCES (Net)	9	72	9	1,986
PROVISION FOR DIMINUTION IN INVESTMENT	-	-	-	419
IMPAIRMENT OF FIXED ASSETS	-	2,727	-	489
PROVISION FOR DOUBTFUL DEBTS	-	1,844	-	1,844
PROVISIONS/LIABILITIES NO LONGER REQUIRED WRITTEN BACK	-	(145)	-	(145)
TOTAL EXCEPTIONAL ITEMS	9	4,625	9	4,720
PROFIT/(LOSS) BEFORE TAX	1,998	(4,221)	(596)	(3,168)
PROVISION FOR TAX				
INCOME TAX & WEALTH TAX	299	118	21	16
FRINGE BENEFIT TAX	74	43	56	40
DEFERRED TAX	9	-	-	-
PROFIT/(LOSS) AFTER TAX	1,616	(4,382)	(673)	(3,224)
ADD : SURPLUS/(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR	(4,448)	(55)	(3,224)	-
ADD : TRANSFERRED FROM GENERAL RESERVE	-	-	-	-
ADD : ADJUSTMENT ON ACCOUNT OF APTECH TRAINING AND EDUCATION TRUST	-	-	-	-
BALANCE AVAILABLE FOR APPROPRIATIONS	(2,832)	(4,437)	(3,897)	(3,224)
APPROPRIATIONS				
LESS : TRANSFERRED TO GENERAL RESERVE	59	11	-	-
LESS : PROPOSED DIVIDEND ON EQUITY SHARES	-	-	-	-
LESS : TAX ON DIVIDEND	-	-	-	-
SURPLUS/(DEFICIT) CARRIED TO BALANCE SHEET	(2,891)	(4,448)	(3,897)	(3,224)

DIVIDEND

In view of the loss reported for the year 2006, your Directors regret their inability to declare dividend for the year ended December 31, 2006.

CONSOLIDATED ACCOUNTS

As per the Listing Agreement with the Stock Exchanges, consolidated financial statements have been annexed with the financial results of the Company.

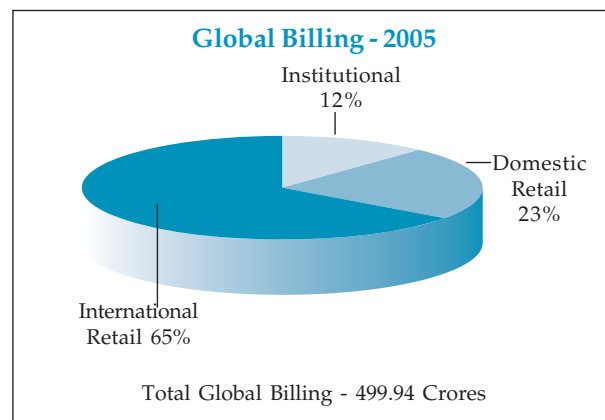
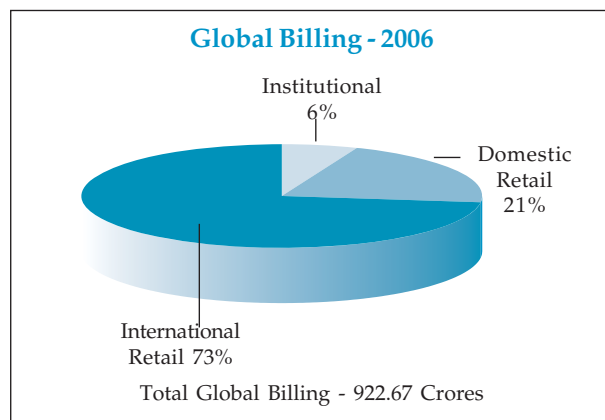
OPERATIONS

Global billing in 2006 has shown an impressive trend. The Domestic Retail segment has contributed 21% in 2006 and the revenue per centre has increased by 56%.

The international billing showed an increase in contribution from 65% in 2005 to 73% in 2006, signifying the Company’s growing presence in international markets. The other businesses including learning services, testing and certification services, training solutions and aviation training which have contributed 6%.

The Global System wide revenue for the year ended December 31, 2006 was reported at Rs. 922.67 crores as against Rs. 499.94 crores in 2005, registering a growth of 85% over the previous year.

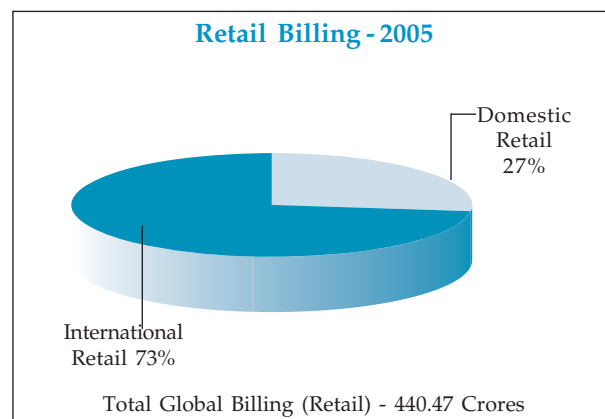
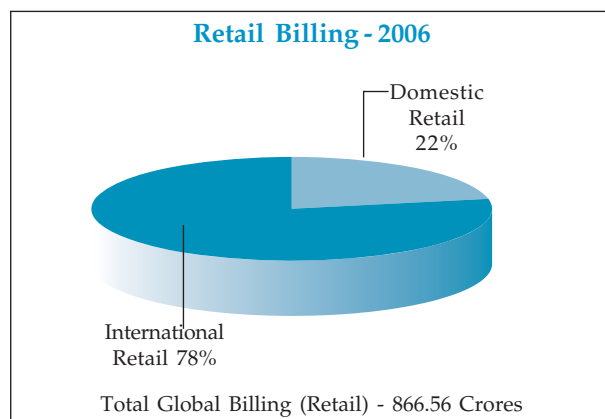
The overall growth in the system wide revenue of your Company’s business is given below:



A. RETAIL

On account of rationalisation of centres, the Retail segment has grown marginally during 2006. In the first quarter of 2007, the Company has already opened up own centres at strategically placed

business locations with a view to propel the business prospects. With aggressive marketing initiatives, you can expect higher and qualitative growth in the coming years.



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1. INTERNATIONAL

The International Business of your Company is on a sound footing and has shown improved growth in 2006.

With greater emphasis on expansion in the developing markets, the international business grew by 109% during 2006. Besides, your Company has also opened 15 new centres thereby increasing its reach in the coming years leading to higher growth from the International business.

China

Your Company's joint venture (JV) in China has done exceedingly well and for the fifth consecutive year China Centre for Information Industry Development (CCIID) has conferred this Joint Venture with leadership position in IT Training in China. According to the IDC (International Data Corporation) Report, its market share increased to over 32% in 2006, up from 27% in 2005, which is almost one-third of the total training market. Till date, 2,00,000 students have been trained by this JV in China in the last five and a half years and added with another 1,31,789 students on its rolls in 2006, the total will be taken to an impressive 3,31,789 students.

The number of training centres of this JV increased from 241 centres in 2005 to 246 centres at the end of 2006. These new centres have been established for offering Software Testing programmes (BTEST). Further a brand new version of the Network Engineering programme (BNET) was also launched during 2006. The revenues and profits also grew by 69% and 157% respectively over the previous year.

This joint venture has an exclusive co-operation for an Alliance Certification Program with OSTA of MOLSS of CHINA (Occupational Skill Testing Association of the Labor and Social Security Bureau).

The key to outstanding performance in China is standardisation of all systems, quality of training & curriculum, which has been appreciated by the students and the industry alike. Additionally, co-operation with colleges, technical schools and other social institutions has helped to improve the market share.

In the coming years, this JV is expected to further

accelerate its growth due to the launch of new and improved program offerings as well as investment in manpower, training infrastructure and technical upgradation.

Rest of the World (ROW)

Your Company continued to consolidate its growth in focussed ROW markets like Vietnam, Iran and Nigeria. During the first quarter of 2007, Aptech Computer Education centres in new and existing geographies were opened at Ghana, Vietnam, Nigeria, and Iran. Additionally, Arena Animation centres were opened at Syria, Jordan and Saudi Arabia. Further new centres in Indonesia, Philippines, Mongolia, Kuwait, UAE and Iran were made operational.

In Malaysia, your Company established a wholly owned subsidiary and launched its first state-of-the-art training facility in the main business district of Kuala Lumpur. This initiative will establish Aptech as a leading player in the area of high end face-to-face training and also as a leading provider of total e-learning solutions business.

In South Africa, your Company has made significant inroads by forging alliances with various government agencies for developing human capital for the ICT sector.

Your Company is proposing to aggressively scale up the sales operations in Malaysia and South Africa.

All these initiatives have enabled your Company to achieve a significant revenue growth during this year. Your Company proposes to tap the plethora of opportunities opening in the global arena to accelerate its rate of growth.

2. DOMESTIC

Your Company continued to perform better in the domestic market operating through its flagship brand Aptech Computer Education (ACE) which provides IT Education and Arena Animation, the pronounced and unparalleled leader in Asia for training in Animation and Multimedia education.

Your Company's initiative to drive 2006 as the "Year of Placements" for offering utmost placement assistance to students has reinforced and catapulted its brand value resulting in a complete turnaround in the performance of ACE-SSI centres and own centres in the field of IT education.

Bookings from domestic operations amounted to Rs.189.79 crores, a surge of 62% over 2005.

Arena Animation with a market share of 63%, has achieved the impressive feat of achieving Rs.109 crores bookings in 2006. It has been honoured with the Franchise Growth Driver of the Year Award at the India Franchise Awards 2007 which recognised the new initiatives introduced by this brand which revolutionised the industry and resulted in increased growth for the franchisees.

Your Company's success can be attributed to consistent reinvention to keep up with the ever changing requirements of the industry, focus on the course content, execution, placements and innovative marketing strategies and above all to its commitment to the end customers.

Your Company continues to introduce new programs and products that take advantage of its network's unique offerings. Using this strategy, your Company plans to venture into new verticals which will provide continued margin expansion and earnings growth.

During 2006, your Company has made a foray into the fast growing Aviation Training arena by acquiring the Pune based Avalon Aviation Academy to take this initiative ahead. This Academy provides training for the Aviation & Hospitality industry in Cabin Crew, Ground Staff, Flight Dispatchers and various other areas related to hospitality.

With the tremendous growth in the aviation business in the last couple of years, there has been a commensurate increase in the requirement of trained manpower for this industry. With Aptech's advent into this business, rapid strides are being made with a good number of centers being set up in the length and breadth of the country to get the geographical reach with a good modicum of marketing campaign to make known the offerings from this training segment.

Your Company is confident that this would be a growth driver in the years to come with attractive margins.

B. INSTITUTIONAL

Training Solutions and ATTEST

Training Solutions – IT Training and Soft Skills Training – focuses on selling end-to-end solutions

mainly to the Corporate segment. During 2006, your Company entered the high end IT training space with major focus on induction training market for highly reputed large IT companies. Your Company has also established itself in developing customised content and providing dedicated trainings in the BFSI Vertical for well established Banks and Companies in this sector.

Your Company develops soft skills content using international standards of instructional design which can be stringed together for developing various programmes required by the customer.

In 2004, your Company had pioneered into organised electronic Testing and Certification under the brand name "ATTEST" which we hope will lead to a paradigm shift in the Academic and Corporate world with regard to Testing and Certification. We have received some orders from marquee clients and expect that with the proposed integration of Testing solutions with the Training solutions, good growth can be seen in the coming years.

During 2006, revenues from Corporate training and testing operations reported a stupendous growth of 475% over 2005.

For 2007, your Company will continue to grow by building its capability of Content, Training and Testing delivery to meet the competitive challenges in this segment.

Learning Services

Your Company's foray into Content Business in the last two years has brought the business to a break even level last year. The offerings have improved in terms of value addition and as a result the margins are also improving by the day. Your Company expects that this business would also significantly grow in the years to come by contributing a healthy bottom line to the group as a whole.

Synergetics

Your Company's acquisition of Synergetics Information Technology Services India Private Limited during the last year was a significant step in the context of the expanding horizon that is now being witnessed in the high end IT Training domain. Most of the Software companies in India outsource their entire Induction/Orientation programs of the newly inducted employees and such Orientation training

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programs are undertaken by Synergetics with good profit margins. This apart, Synergetics also undertakes Development Training in new technology areas, which is a highly specialised offering where the returns are significantly attractive. Your Company expects that this acquisition would have a short pay back period with the kind of volumes and margins that the segment enjoys.

EQUITY INFUSION

Recognising the need for further growth capital, the Promoter Group and Independent Directors of the Company had evinced an interest to make further strategic investment in the Company for addressing the business opportunities presented before the Company.

Accordingly, after obtaining the requisite approvals from the concerned authorities, the Board of Directors made a preferential allotment of 4,712,500 Convertible warrants (hereinafter "Warrants") in aggregate, at a price of Rs. 113/- per Warrant, on October 1, 2006 to the Promoter Group and Independent Directors, which warrants are convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment, into 1 fully paid up Equity share of the Company of face value Rs. 10/- each.

Out of the 4,450,000 warrants allotted to the Promoter group within the aforesaid 4,712,500 Convertible Warrants, the Promoter group has converted 1,450,000 warrants in March, 2007 and corresponding 1,450,000 equity shares of the Company of face value Rs. 10/- each were allotted, in aggregate, by the Board of Directors on March 30, 2007, upon receipt of the allotment monies from the respective allottees.

Further, 36,00,000 convertible warrants allotted on August 24, 2005 to the existing Promoters, M/s. Aptech Investments, at a price of Rs. 56/- per warrant, which warrants were convertible within 18 months from their date of allotment, was entirely converted by them in February 2007 and the corresponding 36,00,000 equity shares of the Company of face value Rs. 10/- each were allotted by the Board of Directors on February 22, 2007 upon receipt of the allotment monies from the Promoters.

Consequent to the above allotments, the Promoter

group holding in the Company has gone up to 27.82% of the paid-up Capital of the Company.

FINANCIAL RESTRUCTURING

Pursuant to the provisions of Sections 100 to 104 read with Section 78 of the Companies Act, 1956, the sanction of the High Court of Judicature at Bombay has been obtained vide their Order dated April 27, 2007 for reduction/utilisation of the Securities Premium Account to the extent of Rs. 38,89,02,555/- for adjusting the debit balance in the Profit and Loss Account of the Company as at December 31, 2006. Accordingly the Company's Balance Sheet for the year ended December 31, 2007 will incorporate the above adjustments, upon registration of the Court Order and minutes of reduction of Securities Premium Account, by the Registrar of Companies, Maharashtra.

For the sake of clarity, it is specified that the aforementioned adjustment/utilisation of the Securities Premium Account is only a book entry and has no financial implications whatsoever and further we would like the members to note that the aforesaid restructuring will have no impact whatsoever on the Shareholding pattern and the Capital structure of the Company.

RESOURCE MOBILISATION

With the infusion of funds from the Promoters, the bank borrowings have significantly come down leading to a steep reduction in the interest and finance charges during the year.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

Your Company had formulated Employees Stock Option Scheme in February 2004 for the benefit of the employees of the Company and its subsidiaries. The said scheme was approved by the members at the Extra Ordinary General Meeting held on February 13, 2004 and is administered by the Compensation Committee of the Board.

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter "SEBI guidelines"), the details in relation to the options granted, vested, exercised, lapsed etc. as per ESOS, 2004, as on December 31, 2006 are given as under:

Description	ESOS 2004
Total Number of Options granted	10,36,500
The Pricing formula	Exercise price of the Options has been computed at 50% of the market price as on the date of grant of Option and accordingly, the price per Option has been fixed at Rs. 32/- . Market price, for the purpose of calculation of exercise price, has been considered as the six months average price of the Company's share on the actively traded Stock Exchange, immediately preceding the date of grant of Option.
Number of Options vested	673,725
Number of Options exercised	477,795
Total No. of Shares arising as a result of exercise of Options	477,795
Number of Options lapsed	339,360
Variation of terms of Options	N.A.
Money realised by exercise of Options	15,289,440
Total Number of Options in force	219,345
Grant to Senior Managerial personnel and Directors under the Scheme	711,000
Employees who were granted 5% or more of the total number of Options granted during the year	Mr. Pramod Khera, Managing Director - 115,500 Options.
Employees who were granted Options equal to or exceeding 1% of the issued capital of the Company at the time of grant	None
Diluted Earnings per Share pursuant to issue of shares on exercise of Option calculated in accordance with AS 20	Anti-Dilutive
Difference between the employee compensation cost computed using the intrinsic value of Stock Options and the employee compensation cost that shall have been recognised had the fair value of Options, were used.	6,635,186 - 8,457,897 = (1,822,711)
Impact of this difference on profits of the Company	Negative
Impact of this difference on EPS of the Company	(0.048)
Weighted average exercise prices ;	32
Weighted average fair values of Options for options whose exercise price either equals or exceeds or is less than the market price of the share.	38.56
Description of the method and significant assumptions used during the year to estimate the fair value of Options, including the following weighted – average information: (a) Risk-free interest rate, (b) Expected life (c) Expected volatility (d) Expected dividends and (e) The price of the underlying share in the market at the time of Option grant.	Binominal Method 5.5% p.a. 1 year Assumed at 0.358 Ignored Rs. 62.25

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In February 2007, the eligible optionees exercised their respective vested Options and corresponding 213,885 equity shares of the Company were allotted in March 2007 and consequently all Options vested under ESOP Scheme 2004 have been either exercised into corresponding shares by the respective employees or have lapsed, as the case may be applicable, and therefore, as on date, there are no Options whatsoever outstanding under this old Scheme.

During the year, the shareholders had passed a resolution to accord their approval for formulation of a new Employee Stock Option Scheme (ESOS) for issue and allotment of securities of the Company for the benefit of the employees of the Company and the Independent Directors, not exceeding an overall limit of 1,500,000 equity shares of face value Rs.10/- each of the Company. Pursuant to the said approval, the said securities of the Company may be allotted to the eligible employees and Independent Directors of the Company, as per the ESOS to be framed in that behalf, through a Trust to be set up by the Board of Directors of the Company. Accordingly, the Aptech Employees Stock Options Trust - 2006 ("Trust") was set up on December 6, 2006 and 1,500,000 Warrants of Re.1/- each have been granted by the Company to the Trust on March 12, 2007. The ESOS scheme to be framed and approved would govern the manner in which the Employee Stock Options would be given to eligible employees and Independent Directors.

COMMUNITY SERVICES

Your Company continued with its contribution to Community services through its various initiatives in 2006.

In its endeavour to impart special skills to the underprivileged, Aptech, teamed up with Hope Foundation and Swati (an affiliate of CRY), to conduct Cartooning and Art workshops for the underprivileged children. The highlight of these workshops were the 4 Graphic Artists from various countries, who volunteered to conduct these workshops. These professionals, who were from Zambia, Nepal and Georgia, were in India undergoing a Multimedia programme at Aptech.

During 2006, your Company took a unique initiative of extending Soft Skills Training to the underprivileged. Children from Hope Foundation, Swati and Udayan, underwent Soft Skills workshops at Aptech, which focused on developing Communication Skills – Verbal and Non verbal and Confidence Building amongst the children. The participants spanned an age group of 14-18 years and would be able to derive immediate benefit out of the programme.

Trainers associated with Aptech's Training Solutions and Soft Skills Training team in conjunction with the Corporate Communication team of Aptech came forward for this initiative.

Your Company also organised sit and draw competitions for children of Udayan, an NGO serving the children of the lepers in Kolkata. The children's works were transformed into a desk calendar and 12 children of Udayan underwent the Graphic Designing Program conducted at Arena Barrackpur. Students were given certificates by Dominique Lapierre, who is the chief patron of Udayan.

Your Company has in the past too worked with NGOs associated with CRY, Udayan, Hope Foundation, Butterflies and Rotary International, where it provided free Computer Literacy and Soft Skills courses for several children and held events and competitions to encourage them.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Asit Koticha, Mr. Vijay Aggarwal and Mr. Ramesh S. Damani, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

On October 29, 2006, Mr. Rajiv Agarwal and Mr. Ninad Karpe were appointed as Additional Directors on the Board and Mr. R. Krishnan was appointed as a Whole-time Director on the Board and designated as an Executive Director.

The appointment of the aforesaid two Additional Directors and the Executive Director shall be put forth at the ensuing Annual General Meeting for the Members approval.

Considering the manifold increase in the fiduciary responsibilities of the Board of Directors, the Directors have unanimously opined at their meeting held on October 29, 2006 that the Board membership should be strengthened with 3 more additional Directors who will share their insights, add value and offer greater independence to the overall Board structure to enable the Board to effectively supervise the functioning of the Company. As this would increase the total strength of the Board from the prescribed maximum of 12 to 15 Directors, the proposal shall be put forth at the ensuing Annual General Meeting for the Members approval and subject to their consent, necessary application will be made to the Central Government for obtaining their approval to the same.

CONSTITUTION OF BOARD COMMITTEES

During 2006, the following non-statutory Committees of the Board were constituted and the composition of the said Committees are as given below :

- (a) Strategy Committee was constituted to review the performance of the Company on a quarterly basis which comprises Mr. Vijay Aggarwal as the Chairman, Mr. Utpal Sheth, Mr. Rajiv Agarwal, Mr. Pramod Khera and Mr. R. Krishnan as the other Members of the said Committee.

- (b) Investment Committee was constituted and delegated with the authority to make investments on behalf of the Company in specified instruments and within the threshold limits approved by the Board. This Committee comprises Mr. Ramesh S. Damani as the Chairman, Mr. Utpal Sheth and Mr. Pramod Khara in their capacity as the Board representatives and Mr. T. K. Ravishankar and Ms. Subhashree Iyer as the Company representatives.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on the Corporate Governance and Management Discussion and Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating management, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments 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 loss of the Company for that period;
- (iii) They have taken proper and sufficient care, to the best of their knowledge and ability, 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) They have prepared the annual accounts on a going concern basis.

RE-APPOINTMENT OF STATUTORY AUDITORS

At the forthcoming Annual General Meeting, M/s. Khimji Kunverji & Co., Statutory Auditors of the Company, will retire and being eligible, have offered themselves for re-appointment as the Company's Auditors. In terms of the provisions of Section 224(1) of the Companies Act, 1956, the Company had requested them to furnish a written certificate regarding their eligibility for re-appointment as the Company's Auditors and they have accordingly issued the necessary certificate, confirming that, their re-appointment, if made, at the ensuing Annual General Meeting, would be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

Pursuant to the approval granted by the Ministry of Company Affairs, Government of India, vide their letter dated March 15, 2007, in exercise of the powers conferred on them by Section 212(8) of the Companies Act, 1956, the Company has been exempted from attachment of Subsidiary companies' financial statements as required under Section 212(1) of the Companies Act, 1956, for the financial year ended December 31, 2006.

We undertake that the annual accounts of the Subsidiary companies and the related detailed information will be made available to the Holding and the Subsidiary Company investors who seek such information. Further the annual accounts of the Subsidiary companies will also be kept open for inspection by any investor in our Head office and that of the concerned Subsidiary companies.

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

The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed to and forms part of this Report.

PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 is annexed herewith.

FIXED DEPOSITS

During the period under review, your Company has not accepted or invited any deposits from public.

INSURANCE

All the properties of the Company have been adequately insured.

ACKNOWLEDGEMENT

Your Directors wish to express their gratitude to the Members, Financial Institutions, Bankers, Government authorities, esteemed Corporate clients and Customers and wish to acknowledge the spirit of dedication, commitment and co-operation extended by Employees at all levels.

For and on behalf of the Board of Directors

Rakesh Jhunjunwala
Chairman

Pramod Khara
Managing Director

Place : Mumbai

Date : April 27, 2007

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ANNEXURE TO DIRECTORS' REPORT

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, AND RULES MADE THEREUNDER.

Conservation of Energy

The range of activities of your Company requires minimal energy consumption and every endeavour has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

All possible measures have been taken to conserve energy :

1. Through automation, i.e. using timer, automatic level controllers, etc; and
2. By incorporation energy efficient equipment

Technology Absorption

Your Company has, in its endeavour to obtain and deliver the best, entered in alliances/tie-ups with major Global players in the IT industry to harness and tap the latest and the best of technology in its field, upgrade itself in line with the latest technology in the world and deploy / absorb technology wherever feasible, relevant and appropriate.

At the same time, your Company has also attached tremendous significance to indigenous development and upgradation of technology through its Research and Development Operations.

Foreign Exchange Earnings and Outgo

The details of Foreign Exchange Earnings and Outgo are given in Schedule 15 under Para B-23 sub-para (ii) and (iii).

For and on behalf of the Board of Directors

Rakesh Jhunjunwala
Chairman

Pramod Khera
Managing Director

Place : Mumbai

Date : April 27, 2007

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES RULES), 1975 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2006

Sr. No.	Name	Age (years)	Designation Nature of Duties	Gross Remuneration Received Rs.	Qualification & Experience (years)	Date of Commencement of Employment	Last employment Held period (years)
1	Employed throughout the year Pramod Khera	47	Managing Director	6,315,971	B.Tech., P.G.D.M. (22)	July 1, 1996	Tele Shopping Network (1)

Notes :

1. Remuneration includes Salary, Company's Contribution to Provident & Superannuation Fund and taxable value of Perquisites and allowances as per Income Tax Act, 1961 and rules made thereunder.
2. All appointments are contractual in nature.
3. Mr. Pramod Khera, the sole employee covered above, is not related to any Director of the Company except that he is the Managing Director of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : April 27, 2007

Rakesh Jhunjunwala
Chairman

Pramod Khera
Managing Director

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CORPORATE GOVERNANCE

PHILOSOPHY :

Your Company believes that Corporate Governance is critical to sustaining corporate development, increasing productivity and competitiveness. The governance process should ensure that available resources are utilized in a manner that meets the aspirations of all its stakeholders. Your Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis.

BOARD OF DIRECTORS :

Composition :

The Company has a Non-Executive Chairman and the number of Independent Directors is more than

one-third of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been furnished by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below :

Names of the Directors	Category	No. of Board Meetings attended during the year ended December 31, 2006	Whether attended AGM held on June 29, 2006	No. of Directorships in other public companies incorporated in India		No. of Committee positions held in other public companies incorporated in India	
				Chairman	Member	Chairman	Member
Mr. Rakesh Jhunjunwala	Promoter Non Independent Non-Executive	7	Yes	Nil	11	Nil	1
Mr. C. Y. Pal #	Independent Non-Executive	6	Yes	Nil	3	3	1
Mr. Utpal Sheth	Promoter Non Independent Non-Executive	8	Yes	Nil	Nil	Nil	Nil
Mr. Asit Koticha	Promoter Non Independent Non-Executive	6	Yes	Nil	Nil	Nil	Nil
Mr. Rajiv Agarwal *	Promoter Non Independent Non-Executive	1	N.A.	Nil	2	Nil	1
Mr. Pramod Khera	Managing Director Non Independent Executive	8	Yes	Nil	3	Nil	Nil
Mr. R. Krishnan *	Executive Director Non Independent Executive	1	N.A.	Nil	3	Nil	Nil
Mr. Ramesh S. Damani	Independent Non-Executive	7	Yes	Nil	Nil	Nil	Nil
Mr. Yash Mahajan	Independent Non-Executive	Nil	No	Nil	2	Nil	1
Mr. Vijay Aggarwal	Independent Non-Executive	6	No	Nil	4	Nil	3
Mr. Ashish Pant	Independent Non-Executive	3	No	Nil	Nil	Nil	Nil
Mr. Ninad Karpe *	Independent Non-Executive	1	N.A.	Nil	2	Nil	2

Elevated as the Vice Chairman of the Board of Directors with effect from September 14, 2006

* Appointed with effect from October 29, 2006

Necessary Declaration has been furnished by all the Independent Directors of the Company to confirm that :

- a. Apart from receiving Director’s Sitting Fees, the Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;
- b. Is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- c. Has not been an executive of the Company in the immediately preceding three financial years;
- d. Is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following :
 - (i) The statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the Company.
- e. Is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the Director; and
- f. Is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares.

Eight Board Meetings were held during 2006 and the gap between two meetings did not exceed four months.

The dates on which the Board Meetings were held are as follows :

February 10, 2006, March 25, 2006, April 26, 2006, July 27, 2006, August 16, 2006, October 1, 2006, October 12, 2006 and October 29, 2006.

Other Provisions :

The Company also confirms that it did not have any material pecuniary relationship or transaction with any Non-Executive Director during 2006, except for the payment of Sitting Fees made to them for attending the Board and/or the Committee meetings.

The information as required under Annexure 1 to Clause 49 is being made available to the Board. The Board of Directors periodically review the compliance report submitted by the Managing Director regarding compliance with the various laws applicable to the Company.

Code of Conduct :

The Board of Directors have laid down a code of conduct for all Board Members and Senior Management of the Company. The said code of conduct has been posted on the website of the Company.

All Board Members and Senior Management personnel have affirmed compliance with the said code of conduct for the year ended December 31, 2006. Necessary declaration to this effect signed by the Managing Director forms a part of the Annual Report of the Company for the year ended December 31, 2006.

AUDIT COMMITTEE :

Consequent to the provisions of the revised Clause 49 of the Listing Agreement, the role of the Audit Committee stands enlarged as below to cover the areas prescribed by Clause 49 (II) (D).

The broad terms of reference of the Audit Committee are as follows :

- (a) Overseeing the Company’s financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees and approving payments for any other services rendered by them.
- (c) Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;

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- Major accounting entries involving estimates based on the exercise of judgment by Management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- (d) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval, with particular reference to :
Matters required, focusing primarily on :
- Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by Management.
 - Qualifications in draft Audit Report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with the accounting standards.
 - Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- (e) Reviewing, with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (f) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (g) Discussion with internal auditors of any significant findings and follow up thereon.
- (h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (i) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- (k) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- (l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (m) Reviewing the Company's financial and risk management policies.

The Audit Committee has also been granted powers as prescribed under Clause 49 (II) (C). The Company has complied with the requirements of Clause 49 (II) (A) as regards composition of Audit Committee.

Further as per the requirements of Clause 49 (II) (E), the Audit Committee shall mandatorily review the following information :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The composition of the Audit Committee alongwith the details of the meetings attended by the Directors are given below :

Names of Members	Category	No. of Meetings attended during 2006
Mr. C. Y. Pal – Chairman	Independent, Non-Executive	5
Mr. Ramesh S. Damani	Independent, Non-Executive	5
Mr. Vijay Aggarwal	Independent, Non-Executive	3

All the members of the Audit Committee are financially literate and possess necessary expertise in finance or accounting or any other comparable experience or background.

The Company Secretary acts as the Secretary to the Committee.

Five Audit Committee Meetings were held during 2006. The dates on which the said meetings were held are as follows :

March 11, 2006, March 25, 2006, April 26, 2006, July 27, 2006 and October 29, 2006.

At the Annual General Meeting held on June 29, 2006, the Chairman of the Audit Committee, Mr. C. Y. Pal, was present.

REMUNERATION COMMITTEE :

The terms of reference of the Remuneration Committee are as follows :

Names of Members	Category	No. of Meetings attended during 2006
Mr. Vijay Aggarwal – Chairman	Independent, Non-Executive	1
Mr. Utpal Sheth	Promoter, Non Independent, Non-Executive	1
Mr. C. Y. Pal	Independent, Non-Executive	1

One Remuneration Committee Meeting was held during the year on July 19, 2006.

At the Annual General Meeting held on June 29, 2006, the Chairman of the Remuneration Committee, Mr. Vijay Aggarwal, was not present.

Pursuant to the respective terms and conditions approved by the Members of the Company, Mr. Pramod Khera was appointed as the Managing Director of the Company with effect from December 28, 2001, for a period of 5 years, on such remuneration as per the terms of his contract of appointment. Further, at the Extraordinary General Meeting of the Company held on September 16, 2006, the shareholders have approved the re-appointment

- a) To determine the Company’s policy on specific remuneration packages for Managing Director/ Whole-time Director including pension rights and any compensation payment.
- b) To do such other acts, deeds, matters and things as are necessary for or incidental to the carrying out of any of the above functions.

The matters relating to remuneration of Managing Director/Whole-time Director is decided by the Board of Directors based on the recommendations of the Remuneration Committee and as per the terms approved by the shareholders at the General Meeting.

The composition of the Remuneration Committee alongwith the details of the meeting attended by the Directors are given below :

of Mr. Pramod Khera as the Managing Director of the Company with effect from December 28, 2006, for a period of 5 years on a revised scale of remuneration as per the terms of his contract of re-appointment approved by them at the said meeting and in accordance with the overall limits specified under Schedule XIII of Companies Act, 1956.

At the meeting of the Board of Directors held on October 29, 2006, Mr. R. Krishnan, the Head – Global Retail Business was appointed as a Whole-time Director and designated as Executive Director of the Company and his terms of appointment will be put forth before the shareholders at the forthcoming Annual General Meeting of the Company for their approval.

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The details of remuneration paid to Mr. Pramod Khera and Mr. R. Krishnan for the year ended December 31, 2006 are as follows:

Particulars of remuneration	Amount (in Rs.)	
	Mr. Pramod Khera (Period : January 1, 2006 to December 31, 2006)	Mr. R. Krishnan (Period : October 29, 2006 to December 31, 2006)
Salary & Allowances	5,658,417	371,444
Perquisites	652,154	53,875
Contribution to Provident Fund, Superannuation Fund and Gratuity	5,400	5,400
TOTAL	6,315,971	430,719

For the year ended December 31, 2006, the remuneration paid to Mr. Pramod Khera and Mr. R. Krishnan has exceeded the limits specified under Schedule XIII of the Companies Act, 1956, by Rs. 3,445,606/- which comprises Rs. 3,435,698/- in respect of Mr. Pramod Khera and Rs. 9,908/- in respect of Mr. Krishnan and hence the Company has applied to the Central Government for waiver of the excess remuneration paid to them.

Pursuant to Employees Stock Option Scheme (ESOS) formulated in February 2004 for the benefit of the employees of the Company and its subsidiaries, following are the details of options vested, exercised and corresponding equity shares of the Company allotted during 2006 to Mr. Pramod Khera and Mr. R. Krishnan.

Name of the Director	Options Vested in 2006	Exercise Period	Options Exercised in 2006	Exercise Price (Rs.) paid per share at the time of allotment	Details of corresponding allotment of Equity Shares of Face Value Rs. 10/- each made during 2006	Balance Options yet to be Vested in 2007
Mr. Pramod Khera	115,500	One year	115,500	32/-	115,500	115,500
Mr. R. Krishnan	9,450	One year	9,450	32/-	9,450	9,450

The Non-Executive Directors (NEDs) do not draw any remuneration from the Company except the Sitting Fees which is paid to them for attending Board/Committee Meeting(s) (hereinafter referred to as "meeting"). In accordance with the approval accorded by the Board of Directors at their meeting held on February 10, 2006, the sitting fees payable to Directors

for each Board/Committee Meeting was revised from Rs. 5000/- to Rs. 15,000/- (net of taxes), with immediate effect.

The details of the Sitting Fees paid to the Non-Executive Directors for the year ended December 31, 2006 are as follows :

Names of the Non-Executive Directors	Amount (in Rs.)
Mr. C. Y. Pal	325,000/-
Mr. Ramesh S. Damani	215,000/-
Mr. Vijay Aggarwal	200,000/-
Mr. Ninad Karpe *	15,000/-
TOTAL	755,000/-

* Appointed with effect from October 29, 2006

None of the Non-Executive Directors hold any shares in the Company as on date.

Pursuant to the approval accorded by the shareholders at the Extraordinary General Meeting held on September 16, 2006, Convertible Warrants were allotted to certain persons in the Promoter Group and Independent Directors, on a preferential basis. In accordance with the said approval, the Independent Directors viz., Mr. Ramesh S. Damani and Mr. Vijay Aggarwal have been allotted 12,500 and 250,000 Convertible warrants respectively at an

exercise price of Rs. 113/- per Warrant and each such Warrant is convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment, into 1 fully paid up equity share of the Company of face value Rs. 10/-.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE :

The composition of the Shareholders/Investors Grievance Committee alongwith the details of the meetings attended by the Directors are given below :

Names of Members	Category	No. of Meetings attended during 2006
Mr. Ramesh S. Damani – Chairman	Independent, Non-Executive	3
Mr. Asit Koticha	Promoter, Non Independent, Non-Executive	3
Mr. C. Y. Pal	Independent, Non-Executive	3

Three Shareholders/Investors Grievance Committee Meetings were held during 2006. The dates on which the said meetings were held are as follows :

April 26, 2006, July 27, 2006 and October 29, 2006.

Name and Designation of Compliance Officer :

Ms. Sree Vidhya Raju,
Deputy General Manager (Legal) and
Group Company Secretary

Status of Complaints received during the year ended December 31, 2006 :

Nature of Complaints	Received	Resolved	Pending
Relating to Transfer, Transmission etc.	3	3	Nil
Other/Miscellaneous	20	20	Nil
TOTAL	23	23	Nil

Pending Transfers :

There were no pending transfers as on December 31, 2006.

Subsidiary Companies :

The Company does not have any material non-listed Indian subsidiary companies which falls within the definition of Clause 49 (III).

Disclosures :

- (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have

potential conflict with the interests of the Company :

There are no materially significant related party transactions during the period under review that may have potential conflict with the interests of the Company.

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :

No penalties and strictures have been imposed by any statutory authorities on matters relating to capital markets since the incorporation.

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(c) Though the Company does not have a Whistle Blower policy in place, the Company maintains a suggestion box wherein the suggestions without disclosing identities can be forwarded by employees. There is a kiosk which can be accessed and employees can post their queries/complaints for redressal. Further the Company holds open house meetings, skip level meetings etc. wherein the employees are encouraged to freely express the various issues faced by them within the Company and the same are noted by the HR Division for escalation and necessary resolution.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 :

All the mandatory items of Clause 49, as listed below, have been complied with and covered in this report :

- (i) Brief statement on Company's philosophy on code of governance;
- (ii) Board of Directors;
- (iii) Audit Committee;
- (iv) Remuneration Committee;
- (v) Shareholders Committee;
- (vi) General Body Meetings;
- (vii) Disclosures;
- (viii) Means of Communication;
- (ix) General Shareholder Information.

In respect of the non-mandatory requirements of Clause 49, the Company has complied with the following :

Remuneration Committee has been constituted by the Company which comprises three Directors and all of them are Non-Executive Directors. The composition of this Committee has been detailed earlier in this report. Mr. Vijay Aggarwal, the Chairman of this Committee is an Independent Director.

Board Disclosures :

The Company has initiated the process for laying down procedures to inform Board members about the risk assessment and minimization procedures.

Proceeds from Preferential Issue :

The details of the monies raised through the preferential issue in September 2006 and its utilization has been disclosed to the Audit Committee on a quarterly basis.

CEO and CFO Certification :

In terms of Clause 49 (V), Mr. Pramod Khera, Chief Executive Officer and Managing Director and Mr. T. K. Ravishankar, Chief Financial Officer and Executive Vice President have issued certificates to the Board of Directors which forms a part of the Annual Report of the Company for the year ended December 31, 2006.

General Body Meetings :

Details of the last three Annual General Meetings alongwith the details of the Extraordinary General Meetings held from the year 2004 to 2006 are given below :

- 2006 : (i) An Extraordinary General Meeting of the Company was held on September 16, 2006 at Ashoka Hall, Arcadia, behind NCPA (Tata Theatre), NCPA Marg, Nariman Point, Mumbai – 400 021 at 4.30 p.m.
- (ii) The Sixth Annual General Meeting of the Company was held on June 29, 2006 at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jarnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 at 4.30 p.m.
- 2005 : (i) An Extraordinary General Meeting of the Company was held on December 19, 2005 at All India Plastics Manufacturers' Association (AIPMA), AIPMA House, A-52, Street No. 1, M.I.D.C., Marol, Andheri (East), Mumbai – 400 093 at 4.30 p.m.
- (ii) An Extraordinary General Meeting of the Company was held on August 12, 2005 at All India Plastics Manufacturers' Association (AIPMA), AIPMA House, A-52, Street No. 1, M.I.D.C., Marol, Andheri (East), Mumbai – 400 093 at 3.00 p.m.
- (iii) The fifth Annual General Meeting of the Company was held on June 30, 2005 at All India Plastics Manufacturers' Association (AIPMA), AIPMA House, A-52, Street No. 1, M.I.D.C., Marol, Andheri (East), Mumbai – 400 093 at 10.30 a.m.

- 2004 : (i) The fourth Annual General Meeting of the Company was held on June 25, 2004 at All India Plastics Manufacturers' Association (AIPMA), AIPMA House, A-52, Street No. 1, M.I.D.C., Marol, Andheri (East), Mumbai – 400 093 at 2.30 p.m.
- (ii) An Extraordinary General Meeting was held on February 13, 2004 at All India Plastics Manufacturers' Association (AIPMA), AIPMA House, A-52, Street No. 1, M.I.D.C., Marol, Andheri (East), Mumbai – 400 093 at 12.30 p.m.

Details of the Special Resolutions passed in the previous three Annual General Meetings :

At the Sixth Annual General Meeting held on June 29, 2006, no Special Resolutions were passed.

At the Fifth Annual General Meeting held on June 30, 2005, Special Resolutions were passed pertaining to the following businesses :

- Cancellation of the preferential issue of shares to SSI Limited.
- Modification in the particulars stated in the Explanatory Statement attached to the Notice dated January 5, 2004, convening the Extraordinary General Meeting of the Company on February 13, 2004, with respect to the Employees Stock Option Scheme (ESOS) for employees of the Company.

At the Fourth Annual General Meeting held on June 25, 2004, Special Resolution was passed pertaining to the following business :

- Preferential issue of shares to SSI Limited.

No special Resolutions were passed through Postal Ballot at the last Annual General Meeting. No special resolutions are proposed through Postal Ballot at the forthcoming Annual General Meeting.

Means of Communication :

- Is Half yearly report sent to each household of shareholders : No
- Quarterly Results -
Which newspapers normally published in : Financial Express, Business Standard, Loksatta, Sakal
- Any Website, where displayed : www.aptech-worldwide.com
- Whether it also displays, official news releases and presentations made to institutional investors/analysts : Yes
- Whether MD & A is a part of Annual Report : Yes

General Shareholder Information :

- AGM : Date, Time and Venue : Thursday, June 28, 2007, 4.30 p.m.
Kamalnayan Bajaj Hall, Ground Floor,
Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai – 400 021

As required under Clause 49 (VI) (A), particulars of Directors seeking appointment/re-appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on Thursday, June 28, 2007.

Financial Calendar :

- A. Financial Year : 1st January to 31st December
- B. First Quarter results : to be published by end April
- C. Second Quarter results : to be published by end July
- D. Third Quarter results : to be published by end October

APTECH LIMITED

- E. Results for the year ending December 31, 2007 : to be published by end March, 2008
- Date of Book Closure (both days inclusive)** : Thursday, May 31, 2007 to Friday, June 8, 2007
- Dividend Payment Date** : N.A.
- Listing of Equity Shares/ Global Depository Receipts (GDRs) on Stock Exchanges** : The Company's equity shares are listed on the following Stock Exchanges in India
- (i) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
 - (ii) The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
- The Company has paid the annual listing fees to the above Stock Exchanges for the financial year 2006-2007.
- The Company's GDRs have been delisted from SOCIÉTÉ DE LA BOURSE DE LUXEMBOURG with effect from September 12, 2006.

Stock Code

- The Code for the Company's shares is as follows :
- Bombay Stock Exchange Limited : 532475
- The National Stock Exchange of India Limited : APTECHT
- ISIN No. for Shares in Dematerialised Mode : INE266F01018

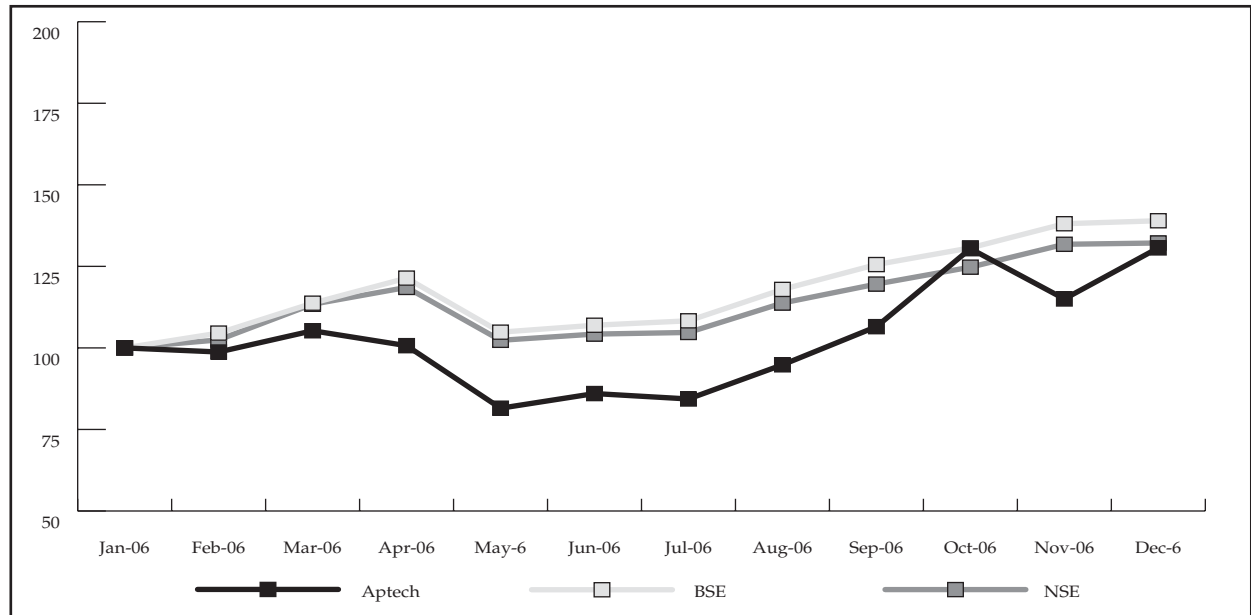
Market Information :

Aptech Share Price Data :

Month and Year	Bombay Stock Exchange Limited (Rs.)		The National Stock Exchange of India Limited (Rs.)	
	High	Low	High	Low
January 2006	143.75	121.10	143.40	121.20
February 2006	139.00	115.50	138.90	115.25
March 2006	137.95	120.00	137.90	120.00
April 2006	145.65	112.50	145.00	106.10
May 2006	127.50	76.15	127.40	71.00
June 2006	116.75	69.40	116.75	68.25
July 2006	115.50	88.60	115.80	88.55
August 2006	133.50	101.05	133.40	101.00
September 2006	135.90	111.85	135.90	111.75
October 2006	171.40	127.05	171.30	127.20
November 2006	163.30	131.50	163.50	130.20
December 2006	173.00	131.60	173.50	129.90

(Source : www.bseindia.com and www.nseindia.com)

Stock Performance : (Indexed)



Registrar and Share Transfer Agents

: **M/s. Sharepro Services (India) Private Limited**
 Satam Estate, 3rd Floor,
 Cardinal Gracious Road, Chakala,
 Andheri (East), Mumbai - 400 099.
 Contact Person : Mrs. Indira Karkera
 Tel. No. : 91-22-28215168/69
 Fax No. : 91-22-28375646
 E-mail : sharepro@vsnl.com
 Business Hours : Monday to Saturday,
 (9.30 a.m. to 5.00 p.m.)

M/s. Sharepro Services (India) Private Limited
 912, Raheja Centre,
 Free Press Journal Road, Nariman Point,
 Mumbai - 400 021.
 Tel. No. : 91-22-2288 1568/2288 1569
 Fax No. : 91-22-22825484

Share Transfer System :

Share Transfers in physical form can be lodged with Sharepro Services at any of the above mentioned addresses.

Such transfers are normally processed within 30 days from the date of receipt if the documents are in order in all respects. The Shareholders/Investors Grievance Committee usually approves the transfer of shares once in every 15 days.

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Distribution of Shareholding :

No. of Equity Shares held	As on December 31, 2006				As on December 31, 2005			
	No. of Share-holders	% of Share-holders	Total No. of Shares held	% of Share-holding	No. of Share-holders	% of Share-holders	Total No. of Shares held	% of Share-holding
1-500	72247	97.41	3676871	9.70	84162	96.42	4839031	12.86
501-1000	910	1.23	747569	1.97	1565	1.79	1286462	3.42
1001-2000	439	0.59	678155	1.79	669	0.77	1042827	2.77
2001-3000	173	0.23	451145	1.19	253	0.29	665128	1.77
3001-4000	79	0.11	290673	0.77	115	0.13	419947	1.12
4001-5000	79	0.11	382250	1.01	168	0.19	808206	2.15
5001-10000	97	0.13	753564	1.99	164	0.19	1254923	3.33
10001 and above	139	0.19	30907005	81.58	195	0.22	27319353	72.59
TOTAL	74163	100.00	37887232	100.00	87291	100.00	37635877	100.00

Categories of shareholding :

Sr. No.	Category	As on December 31, 2006			As on December 31, 2005		
		No. of Share-holders	No. of Shares	Voting Strength (%)	No. of Share-holders	No. of Shares	Voting Strength (%)
1.	Promoter Holding	1	6954403	18.36	3	6954403	18.48
2.	Mutual Funds	11	1893649	5.00	12	2480307	6.59
3.	UTI	-	-	-	1	10980	0.03
4.	Banks/Financial Institutions/Insurance Companies (Central/ State Government Institutions/Non-Government Institutions)	35	49767	0.13	38	145804	0.39
5.	FII's	21	14843333	39.18	19	8052487	21.40
6.	NRIs	2720	292360	0.77	2905	255168	0.68
7.	OCBs	3	551	0.00	3	13451	0.04
8.	Foreign National	1	120	0.00	1	120	0.00
9.	Domestic Companies	1472	3486698	9.20	1809	6977955	18.54
10.	GDR	1	16971	0.04	1	50420	0.13
11.	Trust	2	5802	0.02	4	40874	0.11
12.	Indian Public	69896	10343578	27.30	82495	12653908	33.62
	TOTAL	74163	37887232	100.00	87291	37635877	100.00

Dematerialization of Shares and liquidity :

Trading in the Equity Shares of the Company is permitted only in dematerialized form. Over 97.27% of the Company's Share Capital was dematerialized as on December 31, 2006.

The Company's shares are regularly traded on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

Details on use of public funds obtained in the last three years :

In October 2003, the Company tapped the International capital market at Luxembourg with a Global Depository Receipt (GDR) issue (hereinafter "New GDRs") for raising adequate resources to fund strategic investments in India and abroad. Pursuant to the said New GDR issue, 15,360,000 Equity Shares of face value Rs. 10/- each underlying 3,840,000 GDRs (1 GDR equals 4 Equity Shares) of USD 3.75 each were allotted by the Company, at a premium of Rs. 32.53 per share, on November 6, 2003. The consideration for the aforesaid GDRs aggregating to USD 14,400,000 (equivalent to Rs. 653,256,000/-) was received in the Escrow Account with Banco Portugues De Negocios (BPN). Out of the total proceeds, the Company had up to December 31, 2003 utilised USD 6,168,780 (equivalent to Rs. 280,124,000/-). The balance USD 8,231,220 (equivalent of Rs. 373,132,000/-) has been entirely utilized during the year 2004, for part payment of consideration for acquisition of "Training and Education business" from SSI Ltd. purchased in 2003, loans and advances given to subsidiary companies (including advances against equity), loan given to Aptech Education Society, payment of capital advances/expenditure and other general corporate purposes as stated in the offer document.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity :

- 33,942 Global Depository Receipts of erstwhile Aptech Limited (hereinafter "Old GDRs") (P.Y. 1,00,840) representing 16,971 underlying equity shares (2 GDR equals 1 Equity Share) of face value Rs. 10/- each are outstanding as on December 31, 2006.
- 1,036,500 options granted on February 13, 2004 under the Employees Stock Option Scheme (ESOS), 2004, (hereinafter the "Scheme") had entitled the holders to apply for and seek

allotment of 1 equity share of face value Rs.10/- each in the Company at a price of Rs. 32/- per equity share. The total options of 1,036,500 comprised 310,950 options with a vesting period of 12 months, 362,775 options with a vesting period of 24 months and the balance 362,775 options with a vesting period of 36 months from the award date. Such options, upon vesting, were to be exercised in the specified months as stipulated in the Scheme, within a period of one year from the respective vesting dates. Accordingly, in the first phase of options which vested on February 13, 2005, the eligible optionees had exercised 230,940 vested options against which corresponding 230,940 equity shares of face value Rs. 10/- each were allotted to them. Subsequently, in the second phase of options which vested on February 13, 2006, the eligible optionees had exercised 247,800 vested options against which corresponding 247,800 equity shares of face value Rs. 10/- each were allotted to them. Finally in the third cum final phase of options which vested on February 13, 2007, the eligible optionees had exercised 212,940 vested options against which corresponding 212,940 equity shares of face value Rs. 10/- each were allotted to them by the Company. With this final phase of allotment, all options granted under ESOP Scheme 2004 have been either exercised into corresponding shares by the employees or have lapsed, as the case may be applicable, and therefore, there are no options whatsoever outstanding under this Scheme.

- At the Extraordinary General Meeting of the Company held on August 12, 2005, the shareholders had, inter alia, approved the issue and allotment of 3,600,000 Convertible Warrants ("Warrants") on a preferential basis to the existing promoters, M/s. Aptech Investments, at an exercise price (including premium) of Rs. 56/- per Warrant, each Warrant convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment, into 1 fully paid up equity share of the Company of face value Rs. 10/-. Pursuant to the said approval, the Capital Issues Committee at its meeting held on August 24, 2005, had allotted the aforesaid 3,600,000 Convertible Warrants to M/s. Aptech Investments and in terms of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, M/s. Aptech Investments

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had paid 10% of the exercise price at the time of allotment of the said Warrants and the balance 90% was to be paid when the right of conversion gets exercised. The last date for conversion of the said Warrants was February 23, 2007. Accordingly, M/s. Aptech Investments have exercised their right for conversion of the entire 3,600,000 Warrants on February 21, 2007 and had tendered the balance 90% allotment monies to the Company alongwith their conversion request. Accordingly, at the Meeting of the Board of Directors held on February 22, 2007, the Directors had approved the allotment of 3,600,000 equity shares of face value Rs. 10/- each to M/s. Aptech Investments, against the conversion of the aforesaid warrants.

4. At the Extraordinary General Meeting of the Company held on September 16, 2006, the shareholders had, inter alia, approved the issue and allotment of 4,712,500 Convertible Warrants ("Warrants") on a preferential basis to certain persons in the Promoter Group and the Independent Directors, in the following manner:

- (i) 1,100,000 Warrants to Shri Gopikishan S. Damani;
- (ii) 700,000 Warrants to Shri Rakesh Jhunjhunwala;
- (iii) 2,000,000 Warrants to Smt. Rekha Jhunjhunwala;
- (iv) 650,000 Warrants to ASK Investment & Financial Consultants Pvt. Ltd; (hereinafter collectively referred to as "Promoter Group")
- (v) 12,500 Warrants to Shri Ramesh S. Damani;
- (vi) 250,000 Warrants to Shri Vijay Aggarwal (hereinafter collectively referred to as "Independent Directors")

at an exercise price (including premium) of Rs. 113/- per Warrant, each Warrant convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment, into 1 fully paid up equity share of the Company of face value Rs. 10/-. Pursuant to the said approval, the Board of Directors at their meeting held on October 1, 2006, had allotted the aforesaid 4,712,500 Convertible Warrants to the Promoter Group and Independent Directors and in terms of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, the Promoter Group and Independent Directors had paid Rs. 13/- per warrant at the time of allotment of

the said Warrants and the balance Rs. 100/- per warrant was to be paid when the right of conversion gets exercised. The last date for conversion of the said Warrants is March 31, 2008.

Out of the aforementioned 4,450,000 convertible warrants allotted to the Promoter Group, right for partial conversion in respect of 1,450,000 warrants, in aggregate, was exercised by them by March 29, 2007.

With the said conversion request, they had tendered the balance allotment monies of Rs. 100/- per warrant to the Company. Accordingly, at the Meeting of the Board of Directors held on March 30, 2007, the Directors had approved the allotment of an aggregate of 1,450,000 equity shares of face value Rs. 10/- each to the belowmentioned allottees, against their conversion of the respective warrants.

Name of the Allottees	No. of Shares
a) Shri Gopikishan S. Damani	358,427
b) Shri Rakesh Jhunjhunwala	228,090
c) Smt. Rekha Jhunjhunwala	651,685
d) ASK Investment & Financial Consultants Pvt. Ltd.	211,798

The balance 3,000,000 warrants is convertible by the Promoter Group on or before March 31, 2008. Further 262,500 convertible warrants allotted to the Independent Directors will have to be converted by them on or before March 31, 2008.

Should the 3,262,500 warrants (3,000,000 warrants held by Promoter Group and 262,500 warrants held by Independent Directors) be entirely converted into equity shares, on or before the aforesaid conversion date, by the respective warrant holders, the paid up equity share capital of the Company would go up by 3,262,500 equity shares.

Company's Office Addresses :

Registered Office :

Elite Auto House, 54-A, Sir M. VasANJI Road, Andheri (East), Mumbai - 400 093.

Tel. : +91-22- 66919624-26

Fax : +91-22- 66922434

Corporate Office :

Aptech House, A-65, M.I.D.C., Marol, Andheri (East), Mumbai - 400 093.

Tel.: +91-22-28272300/01

Fax : +91-22-28272399

Website : www.aptech-worldwide.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Aptech Limited

We have examined the compliance of conditions of corporate governance by Aptech Limited for the year ended on December 31, 2006 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 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.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No.: 2242

Place : Mumbai
Date : April 27, 2007

APTECH LIMITED

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION IN TERMS OF CLAUSE 49 (V) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

We, Pramod Khera, CEO and Managing Director and T. K. Ravishankar, CFO and Executive Vice President, of Aptech Limited, 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 :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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 for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting 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 :
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they 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 Aptech Limited

Pramod Khera
Chief Executive Officer
and Managing Director

T. K. Ravishankar
Chief Financial Officer
and Executive Vice President

Place : Mumbai

Date : April 27, 2007

CHIEF EXECUTIVE OFFICER (CEO) DECLARATION IN TERMS OF CLAUSE 49 (I) (D) (ii) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, Pramod Khera, CEO & Managing Director, hereby declare that as per the requirements of Clause 49 (I) (D)(ii) of the Listing Agreement with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have confirmed compliance with the Aptech Code of Conduct, for the year ended December 31, 2006.

For Aptech Limited

Pramod Khera
Chief Executive Officer
and Managing Director

Place : Mumbai

Date : April 27, 2007

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors

Aptech Limited

1. We have audited the attached Consolidated Balance Sheet of Aptech Limited and its Subsidiaries and joint venture as at December 31, 2006 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of Aptech Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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.
3. Included in this Consolidated Financial Statements are assets of Rs. 582,547,427 as at December 31, 2006, revenue of Rs. 712,494,704 and net cash flows amounting to Rs. 131,342,971 for the year then ended of four Subsidiaries and a joint venture, which have not been audited by us. These have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint venture, is based solely on the reports of those respective auditors.
4. We report that the Consolidated Financial Statements have been prepared by Aptech Limited in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements' and AS 27 'Financial Reporting of Interests in Joint Ventures', issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements/management certification and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Aptech Limited and its subsidiaries and joint venture as at December 31, 2006;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Dated : April 27, 2007

APTECH LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2006

Particulars	Schedule	As at		As at	
		31st December, 2006	31st December, 2005	31st December, 2006	31st December, 2005
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Share Capital	1	378,872,320		376,358,770	
Warrants (Refer Note no. B-5 of schedule 15)		81,422,500		20,160,000	
Reserves and Surplus	2	775,916,989		770,827,735	
			12,36,211,809		1,167,346,505
LOAN FUNDS					
Secured Loans	3	227,002,102		290,207,185	
			227,002,102		290,207,185
Minority Interest			2,489,338		-
TOTAL FUNDS EMPLOYED			1,465,703,249		1,457,553,690
APPLICATION OF FUNDS					
Goodwill			30,395,994		-
FIXED ASSETS					
Gross Block	4	1,527,552,338		1,412,116,108	
Less : Accumulated Depreciation and Impairment		992,278,970		841,868,805	
		535,273,368		570,247,303	
Add : Capital Work-in-progress		1,594,125		-	
Net Block			536,867,493		570,247,303
INVESTMENTS	5		50,000		-
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	6	29,406,862		26,147,895	
Sundry Debtors		477,116,572		513,546,996	
Cash and Bank Balances		345,063,970		256,032,087	
Loans and Advances		192,458,748		64,305,735	
		1,044,046,152		860,032,713	
Less:					
CURRENT LIABILITIES AND PROVISIONS					
Liabilities	7	411,062,534		397,163,611	
Provisions		23,738,752		20,418,922	
		434,801,286		417,582,533	
NET CURRENT ASSETS			609,244,866		442,450,180
PROFIT AND LOSS ACCOUNT			289,144,896		444,856,207
TOTAL FUNDS UTILISED			1,465,703,249		1,457,553,690
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS					
	15				

Schedules referred to above form an integral part of the accounts

As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Khera
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2006

Particulars	Schedule	2006		2005	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Income from Operations	8	1,741,436,823		1,543,476,803	
Other Income	9	13,312,914		26,849,044	
			1,754,749,737		1,570,325,847
EXPENDITURE					
Training and Education Expenses	10	420,970,595		537,971,121	
Marketing and Advertisement Expenses	11	193,353,608		81,830,365	
Payments to and Provision for Employees	12	405,332,624		284,061,373	
Administration and Other Expenses	13	360,687,987		316,221,843	
Interest and Finance Expenses (Net)	14	24,809,729		61,635,998	
			1,405,154,543		1,281,720,700
PROFIT BEFORE DEPRECIATION/ AMORTISATION AND EXCEPTIONAL ITEMS			349,595,194		288,605,147
Depreciation and Amortisation			148,919,946		248,197,393
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX EXCEPTIONAL ITEMS			200,675,248		40,407,754
Fixed Assets Written Off		-		12,688,192	
Provision for Doubtful Advances (Net of Recoveries made against earlier years Provisions)		887,032		7,244,254	
Impairment of Fixed Assets					
- At the beginning of the year (Net of General reserve adjustment)		-		20,356,761	
- At the end of the year		-		252,370,999	
Provision for Doubtful Debts		-		184,377,468	
Provisions/Liabilities no longer required Written Back		-		(14,510,518)	
			887,032		462,527,156
PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS			199,788,216		(422,119,402)
Provision For Taxation					
- Income Tax (Current)		29,792,222		10,256,161	
- Fringe Benefit Tax		7,349,664		4,274,346	
- Wealth Tax		153,313		173,710	
- Deferred Tax		908,861		-	
(Excess)/Short Provision of Income Tax of Earlier Year (Net)		-		1,396,631	
			38,204,060		16,100,848
PROFIT/(LOSS)AFTER TAX			161,584,156		(438,220,250)
Surplus/(Deficit) brought forward from previous year			(444,856,207)		(5,518,220)
Less : Transferred to General Reserve			5,872,845		1,117,737
BALANCE CARRIED TO BALANCE SHEET			(289,144,896)		(444,856,207)
Earning per Share (Refer Note No. B-14 of Schedule 15)					
- Basic (Face Value Rs. 10/- each)			4.27		(12.53)
- Diluted (Face Value Rs. 10/- each)			4.02		(12.53)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	15				

Schedules referred to above form an integral part of the accounts

As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Kherra
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

APTECH LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2006

Particulars	Current Year		Previous Year	
	Rupees	Rupees	Rupees	Rupees
(A) CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX		199,788,216		(422,119,402)
Adjustments For :				
Warrants Written Back	-		(81,950)	
Employee Stock Compensation Credit (Erstwhile Aptech Scheme)	-		(819,500)	
Employee Stock Compensation Net Charge (2004 Scheme)	1,536,583		4,625,937	
Depreciation and Amortisation	148,919,946		248,197,393	
Fixed Assets Written off	-		12,688,192	
Provision for doubtful advances (net)	1,275,573		-	
Bad debts written off	2,428,913		-	
Impairment of Fixed Assets	-		272,727,760	
Provision for Doubtful Debts - (net)	(367,661)		184,377,468	
Provision no longer required written back (creditors)	(8,772,305)		-	
Interest and Finance Costs (Net)	24,809,729		61,635,998	
Unrealised Exchange Loss/(Gain)	-		(2,899,477)	
Loss on Sale of Fixed Assets (Net)	1,899,855		9,582,915	
		<u>171,730,632</u>		<u>790,034,736</u>
Operating Profit Before Working Capital Changes		371,518,849		367,915,334
Adjustments for Working Capital Changes				
Decrease/(Increase) in Inventory	(3,258,967)		260,140	
Decrease/(Increase) in Sundry Debtors	8,606,630		(126,941,472)	
Decrease/(Increase) in Loans and Advances-Other than Subsidiaries	(125,980,847)		73,770,698	
Increase/(Decrease) in Current Liabilities and Provisions	44,952,534		(224,788,312)	
		<u>(75,680,650)</u>		<u>(277,698,946)</u>
Cash From/(used) in Operating Activities		295,838,199		90,216,388
Wealth Tax Paid (Net)	(112,623)		(123,710)	
Income Tax/Fringe Benefit Tax Paid (Net)	(36,100,062)		(3,958,668)	
		<u>(36,212,685)</u>		<u>(4,082,378)</u>
Net Cash From/(used) in Operating Activities		259,625,513		86,134,010
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (incl WIP)	(116,597,789)		(106,330,895)	
Payment towards Business Purchase	(36,000,000)		(124,866,635)	
Sale of Fixed Assets	8,643,597		14,498,803	
Foreign Exchange translation reserve	(7,849,984)		-	
General reserve	(5,872,845)		-	
Investments in Shares of Subsidiary Companies	(50,000)		-	
Unclaimed Dividend Paid	(30,500)		(19,593)	
		<u>(157,757,521)</u>		<u>(216,718,320)</u>
Net Cash used in Investing Activities		(157,757,521)		(216,718,320)
(C) CASH FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital (ESOP and Preferencial Issue)	13,916,229		226,465,580	
Proceeds from issue of Warrants	61,262,475		20,160,000	
Proceeds from Borrowings	171,492,335		26,529,787	
Repayment of Borrowings	(204,773,374)		-	
Reduction of Cash credit facility from bank	(29,924,045)		-	
Interest paid (Net)	(24,809,729)		(66,844,557)	
		<u>(12,836,109)</u>		<u>206,310,810</u>
Net Cash from Financing Activities		(12,836,109)		206,310,810

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2006

Net (Decrease)/Increase in Cash & Cash equivalents	89,031,884	75,726,500
Cash & Cash equivalents at the beginning of the year	256,032,087	180,305,587
Cash & Cash equivalents at the end of the year	345,063,971	256,032,087
	<u>89,031,884</u>	<u>75,726,500</u>

Notes :

- 1) Cash and Cash equivalents include cash and bank balances in current accounts and deposit accounts (Refer schedule 6C of the balance sheet)
- 2) Cash and Cash equivalents include:

	Current year Rupees	Previous year Rupees
Cash and Bank balances	345,063,971	256,032,087
Total Cash and Cash equivalents	<u>345,063,971</u>	<u>256,032,087</u>
- 3) Proceeds from borrowings reflect the increase in secured and unsecured loans and is net of repayments in the previous year.
- 4) Additions to fixed assets, sale of fixed assets and loans and advances given to Subsidiaries are considered as part of investing activities.
- 5) Previous period figures have been regrouped wherever necessary to correspond with the figures of the current year.

As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Khera
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

APTECH LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

Particulars	As at 31st December, 2006		As at 31st December, 2005	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE '1' - SHARE CAPITAL AUTHORISED				
60,000,000 Equity Shares of Rs. 10/- each		600,000,000		600,000,000
		<u>600,000,000</u>		<u>600,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
37,887,232 (Previous year 37,635,877)				
Equity Shares of Rs. 10/- each fully paid (Refer Note No. B-5(a) & 6 of Schedule 15)		378,872,320		376,358,770
		<u>378,872,320</u>		<u>376,358,770</u>
SCHEDULE '2' - RESERVES AND SURPLUS ESOP-2004 SCHEME				
(Refer Note No. B-6(a) of Schedule 15)				
Balance at the commencement of the year	11,909,934		-	
Less : Net Charge for the year	<u>5,775,336</u>		<u>11,909,934</u>	
		6,134,598		11,909,934
		<u>150,046</u>		<u>150,046</u>
CAPITAL RESERVE				
CAPITAL REDEMPTION RESERVE				
Balance at the end of the year		88,480,000		88,480,000
SECURITIES PREMIUM ACCOUNT				
Balance at the commencement of the year	664,494,580		664,494,580	
Add : Additions during the year (Refer Note No. 6(a) of Schedule 15)	<u>12,841,728</u>		<u>-</u>	
		677,336,308		664,494,580
FOREIGN CURRENCY TRANSLATION RESERVE ACCOUNT				
Opening Balance		-		-
Add : Additions during the year	<u>(7,849,983)</u>		<u>-</u>	
		(7,849,983)		-
GENERAL RESERVE				
Balance at the commencement of the year	5,793,175		44,745,602	
Less : Adjustments on account of Application of New Accounting Standards Transitional provisions Impairment of Fixed Assets		-		40,070,164
Add : Transferred from Profit and Loss Account	<u>5,872,845</u>		<u>1,117,737</u>	
	<u>11,666,020</u>		<u>5,793,175</u>	
Less : Debit Balance in Profit and Loss Account deducted				
		<u>11,666,020</u>		<u>5,793,175</u>
		<u>775,916,989</u>		<u>770,827,735</u>
SCHEDULE '3' - SECURED LOANS				
From Banks				
- Term Loans		148,806,725		246,392,025
- Working Capital Demand Loan		76,625,000		9,948,139
- Cash Credit Account		1,112,810		29,970,196
- Vehicle Loans		457,567		3,896,825
		<u>227,002,102</u>		<u>290,207,185</u>

SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE '4' - FIXED ASSETS - CONSOLIDATED

(Rupees)

Particulars	GROSS BLOCK		DEPRECIATION AND AMORTISATION		IMPAIRMENT		NET BLOCK	
	As at 31.12.2006	As at 31.12.2005	As at 31.12.2006	As at 31.12.2005	As at 31.12.2006	As at 31.12.2005	As at 31.12.2006	As at 31.12.2005
Freehold Land	185,823	5,076,839	-	-	-	-	185,823	5,076,839
Buildings	163,181,252	152,224,390	18,756,199	12,780,851	-	-	144,425,053	139,443,539
Computer Hardware	546,486,028	511,303,876	327,510,939	261,696,288	66,914,782	66,914,782	152,060,307	182,692,806
Office Equipment	127,533,000	119,919,429	55,727,260	39,281,845	22,045,841	22,045,841	49,759,899	58,591,743
Electrical Fittings	20,552,743	15,555,920	12,333,749	11,906,163	-	-	8,218,994	3,649,757
Furniture and Fixtures	87,462,970	69,150,065	51,451,465	46,278,106	-	-	36,011,505	22,871,959
Vehicles	21,082,814	18,249,434	8,296,872	5,463,342	-	-	12,785,942	12,786,092
Intangible Assets								
Goodwill	105,440,598	95,260,844	36,191,286	26,196,731	-	-	69,249,312	69,064,113
Courseware	292,934,278	273,828,277	111,918,609	81,770,882	156,717,988	156,717,988	24,297,681	35,339,407
Computer Software	123,492,832	112,347,034	40,965,521	35,752,789	67,119,313	67,119,313	15,407,998	9,474,932
Patents	39,200,000	39,200,000	16,329,146	7,943,884	-	-	22,870,854	31,256,116
TOTAL	1,527,552,338	1,412,116,108	679,481,046	529,070,881	312,797,924	312,797,924	535,273,368	570,247,303
Total (Previous year)	1,412,116,108		529,070,881		312,797,924		570,247,303	

Notes :

1. Additions includes additions due to acquisition of new subsidiaries.
2. Buildings include value of properties in co-operative societies including shares of respective societies of Rs.1,000/-.

APTECH LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

Particulars	As at 31st December, 2006 Consolidated Rupees	As at 31st December, 2005 Consolidated Rupees
SCHEDULE '5' - INVESTMENTS		
Shamrao Vithal Co-operative Bank Ltd. 2000 Shares of Rs. 25/- each	50,000	-
SCHEDULE '6' - CURRENT ASSETS, LOANS AND ADVANCES		
A. INVENTORIES		
Education and Training Materials	29,406,862	26,147,895
B. SUNDRY DEBTORS (Unsecured, Considered Good except otherwise stated)		
Due for period exceeding six months	595,093,548	582,289,220
Others	356,574,653	381,177,066
	<u>951,668,201</u>	<u>963,466,286</u>
Less : Provision for Doubtful Debts	474,551,629	449,919,290
	<u>477,116,572</u>	<u>513,546,996</u>
Notes : Sundry Debtors includes		
a) Considered Good Rs. 477,116,572/- (Previous year Rs. 513,546,996/-).		
b) Considered Doubtful Rs. 474,551,629/- (Previous year Rs. 449,919,290/-). (Refer Note no. B-8 of Schedule 15)		
C. CASH AND BANK BALANCES		
1) Cash in Hand	411,677	504,657
2) Bank Balances		
Balances with Scheduled Banks		
i) Current Accounts	62,422,000	97,715,758
(Including Exchange Earners Foreign Currency Accounts Rs. 15,185,270/-) (Previous year Rs. 19,155,361/-)		
ii) Deposit Accounts	7,648,508	13,370,016
(Including Margin Deposit Rs. 450,000/-) (Previous year Rs. 16,975,073/-) and including interest accrued Rs. 8,934/- (Previous year Rs. 101,073/-)		
Balances with Non-scheduled Banks		
Current Accounts		
United Mercantile Co-op. Bank	-	5,000
(Maximum balance during the year Rs. 35,523/- (Previous year Rs. 166,512/-))		
Prime Bank Limited	1,448	1,239
(Maximum balance during the year Rs. 1,448/- (Previous year Rs. 2,311/-))		
Southeast Bank Limited	9,510	6,874
(Maximum balance during the year Rs. 30,345/- (Previous year Rs. 55,422/-))		
HSBC Bank	3,580,850	-
(Maximum balance during the year Rs. 6,676,134/- (Previous year N.A.))		
Standard Chartered Bank	953	886
(Maximum balance during the year Rs. 953/- (Previous year Rs. 1,654/-))		

SCHEDULES TO CONSOLIDATED BALANCE SHEET

Particulars	As at 31st December, 2006 Consolidated Rupees	As at 31st December, 2005 Consolidated Rupees
HSBC Bank (Maximum balance during the year Rs. 4,200,351/- (Previous year N.A.)	310,745	-
Citi Bank N.A. (Maximum balance during the year Rs. 1,554,229/- (Previous year Rs. 8,887,368/-)	-	1,554,229
Bank of China (Maximum balance during the year Rs. 13,065,750/- (Previous year Rs. 5,807,737/-)	10,962,459	5,807,737
Citic Bank China (Maximum balance during the year Rs. 277,284,250/- (Previous year Rs. 419,901,189/-)	259,715,820	137,065,691
	<u>345,063,970</u>	<u>256,032,087</u>
D. LOANS AND ADVANCES (Unsecured, considered good except Otherwise stated)		
To Others	23,670,349	24,213,536
Advances recoverable in cash or in kind or for value to be received	16,470,592	15,605,067
Deposits	180,343,897	65,394,877
Advance payment of income tax/ Fringe benefit tax	55,401,338	41,244,110
	<u>275,886,176</u>	146,457,590
Less : Provision	83,427,428	82,151,855
	<u>192,458,748</u>	64,305,735
CURRENT ASSETS (TOTAL)	<u><u>1,044,046,152</u></u>	<u><u>860,032,713</u></u>
SCHEDULE '7' - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Acceptances	8,920,143	-
Sundry Creditors :		
Outstanding dues to Creditors other than Small Scale Industrial undertakings (Refer Note no. B-10 of schedule 15)	368,654,666	359,344,262
Advances from customers	-	24,903,743
Unclaimed dividend *	596,061	626,561
Other liabilities	32,891,664	12,289,045
* Includes amounts outstanding to be credited, as and when due, to Investor Education and Protection Fund.	411,062,534	397,163,611
B. PROVISIONS FOR		
Income Tax/Wealth Tax/Deferred tax	2,240,600	8,918,429
Fringe Benefit Tax	11,540,299	4,046,611
Leave Encashment	9,957,853	7,453,882
	<u>23,738,752</u>	20,418,922
CURRENT LIABILITY (TOTAL)	<u><u>434,801,286</u></u>	<u><u>417,582,533</u></u>

APTECH LIMITED

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	2006	2005
	Consolidated Rupees	Consolidated Rupees
SCHEDULE '8' - INCOME FROM OPERATIONS		
Training and Education Income	1,550,522,371	1,483,717,180
Income from Testing Services Operations	32,827,596	16,465,702
Income from Content Development	158,086,856	43,293,921
	<u>1,741,436,823</u>	<u>1,543,476,803</u>
SCHEDULE '9' - OTHER INCOME		
Exchange Rate Gain	-	8,807,290
Liabilities no longer required Written Back	8,383,764	12,565,068
Miscellaneous Income	4,929,150	5,476,686
	<u>13,312,914</u>	<u>26,849,044</u>
SCHEDULE '10' - TRAINING AND EDUCATION EXPENSES		
Education, Training Expenses and Course Materials	155,928,225	199,101,710
(Excess provision of earlier year Written Back Rs. Nil - (Previous year Rs. 1,264,440)		
Course Execution Charges (Refer Note no. B-11 of Schedule 15)	265,042,370	338,869,411
(Includes prior period expenses Rs. Nil (Previous year Rs. 14,721,420/-) and excess provision of earlier year Written Back Rs. Nil/- (Previous year Rs. 398,104/-) includes royalty payment of Rs. 15,317,132/- (Previous year Rs. Nil)		
	<u>420,970,595</u>	<u>537,971,121</u>
SCHEDULE '11' - MARKETING AND ADVERTISEMENT EXPENSES		
Advertisement Expenses	189,924,005	76,054,688
Business Promotion	3,429,603	5,775,677
	<u>193,353,608</u>	<u>81,830,365</u>
SCHEDULE '12' - PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salary and Other Allowances	362,707,325	256,014,294
Contribution to Provident Fund and other Funds	32,719,464	13,059,646
Staff Welfare Expenses	8,369,252	10,361,496
ESOP Expenses	1,536,583	4,625,937
	<u>405,332,624</u>	<u>284,061,373</u>

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	2006	2005
	Consolidated Rupees	Consolidated Rupees
SCHEDULE '13' - ADMINISTRATION AND OTHER EXPENSES		
Rent	22,190,319	19,649,811
Rates and Taxes	40,507,080	35,894,028
Travelling and Conveyance Expenses	59,890,260	51,995,430
Electricity Charges	12,085,263	10,531,541
Communication Expenses	21,652,863	19,682,077
Repairs and Maintenance		
– Buildings	308,817	1,083,207
– Plant & Machinery	1,559,357	3,831,972
– Others	11,556,652	14,556,012
Insurance Premium	1,514,810	688,378
Legal and Professional Charges	27,384,128	75,778,263
Bad Debts/Advances Written Off	2,428,913	108,816
Provision for Rebate	25,000,000	30,000,000
Exchange Difference (Net)	631,902	–
Loss on Sale/Disposal of Fixed Assets	1,899,854	9,582,915
Director's Sitting Fees	795,349	375,000
Miscellaneous Expenses	131,282,420	42,464,393
	<u>360,687,987</u>	<u>316,221,843</u>
SCHEDULE '14' - INTEREST AND FINANCE EXPENSES		
Interest on		
– Term Loans	20,808,697	27,891,177
– Working Capital Demand Loans	1,662,034	18,641,210
– Others	3,145,606	12,918,647
Finance Charges	3,542,927	5,663,675
	<u>29,159,264</u>	<u>65,114,709</u>
Less : Interest Income		
Interest on Fixed Deposits with Banks	765,791	3,430,001
Other Interest	3,583,744	48,710
	<u>4,349,535</u>	<u>3,478,711</u>
	<u>24,809,729</u>	<u>61,635,998</u>

APTECH LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

SCHEDULE "15" SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Accounting policies uniformly followed by all the entities to the consolidation

(a) Basis of preparation:

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard 21 (AS), "Consolidated Financial Statements", AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" and AS- 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India (ICAI).

(b) Principles of consolidation:

- a) The consolidated financial statements comprise the financial statement of the Parent Company (Aptech Limited) and its subsidiary companies and joint venture.
- b) Inter company transactions have been eliminated on consolidation.

(c) Foreign Subsidiaries:

In case of foreign subsidiaries & joint ventures the financial statements have been translated into Indian rupees. The Assets & liabilities which are non integral have been translated at closing rate. The income and expenditure items have been translated at the average rate for the year. Resulting Exchange difference are accumulated in the foreign currency translation reserve a/c until the disposal of the investment.

In case of foreign subsidiaries which are integral the foreign exchange transaction is recorded at the rate of exchange prevailing on the date of transaction. Current assets and liabilities are translated at the year-end closing rates. The resulting exchange gain/loss is reflected in the profit and loss account.

(d) Accounting Policies:

Most of the accounting policies of the reporting company and that of its subsidiaries and joint ventures are similar. However, since certain subsidiaries/joint ventures which function in a different countries and have different regulatory environment, certain accounting policies in respect of depreciation differ. The accounting policies of the Companies are in line with generally accepted accounting principles in India/ the countries where they operate.

B) NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS :

1. The list of Subsidiary Companies and Joint Venture, which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	Country of Incorporation	Ownership Interest 31/12/2006	Ownership Interest 31/12/2005
Subsidiaries			
Aptech Training Limited FZE	UAE	100%	100%
Aptech (WOS) Bangladesh Limited	Bangladesh	100%	100%
Aptech Worldwide Corporation	United States of America	100%	100%
Aptech Software Limited.	India	100%	100%
Attest Testing Services Limited	India	100%	100%

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

Name of the Company	Country of Incorporation	Ownership Interest 31/12/2006	Ownership Interest 31/12/2005
AGLSM SDN.BHD (w.e.f. 08/06/2006)	Malaysia	100%	-
Avalon Aviation Academy Private Limited (w.e.f. 20/07/2006)	India	100%	-
Aptech Worldwide Limited	South Africa	100%	100%
Synergetics Information Technology Services (India) Pvt. Ltd.(SITSPL) (w.e.f. 12/10/2006)	India	70%	-
Aptech Manpower Services Ltd	India	100%	-
Control – Subsidiary			
Aptech Training & Education Trust	India	-	-
Aptech Education Society	India	-	-
Joint Venture			
Beijing Aptech Beida Jade Bird Information Technology Co. Limited	China	50%	50%

2. Capital Commitments and Contingent Liabilities :

(Rupees)

Particulars	2006	2005
A. Capital commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	10,012,496	4,451,046
B. Contingent liabilities in respect of:		
i) Claims against the Company not acknowledged as debts	141,364,265	137,518,189
ii) Corporate Guarantees to banks/ third Parties	23,746,793	37,192,071
iii) Counter Guarantee for projects	77,867,842	93,155,630

3. a) During the year, the Parent Company has acquired 70% stake in the Mumbai based Synergetics Information Technology Services (India) Pvt. Ltd., which is a leading organisation in the high-end IT Training space.

As on October 12th, 2006, the promoters of the Company sold 56,840 shares aggregating to 70% of their stake in the Company to Aptech Limited. The Board of Directors of the Company was reconstituted thereafter. Aptech Limited controls the Company, as the holding Company with effect from the above mentioned date.

The holding Company has an option to subscribe additional 81,202 equity shares, directly or through application in one or more tranches till October 11, 2008 at a price not exceeding Rs. 615.75 per share subject to various conditions.

The Company will have to issue a maximum of 6,496 shares per year for the calendar years ending 2011, 2012 and 2013 to two of its directors if the company achieves the profit targets as set out in the tripartite agreement entered into by the Company with the said directors and the holding Company.

APTECH LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

The financial statements of Synergetics Information Technology (SITSPL) have been audited for the year ended 31st December, 2006. For the purpose of consolidated financial statements the results for the period 12th October, 2006 to 31st December, 2006 have been derived from the audited figures for the year ended 31st December, 2006 by reducing therefrom the financials for the period ended 11th October, 2006 as certified by the Internal Auditors of SITSPL.

- b) The Parent Company has forayed into Training for cabin crew & Aviation Ground staff by acquiring the Pune based Avalon Aviation Academy (AAA). To strengthen this Academy's initiative, the Company has formed a subsidiary titled "Avalon Aviation Academy Pvt. Ltd." (AAAPL) on July 20, 2006, which has taken over AAA and will be engaged in providing training for the Aviation & Hospitality Industry.

AAAPL acquired AAA on a going concern basis with effect from 1st April, 2006 together with all its assets and liabilities including Goodwill at a consideration of Rs.75 lacs. The amount paid in excess of fair value of assets taken over as mentioned hereunder has been considered as goodwill.

Particulars	Fair Value (Rs.)
Fixed Assets	1,059,825
Current Assets	581,943
Current Liabilities	(227,345)
Net Assets (A)	1,414,423
Consideration (B)	7,500,000
Goodwill (B-A)	6,085,577

- c) Considering the vast potential for IT Training in Malaysia, the Parent Company had set up a wholly owned Subsidiary namely "AGLSM SDN. BHD" in Malaysia during the year.
4. The Company has the following Joint Ventures on 31st December, 2006 and its percentage holding is given below:

Name of the Joint Venture	% Share holding
Beijing Aptech Beida Jade	
Bird Information Technology Co. Ltd.	50%

The proportionate share of assets, loans & advances, income and expenditure of the above joint venture Company included in these consolidated financial statements are as follows:

	2006	2005
ASSETS		
Net Block	44,257,685	52,447,326
Current Assets	241,358,871	172,559,605
Loans & Advances	113,200,000	1,095,584
TOTAL ASSETS	398,816,556	226,102,515
LIABILITIES		
Share Capital	22,130,994	22,130,994
Reserves & Surplus	329,180,542	136,794,890
Current Liabilities	47,505,020	67,176,631
TOTAL LIABILITIES	398,816,556	226,102,515

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

	2006	2005
INCOME		
Sales	711,835,100	438,062,213
Other Income	2,690,855	629,291
Total Income	714,525,955	438,691,504
EXPENSES		
Employment Expenses	100,536,782	81,790,536
Training & Education	51,767,846	93,672,980
Marketing Expenses	96,178,362	48,326,713
Administration & Other Expenses	112,581,960	62,048,948
Depreciation	13,927,729	11,079,112
Taxes	27,354,456	10,228,600
Total Expenses	402,347,135	307,146,889

Name of the Joint Venture Company	2006 Contingent Liabilities & Capital Commitment	2005 Contingent Liabilities & Capital Commitment
Beijing Aptech Beida Jade Bird Information Technology Co. Ltd.	NIL	NIL

5. a) 3,600,000 convertible warrants were allotted on October 28, 2005, to M/s. Aptech Investments at a price of Rs. 56/- per Warrant. Each warrant is convertible at the sole option of the holder into one fully paid equity share of the Parent Company, any time before the expiry of 18 months from its allotment. As per the SEBI Preferential Issue Guidelines, 10% of the consideration in respect of the said warrants amounting to Rs. 20,160,000/- was received at the time of allotment and have been included under warrants in the Balance Sheet along with the amounts received as mentioned in 5(b). The balance amount has been received in February 2007.

- b) During the year, 4,712,500 convertible warrants were allotted on 1st October, 2006 to the promoter group at a price of Rs. 113/- per Warrant. Each warrant is convertible at the sole option of the holder into one fully paid equity share of the Company, any time before the expiry of 18 months from its allotment. As required by the SEBI Preferential Issue Guidelines, Rs. 13/- per warrant amounting to Rs. 61,262,500/- received as a consideration at the time of allotment and has been included under Warrants in the Balance Sheet along with the amounts received as mentioned in 5(a).

From the aforesaid proceeds Rs. 29,999,845/- was utilised for acquiring a Company engaged in "High End I.T. Training" Synergetics Information Technology Services (India) Pvt Ltd. The balance amount has been utilised to repay the amount outstanding on Working Capital Demand Loan account of the Company with the bankers.

6. a) Based on the resolution for Employee Stock option earlier approved, the Parent Company has granted 1,036,500 stock options on February 13, 2004 to the eligible employees comprising of 310,950, 362,775 and 362,775 options, with a vesting period of 12, 24 and 36 months respectively from the award date and an exercise period of one year from the respective vesting dates.

APTECH LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

Details of Options Granted, exercised and lapsed	2006	2005
Options granted and outstanding at the beginning of the year	518,820	858,600
Less: Lapsed during the year	48,120	113,340
Less: Options exercised against which shares were allotted as per scheme	251,355	226,440
Options granted and outstanding at the end of the year	219,345	518,820

The stock option discount in the aforesaid scheme, computed as per SEBI guidelines in this respect, is being amortised on a straight line basis over the vesting period. Accordingly, during the year Rs. 1,536,583/- (Previous year Rs. 4,625,937/-) being the proportionate net charge of discount for the year, has been reflected as ESOP expenses in the schedule of "Payments to and Provisions for Employees" (Schedule "12"). The unamortised amount has been netted off from the total option outstanding, and the net amount of Rs. 6,134,598/- (Previous year Rs. 11,909,934/-) is shown under "Reserves and Surplus" in accordance with the relevant guidelines issued by SEBI.

During the year 362,775 options were exercisable against which 251,355 options were exercised as at the end of the year. Accordingly, Rs. 7,311,917/- was transferred from the Employee Stock Options Outstanding (ESOP 2004) to Securities Premium Account in Schedule "2".

b) During the year, the Parent Company shareholders have passed a resolution to accord their approval for formulation of a new Employee Stock Option Scheme (ESOS) for issue and allotment of securities of the Parent Company for the benefit of the employees of the Parent Company and the Independent Directors, not exceeding an overall limit of 1,500,000 equity shares of face value Rs.10/- each. Pursuant to the said approval, the said securities of the Parent Company may be allotted to the eligible employees and Independent Directors of the Company, as per the ESOS to be framed in that behalf, through a Trust to be set up by the Board of Directors of the Parent Company. Accordingly, the Aptech Employees Stock Options Trust - 2006 ("Trust") was set up on December 6, 2006 and 1,500,000 Warrants of Re.1/- each have been granted by the Company to the Trust on March 12, 2007. The ESOS scheme to be framed and approved would govern the manner in which the employee stock options would be given to eligible employees and Independent Directors.

7. During the earlier years, the Parent Company had formed Aptech Education Society in Chattisgarh, which established a private university viz. Aptech University.

The Parent Company being the sponsor had advanced interest free unsecured loans/advances to the society which were fully provided for in the earlier years.

The Aptech University was rendered null and void by the Supreme Court vide its order dated February 11, 2005 since the manner in which the private universities were created by the state of Chattisgarh was not strictly in accordance with the technicalities of passing the law through state legislature. Although, appropriate legal steps, on behalf of Society, had been taken, the Company considering the nature of the issue had decided not to pursue the matter. The students earlier enrolled in the Aptech University have been either transferred to other reputed Universities or have been otherwise settled by way of repayment of the fees earlier paid. The society is in the process of being dissolved.

During the year, a net amount of Rs. 828,000/- (Previous Year Rs. 27,287,596/-) recovered from the Society has been reflected as exceptional item in the Profit and loss account.

8. Sundry Debtors and Sundry Creditors of the Parent Company are subject to confirmation & reconciliation.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

9. The provision for Debtors are net of Rs.174,597,751/- (Previous year Rs. 178,328,018/-) being the amounts payable to franchisees/vendors for services rendered to Institutional Clients by the Parent Company, since as per the contract terms the same are payable only after the recovery from Institutional clients.
10. a) Based on the information/documents available with the Company, Sundry creditors include:

Particulars	Current Year	Previous Year
a) amounts due to small scale undertakings (Total Amount)	NIL	NIL
b) amount overdue on account of principal and/or interest	NIL	NIL
c) amount outstanding together with interest for more than 30 days	NIL	NIL
Name of the parties for amount outstanding for more than 30 days	NIL	NIL

As per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 the Company is in the process of obtaining the details suppliers covered by the Act and hence, the disclosure required under the said Act are not given.

- b) Small scale undertakings in sundry creditors have been identified based on the information/documents available with the Company.
11. During the year, one of the institutional project being executed by the Parent company has held back Rs. 75,161,110/- (Previous Year Rs. 61,487,322/-) (aggregating to Rs. 136,648,432/-) out of the dues receivable by the Company towards certain non-fulfilment of the contract terms without giving the requisite details for the same. The Company is in correspondence with the client to obtain details and resolve the difference. Pending the final outcome of such discussions, the company has recovered an amount of Rs. 9,138,137/-, as a measure of abundant caution has provided Rs. 32,000,000/- (Previous Year Rs. 30,000,000/-) (aggregating to Rs. 62,000,000/-) and the balance of Rs. 41,022,973/- (Previous Year Rs. 31,487,322/-) has been reflected under Contingent Liabilities as stated in note 2 above.
12. During the year the Parent Company and the Subsidiary has revised the rates of depreciation based on the estimated useful life of Buildings, Computer Hardware, Office Equipments and Furniture & Fixtures acquired on or after January 1, 2006. Due to the aforesaid change, depreciation for the year, accumulated depreciation, loss for the year and accumulated loss is higher by and net Fixed Assets are lower by Rs. 5,511,954/-

13. Related Party Disclosures

a) **Names of related parties and description of relation :**

- i) Company Whose Control Exists : Aptech Investments
(Previous year - SSI Ltd 28th October, 2005)
- ii) Key Management Personnel:
- | | |
|------------------|--|
| Mr. Pramod Khara | Managing Director |
| Mr. R. Krishnan | Executive Director (w.e.f. 29th October, 2006) |

APTECH LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

b) Transactions with related parties :

Nature of Transactions	Company whose control exists (Rupees)	Key Management Personnel (Rupees)	Others (Rupees)	Total (Rupees)
Expenses (Previous year)	– (7,611,659)	6,746,690 (4,483,719)	– –	6,746,690 (12,095,378)
Finance (Including loans and equity, Contributions in cash or in kind Loans Granted (including share application money)				
Balance as at January 1, 2006 (Previous year)	– –	– (661,476)	226,476,296 (253,055,811)	226,476,296 (253,717,287)
Fresh Loans During the year (Previous year)	– –	– –	– (5,057,797)	– (5,057,797)
Repaid / Adjusted during the year (Previous year)	– –	– (661,476)	828,000 (31,637,312)	828,000 (32,298,788)
Balance as at December 31, 2006* (Previous year)	– –	– –	225,648,296 (226,476,296)	225,648,296 (226,476,296)

1) Related party relationship is as identified by the Company and relied upon by the Auditors.

2) Figures in brackets represent corresponding figures for previous year.

*includes Rs. 225,624,489/- (previous year Rs. 226,452,489/-) provided for as doubtful of recovery

c) Out of the above items transactions with in excess of 10% of the total related party transactions are as under:

Transaction	Relationship	2006	2005
Expenditure : Remuneration			
Mr. Pramod Khera	Key Management Personnel	6,315,971	4,483,719
Loans and Advances repaid during the year			
Aptech Education Society	Others	828,000	31,548,137
SSI limited	Company whose control exists	–	7,353,326

14. Earnings per Share :

	2006	2005
(Loss)/Profit after tax attributable to Shareholders (Rupees)	161,584,156	(438,220,250)
Weighted average number of equity shares Outstanding during the year		
Basic	37,810,963	34,984,852
Diluted	40,222,690	
Nominal value of equity shares (Rupees)	10/-	10/-
Basic EPS (Rupees)	4.27	(12.53)
Diluted EPS (Rupees)	4.02	(12.53)

Note: Warrants issued and options granted under ESOP schemes, have not been considered for the computation of Diluted EPS in the previous year since the same have an anti-dilutive effect.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

- 15 (a) The Deferred Tax Asset computed in accordance with AS-22 “Accounting for Taxes on Income”, has not been recognised in the books of the parent and few of the subsidiaries in the current year as availability of sufficient future taxable income against which such deferred tax asset can be realised is presently not “virtually certain”.
- (b) The joint venture (JV) in China is a new technology enterprise located in new technology zone. According to income tax exemption and reduction granted to the JV and as approved by the local tax authorities, the applicable income tax rates of the Company during the tax incentive period are as follows:

Year	Tax incentive programme	Effective tax rate
2002	Exempted from income tax	-
2003 - 2004	50% reduction of tax rate	7.5%
2005 - 2006 and onwards	Incentive tax rate	15%

Provision for PRC income tax is calculated at 15% of the estimated assessable profit for the year as explained above. There is no “Deferred Tax Accounting” in the Joint Venture.

16. Some of the subsidiaries and the joint venture follow different accounting policies, disclosed under paragraph A-(d) above, as compared to the policies followed by the Parent Company where, in the opinion of the management, it is not practicable to use uniform accounting policies in the Consolidated Financial Statements and the impact of which is not ascertainable. The portions of the items in the Consolidated Financial Statements, for which different accounting policies have been followed are as stated below:

Particulars	Accounting Policy for	Amount of items for different Accounting policy is followed (Rs.)	Portion of such items to total
Fixed Assets	Depreciation–WDV method	1,511,705	0.28%

During the period ended 31.12.2006, the company Synergetics Information Technology Services (India) Pvt Ltd. had changed its accounting policy in respect of depreciation accounting from WDV method to SLM method in line with the accounting policy being followed by the holding company. As a result of the aforesaid change, the company has written back the excess depreciation provided in earlier years amounting to Rs. 2,846,779/- to the profit and loss account “Depreciation written back” .

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

18. The figures for the previous accounting year have been regrouped/rearranged wherever necessary to correspond with the figures of the current year.

Schedules referred to above form an integral part of the accounts

As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Khera
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

APTECH LIMITED

AUDITORS' REPORT

To the Members of Aptech Limited

1. We have audited the attached Balance Sheet of **Aptech Limited** (herein after referred to as "the Company"), as at 31st December, 2006 and also the Profit and Loss Account and Cash Flow Statement 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (herein after referred to as "the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (herein after referred to as "the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to 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 purposes of our audit;
 - ii) 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 those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - v) On the basis of written representations received from the Directors, as on 31st December, 2006 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st December, 2006 from being appointed as a Director in terms of Section 274(1) (g) of the Act;
 - vi) Refer Note no. B-16(4) of Schedule 15 regarding the payment of remuneration to Managing Director and Executive Director of Rs. 3,445,606 for which Central Government approval has not being obtained.
- Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2006;
 - (b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - (c) in the case of Cash Flow Statement of the cash flow of the Company for the year ended on that date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in our Auditor's Report to the Members of APTECH LIMITED of even date

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed, the Company has not carried out physical verification of its fixed assets. Discrepancies, if any, will be ascertained after the physical verification is done and necessary adjustments will then be made in the books of accounts.
- (c) The Company has not disposed of a substantial part of its fixed assets during the year.
- ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) 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) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) (a) During the year, the Company has not given any loans, secured or unsecured, to the companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence, Clauses (iii) (b), (c) & (d) of the Order, are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, 1956. Hence Clauses (iii) (f) & (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. In our opinion the internal control system for the sale of services rendered needs to be strengthened to make it commensurate with the size of the Company and the nature of its business.
- v) Based on the audit procedures applied by us and according to the information and explanations given to us, there were no transactions exceeding Rs. 5 Lacs with any party covered under Section 301 of the Act that need to be entered into the register maintained under the said section. Hence Clause (v) (b) of the Order is not applicable.
- vi) In our opinion and according to information and explanation given, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public are not applicable to the Company.
- vii) In our opinion, the internal audit functions carried out by a firm of Chartered Accountants appointed by the Company, needs to be strengthened to be commensurate with the size of the Company and the nature of its business, with respect to areas covered by internal audit.
- viii) In our opinion, the Company is not required to maintain accounts or records pursuant to the rules made by the Central Government for the

APTECH LIMITED

maintenance of cost records under Section 209 (1) (d) of the Act.

(ix) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State

Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There were no arrears as at 31st December, 2006 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, particulars of outstanding dues of Sales Tax and Income Tax have not been deposited on account of any disputes are given below;

Name of Statute	Nature of the Dues	Period	Amount (Rs.)	Forum where dispute is pending		
Sales Tax Act	Sales Tax	A.Y. 2000 – 2001 A.Y. 2001 – 2002 A.Y. 2002 – 2003	5,202,773	Tribunal		
Income Tax Act	Income Tax	A.Y. 2004- 2005			6,488,827	Commissioner of Income Tax (Appeal)

We are informed that there are no outstanding dues of Wealth Tax, Service Tax, Excise Duty and Cess not deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth and it has not incurred cash losses in the current or in the immediately preceding financial year.

xi) Based on our audit procedures and as per the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii) According to the information and explanations given to us and based on the documents and records produced 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.

xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of Clause 4(xiii) of the Order, are not applicable to the Company.

xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order, are not applicable to the Company.

xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by a subsidiary from banks or financial institutions, the terms and conditions whereof, in our opinion, are prima facie, not prejudicial to the interest of the Company.

xvi) According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.

- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

APTECH LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 2006

Particulars	Schedule	As at	
		31st December, 2006 Rupees	31st December, 2005 Rupees
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	378,872,320	376,358,770
Warrants (Refer Note no. B-3 of Schedule 15)		81,422,500	20,160,000
Reserves and Surplus	2	771,950,906	764,884,514
		1,232,245,726	1,161,403,284
LOAN FUNDS			
Secured Loans	3	201,273,389	255,348,966
		201,273,389	255,348,966
TOTAL FUNDS EMPLOYED		1,433,519,115	1,416,752,250
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	1,037,527,366	1,009,989,927
Less : Accumulated Depreciation and Impairment		669,754,416	550,138,830
		367,772,950	459,851,097
Add : Capital Work-in-progress		1,124,125	–
Net Block		368,897,075	459,851,097
INVESTMENTS	5	112,670,407	28,632,535
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		16,057,314	12,132,689
Sundry Debtors		483,582,915	572,283,231
Cash and Bank Balances		61,080,039	106,853,974
Loans and Advances		360,019,548	258,491,268
		920,739,816	949,761,162
Less :			
CURRENT LIABILITIES AND PROVISIONS			
Liabilities	7	340,707,141	334,329,093
Provisions		17,794,275	9,512,507
		358,501,416	343,841,600
NET CURRENT ASSETS		562,238,400	605,919,562
PROFIT AND LOSS ACCOUNT		389,713,233	322,349,056
TOTAL FUNDS UTILISED		1,433,519,115	1,416,752,250
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	15		

Schedules referred to above form an integral part of the accounts
As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Khera
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2006

Particulars	Schedule	2006		2005	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Income from Operations	8	812,139,216		1,002,947,743	
Dividend from Operating Subsidiaries/ Joint Ventures		26,728,188		120,831,024	
Other Income	9	12,519,154		20,721,439	
			851,386,558		1,144,500,206
EXPENDITURE					
Training and Education Expenses	10	331,036,557		404,341,795	
Marketing and Advertisement Expenses	11	72,449,228		31,836,702	
Payments to and Provision for Employees	12	185,721,497		123,974,550	
Administration and Other Expenses	13	171,422,814		176,735,136	
Interest and Finance Expenses (Net)	14	23,675,013		57,281,591	
			784,305,109		794,169,774
PROFIT BEFORE DEPRECIATION/ AMORTISATION AND EXCEPTIONAL ITEMS			67,081,449		350,330,432
Depreciation and Amortisation			125,774,406		195,137,485
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX			(58,692,957)		155,192,947
EXCEPTIONAL ITEMS					
Fixed Assets Written Off		-		12,688,192	
Provision for Doubtful Advances (Net of Recoveries/written back against earlier years Provisions)		887,032		198,603,784	
Provision for Diminution in Investment Impairment of Fixed Assets		-		41,914,896	
- At the beginning of the year (Net of General Reserve Adjustment)		-		20,356,761	
- At the end of the year		-		28,541,079	
Provision/Write Back of Doubtful Debts (Net)		-		184,377,468	
Provisions/Liabilities no longer required Written Back		-		(14,510,518)	
			887,032		471,971,662
PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS			(59,579,989)		(316,778,715)
Provision for Taxation					
- Fringe Benefit Tax		5,639,500		4,000,000	
- Wealth Tax		153,313		173,710	
Short Provision of Income Tax of earlier year (Net)		1,991,375		1,396,631	
			7,784,188		5,570,341
(LOSS)/PROFIT AFTER TAX			(67,364,177)		(322,349,056)
Surplus/(Deficit) Brought Forward from Previous Year			(322,349,056)		-
BALANCE CARRIED TO BALANCE SHEET			(389,713,233)		(322,349,056)
Earning Per Share (Refer Note no. B-22 of Schedule 15)					
- Basic and Diluted (Face Value Rs. 10/- each)			(1.78)		(9.21)

Schedules referred to above form an integral part of the accounts
As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Khera
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

APTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2006

Particulars	Current Year		Previous Year	
	Rupees	Rupees	Rupees	Rupees
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax		(59,579,989)		(316,778,715)
Adjustments For :				
Warrants Written Back	–		(81,950)	
Employee Stock Compensation Credit (Erstwhile Aptech Scheme)	–		(819,500)	
Employee Stock Compensation Net Charge (2004 Scheme)	1,535,948		5,445,437	
Depreciation and Amortisation	125,774,406		195,137,485	
Fixed Assets Written Off	–		12,688,192	
Provision for Doubtful Advances	1,275,573		198,603,784	
Provision for Diminution in Investment	–		41,914,896	
Impairment of Fixed Assets	–		48,897,840	
Provision for Doubtful Debts	24,439,390		184,377,468	
Provision no longer required Written Back	(8,772,305)		(14,510,518)	
Interest and Finance Costs (Net)	23,675,013		57,281,591	
Unrealised Exchange Loss/(Gain)	–		(11,727,702)	
Dividend from Operating Subsidiaries/ Joint Ventures	(26,728,188)		(120,831,024)	
Loss on Sale of Fixed Assets (Net)	1,541,136		7,752,373	
		<u>142,740,973</u>		<u>604,128,372</u>
Operating Profit Before Working Capital Changes		83,160,984		287,349,657
Adjustments for Working Capital Changes				
Decrease/(Increase) in Inventory	(3,924,625)		581,872	
Decrease/(Increase) in Sundry Debtors	63,498,384		(112,443,347)	
Decrease/(Increase) in Loans and Advances- Other than Subsidiaries	(3,702,134)		5,477,224	
Increase/(Decrease) in Current Liabilities and Provisions	22,226,178		(256,668,580)	
		<u>78,097,803</u>		<u>(363,052,831)</u>
Cash From/(used) in Operating Activities		161,258,787		(75,703,174)
Wealth Tax paid (Net)	(112,623)		(123,710)	
Income Tax/Fringe Benefit Tax paid (Net)	(6,669,578)		(3,889,664)	
		<u>(6,782,201)</u>		<u>(4,013,374)</u>
Net Cash From/(used) in Operating Activities		154,476,586		(79,716,548)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(48,359,147)		(29,797,293)	
Part payment towards Purchase of Training and Education Business	–		(124,866,635)	
Sale of Fixed Assets	9,023,291		5,149,855	
Loans and Advances to Subsidiary Companies	(129,362,760)		(66,592,873)	
Investments in Shares of Subsidiary Companies	(49,804,847)		(10,887,500)	
Dividend Received	26,728,188		84,528,924	
		<u>(191,775,275)</u>		<u>(142,465,522)</u>
Net Cash used in Investing Activities		(191,775,275)		(142,465,522)

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST DECEMBER, 2006

Particulars	Current Year		Previous Year	
	Rupees	Rupees	Rupees	Rupees
(C) CASH FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital (ESOP and Preferential Issue)	8,043,360		225,646,080	
Proceeds from issue of Warrants	61,262,500		20,160,000	
Repayment of Borrowings	(191,429,374)		35,248,060	
Borrowings from Bank	167,277,842		-	
Reduction of Cash Credit Facility from Bank	(29,924,043)		-	
Dividend paid During the Year	(30,500)		(19,593)	
Interest paid (Net)	<u>(23,675,031)</u>		<u>(62,490,150)</u>	
Net Cash from Financing Activities		(8,475,246)		218,544,397
Net (Decrease)/Increase in Cash & Cash equivalents		<u>(45,773,935)</u>		<u>(3,637,673)</u>
Cash & Cash equivalents at the beginning of the year		106,853,974		110,491,647
Cash & Cash equivalents at the end of the year		<u>61,080,039</u>		<u>106,853,974</u>
		<u>(45,773,935)</u>		<u>(3,637,673)</u>

Notes :

1) Cash and Cash equivalents include cash and bank balances in current accounts and deposit accounts. (Refer Schedule 6C of the Balance Sheet)

2) Cash and Cash equivalents include:

	Current Year Rupees	Previous Year Rupees
Cash and Bank balances	61,080,039	106,853,974
Total Cash and Cash equivalents	<u>61,080,039</u>	<u>106,853,974</u>

3) Proceeds from borrowings reflect the increase in secured and unsecured loans and is net of repayments in the previous year.

4) Additions to fixed assets, sale of fixed assets and loans and advances given to Subsidiaries are considered as part of investing activities.

5) Previous year figures have been regrouped wherever necessary to correspond with the figures of the current year.

6) The Company has Undrawn Working Capital Facility of Rs.123,328,848/- (Previous year Rs. 160,081,665/-).

As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242

Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Kherra
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

APTECH LIMITED

SCHEDULES TO BALANCE SHEET

Particulars	As at 31st December, 2006		As at 31st December, 2005	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE '1' - SHARE CAPITAL				
AUTHORISED				
60,000,000 Equity Shares of Rs. 10/- each		600,000,000		600,000,000
		<u>600,000,000</u>		<u>600,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
37,887,232 (Previous year 37,635,877) Equity Shares of Rs. 10/- each fully paid		378,872,320		376,358,770
Of the above :-				
1) During the year, 251,355 Equity Shares (Previous year 226,440) of Rs. 10/- each fully paid allotted under Employees Stock Option Scheme 2004 @ Rs. 32/- per share (Refer Note no. B-4(a) of Schedule 15).				
2) 18,147,437 Equity Shares of Rs. 10/- each fully paid up, had been allotted in accordance with the Scheme of demerger of the training division of erstwhile Aptech Limited into the Company for consideration other than cash.				
3) 50,420 Equity Shares (Previous year 50,420) of Rs. 10/- each fully paid up, represented by 100,840 (Previous year 100,840) Global Depository Receipts (GDRs) of USD 7.75 each.		<u>378,872,320</u>		<u>376,358,770</u>
SCHEDULE '2' - RESERVES AND SURPLUS				
ESOP-2004 SCHEME				
(Refer Note no. B-4(a) of Schedule 15)				
Balance at the commencement of the year	11,909,934		13,051,637	
Less : Net Charge for the year	<u>5,775,336</u>		<u>1,141,703</u>	
		6,134,598		11,909,934
CAPITAL REDEMPTION RESERVE				
Balance at the commencement of the year		88,480,000		88,480,000
SECURITIES PREMIUM ACCOUNT				
Balance at the commencement of the year	664,494,580		473,525,760	
Add : Additions during the year (Refer Note no. B-4(a) of Schedule 15)	<u>12,841,728</u>		<u>190,968,820</u>	
		677,336,308		664,494,580
		<u>771,950,906</u>		<u>764,884,514</u>

SCHEDULES TO BALANCE SHEET

Particulars	Notes:	As at 31st December, 2006		As at 31st December, 2005	
		Rupees	Rupees	Rupees	Rupees
SCHEDULE '3' - SECURED LOANS					
From Banks					
- Term Loans	1		124,144,670		211,533,806
- Working Capital Demand Loan	1		76,625,000		9,948,139
- Cash Credit	1		46,152		29,970,196
- Vehicle Loans	2		457,567		3,896,825
			<u>201,273,389</u>		<u>255,348,966</u>
1)	Term Loan, Working Capital Demand Loan and Cash Credit facility from banks are secured as under :				
	a) Term Loan aggregating to Rs. 77,400,206/- (Previous year Rs. 127,400,006/-), Working Capital Demand Loan and Cash Credit Account from a bank are secured by equitable mortgage by deposit of title deeds of the Company's immovable properties situated at Pune, Chennai, Bangalore, Mumbai and Baroda and first charge ranking paripasu for the assets stated in Note b) below and first exclusive charge by way of hypothecation of all tangible movable fixed assets which include Plant and Machinery, Furniture and Fittings, Computers and Vehicles (other than those stated in Note no. 2 below) at locations specified in the supplementary deed dated 4th November, 2004 to composite hyphothecation deed dated 25th June, 2003 and Stocks and Book Debts.				
	b) Term Loan from another bank aggregating to Rs. 46,744,464/- (Previous year Rs. 84,133,800/-) is secured by first charge (ranking paripasu with the bank stated in 1 (a) above) by way of hypothecation of entire fixed assets acquired/to be acquired by the Company for the implementation of a Project and the book debts of the Company, relating to the said project and second charge on the fixed assets of the Company, as stated in 1) a) above.				
2)	Vehicle loans are secured by charge on the concerned vehicles purchased.				

APTECH LIMITED

SCHEDULES TO BALANCE SHEET

(Rupees)

SCHEDULE '4' - FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			IMPAIRMENT			NET BLOCK	
	As at 01.01.2006	Additions	Deductions/ Adjustments	As at 01.01.2006	For the year	Deductions/ Adjustments	As at 01.01.2006	For the Year	As at 31.12.2006	As at 31.12.2005	
Freehold Land	5,076,839	-	4,891,016	-	-	-	-	-	-	185,823	5,076,839
Buildings	98,093,046	468,714	-	7,570,950	1,606,785	-	9,177,735	-	-	89,384,025	90,522,096
Computer Hardware	497,163,536	10,978,461	8,320,467	259,656,310	60,300,839	3,719,276	66,914,782	-	66,914,782	116,668,875	170,592,444
Office Equipment	106,816,446	2,169,024	1,319,323	35,720,607	14,325,564	255,480	49,790,691	-	22,045,841	35,829,615	49,049,998
Electrical Fittings	15,266,235	2,073,184	1,151,336	11,883,230	235,330	136,989	11,981,571	-	-	4,206,512	3,383,005
Furniture and Fixtures	63,246,075	5,713,507	1,332,220	45,457,988	2,850,106	291,615	48,016,479	-	-	19,610,883	17,788,087
Vehicles	15,741,998	4,210,653	2,683,220	5,427,140	3,660,364	1,817,674	7,269,830	-	-	9,999,601	10,314,858
Intangible Assets											
Goodwill	95,260,844	-	-	26,196,731	9,526,084	-	35,722,815	-	-	59,538,029	69,064,113
Courseware	85,928,224	18,876,701	-	50,588,817	30,137,229	-	80,726,046	-	-	24,078,879	35,339,407
Computer Software	27,396,684	2,744,777	-	18,669,053	3,194,319	-	21,863,372	-	7,381	8,270,708	8,720,250
TOTAL	1,009,989,927	47,235,021	19,697,582	461,170,826	125,836,620	6,221,034	88,968,004	-	88,968,004	367,772,950	459,851,097
Total (Previous year)	1,016,106,600	29,797,293	35,913,966	276,356,887	195,137,485	10,323,546	60,426,925	28,541,079	88,968,004	459,851,097	-

Note :

1. Buildings include value of properties in co-operative societies including shares of respective societies of Rs. 1,000/-.

SCHEDULES TO BALANCE SHEET

Particulars	As at 31st December, 2006		As at 31st December, 2005	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE '5' - INVESTMENTS (AT COST, UNLESS OTHERWISE MENTIONED)				
LONG TERM				
TRADE INVESTMENTS - UNQUOTED				
1) In fully paid Equity Shares of Subsidiary Companies				
i) 160,000 of 10 Bangladeshi Takkas each in Aptech (WOS) Bangladesh Limited		1,409,334		1,409,334
ii) 37 of 100,000 AED each in Aptech Training Limited F.Z.E. Less : Provision for Diminution in the Value (Refer Note no. B-5(b) of Schedule 15)	46,007,103		46,007,103	
	<u>41,914,896</u>		<u>41,914,896</u>	
iii) 50,000 of Rs. 10/- each in Aptech Software Limited		4,092,207		4,092,207
iv) 50,000 of Rs. 10/- each in Attest Testing Services Limited		500,000		500,000
v) 50,000 of Rs.10/- each in Aptech Manpower Services Limited		500,000		500,000
vi) 56,841 of Rs.10 Each of Synergetics Information Technology Services (India) Private Limited		500,000		–
vii) 2 of RM 1/- (Rs. 12.32 each) in 'AGLSM SDN.BHD' Malaysia		35,087,347		–
viii) 750,050 of Rs. 10/- each in Avalon Aviation Academy Pvt. Ltd.		25		–
ix) 900,000 of US\$ 1 each in Aptech Worldwide Limited		7,500,500		–
		40,950,000		–
2) Others				
50% Share in Beijing Aptech Beida Jade Bird Information Technology Company Limited (China)		22,130,994		22,130,994
		<u>112,670,407</u>		<u>28,632,535</u>
Note : Aggregate of Unquoted Investments at Cost		112,670,407		28,632,535
SCHEDULE '6' - CURRENT ASSETS				
A. INVENTORIES				
Education and Training Materials		16,057,314		12,132,689
B. SUNDRY DEBTORS				
(Unsecured, Considered Good except otherwise stated)				
Due for period exceeding six months	606,979,000		561,636,044	
Others	<u>308,139,351</u>		<u>417,743,233</u>	
	915,118,351		979,379,277	
Less : Provision for Doubtful Debts (Refer Note no. B-10 & 11 of Schedule 15)	<u>431,535,436</u>		<u>407,096,046</u>	
		483,582,915		572,283,231
Notes : Sundry Debtors includes				
1) a) Considered Good Rs. 483,582,915/- (Previous year Rs. 572,283,231/-).				
b) Considered Doubtful Rs. 431,535,436/- (Previous year Rs. 407,096,046/-).				
2) Amount of Rs. 17,911,639/- (Previous year Rs. 110,221,438/-) due from Subsidiary/ Joint Venture companies.				

APTECH LIMITED

SCHEDULES TO BALANCE SHEET

Particulars	As at 31st December, 2006		As at 31st December, 2005	
	Rupees	Rupees	Rupees	Rupees
C. CASH AND BANK BALANCES				
1) Cash in Hand	137,870		469,016	
2) Bank Balances				
Balances with Scheduled Banks				
i) Current Accounts	53,293,661		93,009,942	
(including Exchange Earners Foreign Currency Accounts Rs. 8,440,465/- (Previous year Rs. 15,185,270/-)				
ii) Deposit Accounts	7,648,508		13,370,016	
(including margin deposit of Rs. 5,80,000 (Previous year Rs. 450,000/-) and including interest accrued Rs. 37,827/- (Previous year Rs. 8,934/-)				
	<u>61,080,039</u>		<u>106,848,974</u>	
Balances with Non-scheduled Banks				
United Mercantile Co.op. Bank	—		5,000	
Maximum balance during the year Rs. 23,588/- (Previous year Rs. 35,523/-)		61,080,039		106,853,974
D. LOANS AND ADVANCES				
(Unsecured, Considered Good except otherwise stated)				
To Subsidiaries :				
- For Share Application	163,282,371		197,515,396	
- For Others	316,529,652		183,366,908	
To Aptech Education Society	216,223,369		217,051,369	
To Aptech Training and Education Trust (Refer Note 1 below and Note no. B-5, 6 & 7 of Schedule 15)	9,123,807		9,123,807	
To Others	2,568,498		3,006,299	
Advances Recoverable in Cash or in Kind or for value to be received	16,383,561		15,476,245	
Deposits	61,456,004		64,769,569	
Advance payment of Income Tax/ Fringe Benefit Tax	45,062,356		37,516,172	
	<u>830,629,618</u>		<u>727,825,765</u>	
Less : Provision (Refer Note no. B-5(b),6 & 7 of Schedule 15)	<u>470,610,070</u>	360,019,548	<u>469,334,497</u>	258,491,268
Notes : Loans and Advances includes				
1) a) Considered Good Rs. 360,019,548/- (Previous year Rs. 258,491,268/-)				
b) Considered Doubtful Rs.470,610,070 /- (Previous year Rs. 469,334,497/-)				
		<u>920,739,816</u>		<u>949,761,162</u>

SCHEDULES TO BALANCE SHEET

Particulars	As at 31st December, 2006		As at 31st December, 2005	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE '7' - CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
Acceptances		8,920,143		–
Sundry Creditors				
i) Total Outstanding Dues to Creditors other than Small Scale Industrial Undertakings (Refer Note no. B-10, 12 & 14 of Schedule 15)		247,412,721		243,006,332
		247,412,721		243,006,332
Advances from Customers		–		24,903,743
Unclaimed Dividend *		596,061		626,561
Franchisee/Other Deposits		45,816,035		43,271,694
Other Liabilities		37,962,181		22,520,763
* Includes amounts Outstanding to be Credited, as and when due, to Investor Education and Protection Fund		340,707,141		334,329,093
B. Provisions For				
Income Tax/Fringe Benefit Tax	9,730,190		2,058,625	
Leave Encashment	8,064,085		7,453,882	
		17,794,275		9,512,507
		<u>358,501,416</u>		<u>343,841,600</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

Particulars	2006		2005	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE '8' - INCOME FROM OPERATIONS				
Training and Education Income		812,139,216		1,002,947,743
		<u>812,139,216</u>		<u>1,002,947,743</u>
SCHEDULE '9' - OTHER INCOME				
Exchange Rate Gain (Net)		–		4,396,392
Liabilities no longer required Written Back		8,383,764		12,565,068
Miscellaneous Income		4,135,390		3,759,979
		<u>12,519,154</u>		<u>20,721,439</u>
SCHEDULE '10' - TRAINING AND EDUCATION EXPENSES				
Education, Training Expenses and Course Materials (Excess provision of earlier year Written Back Rs. Nil (Previous year Rs. 1,264,440/-)		73,838,095		60,303,223
Course Execution Charges* (Refer Note no. B-13 & 14 of Schedule 15) (Includes prior period expenses Rs. Nil (Previous year Rs. 14,721,420/-) and Excess provision of earlier year Written Back Rs. Nil (Previous year Rs. 398,104/-)* (Included Royalty Payment of Rs. 15,317,132/- (Previous year Rs. Nil)		257,198,462		344,038,572
		<u>331,036,557</u>		<u>404,341,795</u>

APTECH LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT

Particulars	2006		2005	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE '11' - MARKETING AND ADVERTISEMENT EXPENSES				
Advertisement Expenses		62,481,120		28,571,706
Businesss Promotion		9,968,108		3,264,996
		<u>72,449,228</u>		<u>31,836,702</u>
SCHEDULE '12' - PAYMENTS TO AND PROVISION FOR EMPLOYEES				
Salary and Other Allowances		157,372,615		106,923,353
Contribution to Provident Fund and Other Funds		21,319,226		6,998,388
Staff Welfare Expenses		5,493,708		4,607,372
ESOP Expenses		1,535,948		5,445,437
		<u>185,721,497</u>		<u>123,974,550</u>
SCHEDULE '13' - ADMINISTRATION AND OTHER EXPENSES				
Rent		13,035,609		8,840,267
Rates and Taxes		1,963,260		10,752,522
Travelling and Conveyance Expenses		47,188,038		34,360,444
Electricity Charges		6,185,600		7,292,197
Communication Expenses		15,281,708		12,287,009
Repairs and Maintenance				
- Buildings		199,592		1,033,702
- Plant & Machinery		1,003,850		3,154,791
- Others		11,614,788		10,423,656
		<u>12,818,230</u>		<u>14,612,149</u>
Insurance Premium		1,379,547		497,367
Legal and Professional Charges		20,363,577		25,773,319
Bad Debts/Advances Written Off		1,685,975		108,816
Exchange Difference (Net)		269,133		-
Provision for Rebate		25,000,000		30,000,000
Loss on Sale/Disposal of Fixed Assets		1,541,135		7,752,373
Director's Sitting Fees		795,349		375,000
Miscellaneous Expenses		23,915,653		24,083,673
(Note : Miscellaneous Expenses includes Audit Fees, Carriage and Forwarding, Security Charges, Service Charges etc.)				
		<u>171,422,814</u>		<u>176,735,136</u>
SCHEDULE '14' - INTEREST AND FINANCE EXPENSES				
Interest on				
- Term Loans		17,660,692		23,268,216
- Working Capital Demand Loans		3,841,851		18,641,210
- Others		608,854		12,822,156
Finance Charges		2,970,665		5,387,563
		<u>25,082,062</u>		<u>60,119,145</u>
Less : Interest Income				
Interest on Fixed Deposits with Banks (Tax Deducted At Source Rs. 210,417/- (Previous year Rs. 749,930/-))		1,407,049		2,800,710
Other Interest		-		36,844
		<u>23,675,013</u>		<u>57,281,591</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SCHEDULE "15" SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

(a) Accounting Convention:

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards.

(b) Revenue Recognition:

i) Training and Education Income

Revenue in respect of Training and Education services is recognised on rendering of services, only when it is reasonably certain that the ultimate collection will be made. The revenue from fixed time contracts is recognised over the period of contracts. For services rendered through franchisees only the company's share of revenue is recognised.

ii) Sale of Education Course Materials

Revenue in respect of sale of Education course materials is recognised on delivery of the course materials to the customers.

iii) Dividend

Dividend income is accounted for when the right to receive the payment is established.

(c) Fixed Assets:

Fixed assets are recorded at cost of acquisition/development or construction less accumulated depreciation. Cost comprises the purchase price and any cost, attributable to bringing the asset to its working condition for its intended use.

(d) Intangible Assets:

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation.

(e) Depreciation and Amortisation:

Depreciation on fixed assets is provided on Straight-Line Method at the rates and in the manner specified in the Schedule XIV of the Indian Companies Act, 1956, except for

- Certain items of Plant and machinery (including computers) installed at and used in Government projects and certain training centers which are depreciated over the number of years till the completion of the period of the contract when the assets are transferred to those parties.
- Vehicles purchased under the "Own Your Car" (OYC) scheme for the employees which are depreciated over the period of the scheme.

Intangible Asset: - Computer software and coursewares are amortised @ 16.21% and 33.33% respectively, considering the useful life of the assets and obsolescence.

Goodwill arising on acquisition of business unit is amortised over a period of ten years.

Depreciation on Buildings, Computer Hardware, Office Equipments and Furniture & Fixtures acquired on or after 1st January 2006 is provided at the following higher rates based on its estimated useful life –

Office Premises	3.33%
Furniture & fixtures	20.00%
Computers Hardware	33.33%

Depreciation on the fixed assets added/disposed of/discarded during the year has been provided on pro-rata basis with reference to the date of addition/disposition/discardation.

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Assets purchased during the year whose acquisition cost is Rs. 5000 or less are depreciated fully in the year of purchase.

(f) Impairment of Fixed Assets:

As per AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India (ICAI), all assets other than inventories, investments and deferred tax assets are reviewed for impairment wherever event/s or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount and the resulting impairment loss is debited to Profit & Loss account.

(g) Investments:

Long Term Investments are stated at cost, which includes cost of acquisition and related expenses after deducting provision, if any, made for decline, other than temporary, in the value.

Current Investments are stated at lower of cost and market/fair value.

(h) Inventories:

Inventory of educational course material is valued at cost or net realisable value whichever is lower. Cost is determined on Weighted Average basis.

(i) Foreign Currency Transactions:

Transaction in foreign currency is recorded at the rate of exchange prevailing on the date of transaction. Current assets and liabilities are translated at the year-end closing rates. The resulting exchange gain/loss is reflected in the profit and loss account.

Investments in foreign companies are initially recorded at the rate of exchange prevailing on the date of Investment.

(j) Retirement Benefits:

(i) Company's contributions to Provident Fund, Superannuation Fund are charged to the Profit and Loss Account on accrual basis.

(ii) Gratuity liability under the Payment of Gratuity Act is accrued on actuarial valuation and funded to a group gratuity scheme administered by L.I.C. of India & ICICI Prudential Life Insurance Co. Ltd..

(iii) Provision for accrued Leave encashment is made on the basis of Actuarial Valuation at the end of each financial year.

(k) Borrowing Costs:

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such asset is ready for its intended use.

Other borrowing costs are charged to revenue.

(l) Income Tax:

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Fringe Benefit Tax is provided in accordance with the provision of Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

Deferred tax assets are recognised on unabsorbed losses only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liabilities are not provided for and are disclosed by way of notes.

Show cause notices are considered as contingent liabilities only when they are converted into demands. Department appeals in respect of cases won by the Company are also considered as Contingent Liabilities.

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(n) Employees Stock Option Plan (ESOP)

The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Profit & Loss Account on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortized portion. The balance in employee stock option outstanding account, net of any unamortised deferred employee compensation, is shown separately as part of shareholders funds.

B. NOTES ON ACCOUNTS :

- Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. 8,457,076/- (Previous year : Rs. 4,386,646 /-).

- Contingent Liabilities in respect of:

	As at 31.12.06 Rupees	As at 31.12.05 Rupees
a) Counter Guarantees to banks for projects	77,867,842	93,155,630
b) Claims against the Company not acknowledged as debts	134,364,265	135,103,430
c) Corporate Guarantee given to the bank / others on behalf of wholly owned Subsidiary Company	23,746,793	37,192,071
d) Contract for subscription of shares of Subsidiary Company Subject to conditions at a maximum value of	50,000,132	-

- 3,600,000 convertible warrants were allotted on October 28, 2005 to M/s. Aptech Investments at a price of Rs. 56/- per Warrant. Each warrant was convertible at the sole option of the holder into one fully paid equity share of the Company, any time before the expiry of 18 months from its allotment. As per the SEBI Preferential Issue Guidelines, 10% of the consideration in respect of the said warrants amounting to Rs. 20,160,000/- was received at the time of allotment of warrants

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

and have been included under warrants in the Balance Sheet along with the amounts received as mentioned in 3(b).

- b) During the year, 4,712,500 convertible warrants were allotted on 1st October, 2006 to the promoter group at a price of Rs. 113/- per warrant. Each warrant is convertible at the sole option of the holder into one fully paid equity share of the Company, any time before the expiry of 18 months from its allotment. As required by the SEBI Preferential Issue Guidelines, Rs. 13/- per warrant amounting to Rs. 61,262,500/- received as a consideration at the time of allotment of warrants and has been included under warrants in the Balance Sheet along with the amounts received as mentioned in 3(a).

From the aforesaid proceeds Rs. 29,999,845/- was utilised for acquiring a company engaged in "High End I.T. Training" Synergetics Information Technology Services (India) Pvt Ltd. The balance amount has been utilised to repay the amount outstanding on Working Capital Demand Loan account of the Company with the bankers.

4. a) Based on the resolution for Employee Stock option earlier approved, the Company has granted 1,036,500 stock options on February 13, 2004 to eligible employees comprising of 310,950, 362,775 and 362,775 options, with a vesting period of 12, 24 and 36 months respectively from the award date and an exercise period of one year from the respective vesting dates.

Details of Options granted, exercised and lapsed	2006	2005
Options granted and outstanding at the beginning of the year	518,820	858,600
Less: Lapsed / Forfeited / Expired during the year	48,120	113,340
Less: Options exercised against which shares were allotted as per scheme	251,355	226,440
Options granted and outstanding at the end of the year	219,345	518,820

The stock option discount in the aforesaid scheme, computed as per SEBI guidelines in this respect, is being amortised on a straight line basis over the vesting period. Accordingly, during the year Rs. 1,535,948/- (Previous year Rs. 5,445,437/-) being the proportionate net charge of discount for the year, has been reflected as ESOP expenses in the schedule of "Payments to and Provisions for Employees" (Schedule "12"). The unamortised amount has been netted off from the total option outstanding, and the net amount of Rs. 6,134,598/- (Previous year Rs. 11,909,934/-) is shown under "Reserves and Surplus" in accordance with the relevant guidelines issued by SEBI.

During the year 362,775 options were exercisable against which 251,355 options were exercised as at the end of the year. Accordingly, Rs. 7,311,917/- was transferred from the Employee Stock Options Outstanding (ESOP 2004) to Securities Premium Account in Schedule "2".

- b) During the year, the shareholders have passed a resolution to accord their approval for formulation of a new Employee Stock Option Scheme (ESOS) for issue and allotment of securities of the Company for the benefit of the employees of the Company and the Independent Directors, not exceeding an overall limit of 1,500,000 equity shares of face value Rs. 10/- each of the Company. Pursuant to the said approval, the said securities of the Company may be allotted to the eligible employees and Independent Directors of the Company, as per the ESOS to be framed in that behalf, through a Trust to be set up by the Board of Directors of the Company. Accordingly, the Aptech Employees Stock Options Trust - 2006 ('Trust') was set up on December 6, 2006 and 1,500,000 Warrants of Re.1/- each have been granted by the Company to the Trust on March 12, 2007. The ESOS scheme to be framed and approved would govern the manner in which the employee stock options would be given to eligible employees and Independent Directors.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

5. During the year, some of the subsidiaries of the Company incurred losses and/on have accumulated losses as at the year-end.
 - a) In case of certain subsidiaries, the Company has investments in the equity shares of Rs. 80,00,500/- (Previous year Rs. 500,000/-), Loans and Advances of Rs. 100,815,693/- (Previous Year Rs. 219,88,481/-) and advances against share application monies Rs. 328,406/- (Previous year Rs. 328,406) as at the year end. The said subsidiaries have been set up in recent years. Considering the strategic long-term nature of the investment and the business plans of the said subsidiaries, in the opinion of the management, the decline in the book value of the investments is temporary and the loans/ advances and debts will be recoverable, requiring no provision.
 - b) In case of certain other subsidiaries the Company has investments in equity shares of Rs. 87,457,103/- (Previous year Rs. 46,507,103/-), Loans and Advances of Rs. 211,639,805/- (Previous Year Rs. 161,378,427/-) advance towards share application monies of Rs. 162,953,965/- (Previous year Rs. 197,186,990/-) and Debtors of Rs. 1,504,429/- (Previous year Rs. 8,535,387/-) as at the year end. Considering the future potential and recoverability, the Company had in the previous year estimated and provided for Rs. 41,914,896/- as permanent diminution in the value of the investments and Rs. 182,259,530/- towards Provisions for doubtful advances/ share application monies. In the opinion of the management, the balance amount is recoverable, requiring no provision.
6. During the earlier years, the Company had formed Aptech Education Society in Chattisgarh, which established a private university viz. Aptech University.
 The Company being the sponsor had advanced interest free unsecured loans / advances to the society which were fully provided for in the earlier years.
 The Aptech University was rendered null and void by the Supreme Court vide its order dated February 11, 2005 since the manner in which the private universities were created by the state of Chattisgarh was not strictly in accordance with the technicalities of passing the law through state legislature. Although, appropriate legal steps, on behalf of Society, had been taken, the Company considering the nature of the issue had decided not to pursue the matter. The students earlier enrolled in the Aptech University have been either transferred to other reputed Universities or have been otherwise settled by way of repayment of the fees earlier paid. The society is in the process of being dissolved.
 During the year, a net amount of Rs. 828,000/- (Previous Year Rs. 27,287,596/-) recovered from the Society has been reflected as exceptional item in the Profit and loss account.
7. Aptech Training and Education Trust was setup for promoting a college in the state of Tamil Nadu. The required clearances were not obtained / received from the Government and the connected agencies and as a result, the college could not commence its functioning. Against the advances made by the Company to the trust for setting up the infrastructure in the college of Rs. 9,123,807/-, a sum Rs. 9,100,000/- has been provided for.
8. (a) The Company has incorporated a wholly owned subsidiary Avalon Aviation Academy Private Limited, which has taken over Pune based Avalon Aviation Academy (AAA) to cater to the needs of Aviation Industry and thus diversifying into training for cabin crew and Aviation ground staff and Hospitality Industry. The purchase consideration agreed upon is Rs. 7,500,000/- of which Rs. 6,000,000/- has been paid.
 (b) The Company acquired 70% Equity stake for Rs. 35,000,000/- in the Mumbai based Synergetics Information Technology Service India Pvt. Ltd., (Synergetics) a Company engaged in high-end IT training vertical business. It is also the preferred partner for Microsoft Developer Training. The Company plans to infuse an additional capital of Rs. 500 lacs in Synergetics in next 24 months and as a result of which the Company's shareholding in Synergetics would increase to 85%.

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9. The Company cannot sell, transfer, pledge, hypothecate, encumber or create any third party interest in shares of Beijing Aptech Beida Jade Bird Information Technology Company Limited (China) except as mentioned in joint venture agreement dated 16th February, 2000 and the Articles of Association of the said Company.
10. Sundry Debtors and Sundry Creditors are subject to confirmation & reconciliation.
11. The provision for Debtors are net of Rs. 174,597,751/- (Previous year Rs. 26,451,813/-) being the amounts payable to franchisees/vendors for services rendered to Institutional Clients, since as per the contract terms the same are payable only after the recovery from Institutional clients.
12. a. Based on the information/documents available with the Company, Sundry creditors include:

Particulars	Current Year	Previous Year
a) amounts due to small scale undertakings (Total Amount)	NIL	NIL
b) amount overdue on account of principal and / or interest	NIL	NIL
c) amount outstanding together with interest for more than 30 days	NIL	NIL
Name of the parties for the amount outstanding for more than 30 days	NIL	NIL

As per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 the Company is in the process of obtaining the details suppliers covered by the Act and hence, the disclosure required under the said Act are not given.

- b. Small Scale undertakings in Sundry Creditors have been identified based on the information/documents available with the Company

13. The following are included under other heads/expenses in Profit and Loss Account:

Break up of expenses	2006	2005
Salaries -Project related salary & allowances	89,073,537	51,892,882
Communication Expenses	4,773,392	5,678,941
Electricity Expenses	5,754,929	5,010,185
Printing & Stationary	9,633,267	8,625,339
Rent	779,302	1,450,622
Repairs & Maintenance of Computers & Others	3,803,819	8,951,556
Insurance	280,242	319,870
Rates & Taxes	473,364	1,650,129

14. During the year, one of the institutional project being executed by the Company has held back Rs. 75,161,110/- (Previous Year Rs. 61,487,322/-) aggregating to Rs. 136,648,432/- out of the dues receivable by the Company towards certain non-fulfilment of the contract terms without giving the requisite details for many of the items. The Company is in correspondence with the client to obtain details and resolve the difference. Pending the final outcome of such discussions, the Company has recovered an amount of Rs. 9,138,137/-, as a measure of abundant caution has provided Rs. 32,000,000/- (Previous Year Rs. 30,000,000/-) (Aggregating to Rs. 62,000,000/-) and the balance of Rs. 34,022,973/- (Previous Year Rs. 31,487,322/-) (Aggregating to Rs. 72,510,295/-) has been reflected under Contingent Liabilities as stated in note 1 above.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

15. Payment to Auditors:

Particulars	2006 Rupees	2005 Rupees
a. Audit Fees	1,700,000	1,700,000
b. Tax Audit Fees	400,000	700,000*
c. Others - Fees for one time study and review of various Accounting areas including certification work	650,500	272,650
d. Reimbursement of Expenses	45,800	239,584
e. Service Tax	324,421	253,980
Total	3,120,721	3,166,214

* Includes Rs. 3,00,000/- for earlier period to erstwhile auditors.

16. Managerial remuneration under Section 198 of the Companies Act, 1956 :

Particulars	2006		2005
	MD	ED	MD
Salaries and Allowances	5,658,417	371,444	3,859,427
Contribution to Provident and other funds	652,154	53,875	618,892
Perquisites	5,400	5,400	5,400
Total	6,315,971	430,719	4,483,719

Notes:

- The computation of Net Profits under Section 349 of the Companies Act, 1956 is not given since no commission is payable to any director.
 - In determination of Manager's remuneration, certain perquisites have been valued in accordance with Income Tax Act, 1962.
 - The above figures include Gratuity amounting to Rs. 267,912/- for Managing Director and Rs. 10,439 for Executive Director based on actuarial valuation.
 - The Company will apply to Central Government for approval under Schedule XIII for the Remuneration paid in excess which amounts to Rs. 3,435,698/- to the Managing Director and Rs. 9,908/- to the Executive Director.
17. During the year, the Company has revised the rates of depreciation based on the estimated useful life of Buildings, Computer Hardware, Office Equipments and Furniture & Fixtures acquired on or after January 1, 2006. Due to the aforesaid change, depreciation for the year, accumulated depreciation, loss for the year and accumulated loss is higher and net Fixed Assets are lower by Rs. 1,987,684 .

18. Segment report for the year ended December 31, 2006

Primary Segment Information : Business Segment

(Rupees)

Particulars	2006			2005		
	Business Segments		Total	Business Segments		Total
	Retail	Institutional		Retail	Institutional	
Revenue						
Income from Segment	469,535,515	350,346,475	851,386,558	517,530,443	495,817,142	1,144,500,206
Results before Interest and Tax and Exceptional Items	164,623,211	(46,086,755)	(35,017,944)	306,748,120	(35,422,816)	212,474,538
Less : Interest Expenses and Finance Charges	1,677,487	18,074,582	23,675,013	-	-	57,281,591
Profit before Tax and Exceptional Items	162,945,724	(64,161,337)	(58,692,957)	306,748,120	(35,422,816)	155,192,947
Exceptional Items						
Fixed Assets Written Off	-	-	-	-	-	12,688,192
Provision for Doubtful Advances (Net)	-	-	887,032	39,728,322	136,850	198,603,784
Provision for Diminution in Investment	-	-	-	-	-	41,914,896
Impairment of Fixed Assets	-	-	-	-	48,897,840	48,897,840
Provision for Doubtful Debts	-	-	-	163,943,019	20,434,449	184,377,468
Provision no longer required Written Back	-	-	-	(5,126,957)	-	(9,383,561)
Profit/(Loss) before Tax	162,945,724	(64,161,337)	(59,579,989)	108,203,736	(104,891,955)	(316,778,715)
Less : Provision for Current Tax (Net of write back)	-	-	7,784,188	-	-	5,570,341
Profit/(Loss) after Tax	162,945,734	(64,161,337)	(67,364,177)	108,203,736	(104,891,955)	(322,349,056)
Other Information						
Carrying amount of Segment Assets	226,656,959	524,812,725	1,399,300,754	200,035,457	642,403,089	1,469,074,325
Carrying amount of Segment Liabilities	118,044,867	225,502,152	355,494,886	107,267,424	491,191,210	630,020,097
Capital Expenditure	26,684,117	5,642,343	47,235,022	-	5,798,609	29,797,293
Depreciation / Amortization	12,433,335	66,090,698	125,774,407	-	125,809,648	195,137,485
Significant Non- Cash Expenditure	1,685,975	-	1,685,975	203,780,137	69,469,159	486,590,996

Notes:

PRIMARY SEGMENT INFORMATION – BUSINESS SEGMENT

With effect from January 1, 2006, the sub businesses are fully aligned to global learning business requirements of the Company with concentration on major two business segments namely RETAIL & INSTITUTION and the same are being viewed by the management as a major business segments. Accordingly, previous year figures which hitherto were being reported with classification of Retail businesses into two different segments namely IT and Multimedia are not significant and thereby the same has been grouped under RETAIL segment of IT businesses.

Secondary Segment information : Geographical segment

(Rupees)

Particulars	2006			2005		
	Revenue from Customers by location	Carrying amount of Segment assets by location	Addition to Fixed Assets	Revenue from Customers by location	Carrying amount of Segment assets by location	Addition to Fixed Assets
India	727,553,314	1,399,300,754	47,235,022	948,269,812	1,941,713,738	450,797,560
Outside India	123,833,245	-	-	106,411,468	-	-

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

19. Disclosures in respect of Related parties pursuant to Accounting Standard 18:

I. List of Related parties:

A. Parties where control exists:

1. **Subsidiaries :**
 - Aptech Training Limited FZE Dubai
 - Aptech (WOS) Bangladesh Limited
 - Aptech Worldwide Corporation, USA
 - Aptech Software Limited
 - Attest Testing Services Limited
 - Avalon Aviation Academy Pvt Ltd
 - Aptech Manpower Services Limited
 - Synergetics Information Technology Services (India) Pvt Ltd
 - AGLSM SDN BHD - Malaysia
 - Aptech Worldwide Limited – South Africa
2. **Others :**
 - Aptech Training & Education Trust
 - Aptech Education Society
 - Aptech Education Trust
 - Aptech Welfare Trust
3. **Company/Firm Whose Control exists :**
 - Aptech Investments

B. Other Parties with whom Company has entered into transactions during the year

1. **Joint Venture :**
 - Beijing Aptech Beida Jade Bird Information Technology Co. Limited
2. **Key Management Personnel**
 - Mr. Pramod Khera Managing Director
 - Mr. R. Krishnan Executive Director

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

II. Transactions with related parties:

Nature of Transactions	Company Whose Control exists (Rupees)	Subsidiaries (Rupees)	Joint Ventures (Rupees)	Key Management Personnel (Rupees)	Others (Rupees)	Total (Rupees)
Income (Previous year)	- (-)	53,801,260 (27,103,598)	26,971,035 (177,505,918)	- (-)	- (-)	80,772,295 (204,609,516)
Expenses (Previous year)	- (7,611,659)	- (-)	- (-)	6,718,779 (4,483,719)	- (-)	6,718,779 (12,095,378)
Sale of Fixed Assets (Previous year)	- (-)	3,020,740 (1,343,997)	- (-)	- (-)	- (-)	3,020,740 (1,343,997)
Purchase of Fixed Assets (Previous year)	- (-)	17,629,500 (15,376,722)	- (-)	- (-)	- (-)	17,629,500 (15,376,722)
Finance (Including loans and equity, Contributions in cash or in kind)						
(a) Loans Granted (including share application money) Balance as at January 1, 2006 (Previous year)	- (-)	380,882,305 (287,709,916)	- (-)	- (-)	226,476,296 (253,055,811)	607,358,601 (540,765,727)
Fresh Loans During the year (Previous year)	- (-)	213,575,164 (130,393,144)	- (-)	- (-)	- (5,057,797)	213,575,164 (135,450,942)
(b) Investment in Equity (Excluding share application money) Purchased / Adjusted during the year	- (-)	84,037,872	- (-)	- (-)	- (-)	84,037,872
Balances as at the end of the year Investments (Previous year)	- (-)	132,454,309 (48,416,437)	22,130,994 (22,130,994)	- (-)	- (-)	154,585,303 (70,547,430)
Sundry Debtors Balance (Previous year)	- (-)	3,190,404 (10,249,295)	14,721,235 (14,757,143)	- (-)	- (-)	17,911,639 (25,006,438)
Loans Granted (Previous year)	- (-)	480,506,926 (380,882,305)	- (-)	- (-)	225,648,296 (226,476,296)	706,155,222 (607,358,601)
Creditors Balance as at December 31, 2006 (Previous year)	- (-)	1,264,000 (-)	- (-)	- (-)	- (-)	1,264,000 (-)
Loans Taken Fresh Loans During the year (Previous year)	- (-)	347,451 (-)	- (-)	- (-)	- (-)	347,451 (-)
Corporate Guarantees (Previous year)	- (-)	23,746,793 (37,192,071)	- (-)	- (-)	- (-)	23,746,793 (37,192,071)

1) Related party relationship is as identified by the Company and relied upon by the Auditors

2) Figures in brackets represent corresponding amount of previous year.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

III. Out of the above items transactions with subsidiaries, Associates and Key Management Personnel in excess of 10% of the total related party transactions are as under :

Transaction	Relationship	2006 (Rupees)	2005 (Rupees)
a) Turnover Training & Education Income Beijing Aptech Beida Jade Bird Information Technology Co. Limited	Joint Venture	56,655	56,479,525
b) Dividend Income Beijing Aptech Beida Jade Bird Information Technology Co. Limited	Joint Venture	26,728,188	120,831,024
c) Reimbursement of Expenses received Attest Testing Services Limited	Subsidiary	43,747,729	7,361,767
d) Expenditure Managerial Remuneration Mr. Pramod Khera	Key Management Personnel	6,315,971	4,483,719
e) Purchase of Fixed Assets Aptech Software Limited	Subsidiary	17,629,500	15,376,722
f) Sale of Fixed Assets Aptech Software Limited	Subsidiary	3,020,740	1,343,997
g) Loans and Advances Aptech Software Limited Attest Testing Services Limited Avalon Aviation Academy Pvt. Ltd.	Subsidiary Subsidiary Subsidiary	103,368,110 57,505,159 36,917,749	97,417,850 23,309,818 -
h) Investments Synergetics Information Technology (India) Pvt. Ltd. Aptech Worldwide Corporation	Subsidiary Subsidiary	35,087,347 40,950,000	- -

20. The Deferred Tax Asset computed in accordance with AS-22 "Accounting for Taxes on Income", has not been recognised in the books in the current year as availability of sufficient future taxable income against which such deferred tax asset could be realised is presently not "virtually certain".

21. The Company has a Joint Venture as on December 31, 2006 and its proportionate share in assets, liabilities, income and expenditure of the Joint Venture Company is given below :

Name of the Joint Venture	Rupees	
	2006 (Audited)	2005 (Audited)
Percentage holding	50%	50%
Net Fixed Assets	44,257,685	52,447,326
Net Current Assets	307,053,851	106,478,558
Income	714,525,955	438,691,504
Expenses (including interest and depreciation and tax)	402,347,135	307,146,889
Contingent Liabilities	-	-
Capital Commitment	-	-

APTECH LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

22. Earnings per Share

	2006	2005
Numerator :		
(Loss) after tax attributable as disclosed in Profit and Loss Account	(67,364,177)	(322,349,056)
Denominator :		
Weighted average number of equity shares Outstanding during the year/period		
Basic	37,810,963	34,984,852
Nominal value of equity shares (Rupees)	10/-	10/-

Note: Warrants issued and options granted under ESOP scheme, have not been considered for the computation of diluted EPS since the same have an anti-dilutive effect in view of the losses.

23. Additional information pursuant to the provisions of Paragraph 3, 4C, 4D of Part II of Schedule VI of the Companies Act, 1956 :

Quantitative Details of:

i) Education and Training Course Materials:

	2006	2005
1. Opening		
Quantity (Nos.)	928,945	1,123,339
Value (Rupees)	12,132,688	12,714,561
2. Purchase		
Quantity (Nos.)	3,263,641	3,589,974
Value (Rupees)	69,645,695	66,913,874
3. Sales		
Quantity (Nos.)*	3,308,670	3,784,368
Value (Rupees)	66,710,469	67,495,747
4. Closing Stock		
Quantity (Nos.)	883,916	928,945
Value (Rupees)	16,057,314	12,132,689

* Including consumption at owned centers.

(ii) Expenditure in Foreign Currency:

	2006 Rupees	2005 Rupees
a) Foreign Travel	5,611,426	3,998,501
b) Training & Education Expenses	23,604,002	13,096,264
c) Administrative and Other Expenses	1,535,807	4,217,767
d) Miscellaneous Expenses	-	273,189

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(iii) Earnings in Foreign Currency:

	2006 Rupees	2005 Rupees
a) F.O.B. Value of sale of Education and training course materials	12,616,721	14,250,992
b) Training and Education Income	109,763,267	142,164,986
c) Dividend Income	26,728,188	120,831,024
d) Interest Income	–	370,052
e) Recoveries of expenses	–	514,652

24. Details of loans and advances in the nature of loans (as required by Clause 32 of the listing agreement with the Stock exchanges)

Name of the party	Relationship	Loans and Advances as at end of the year		Maximum outstanding during the year	
		2006 Rupees	2005 Rupees	2006 Rupees	2005 Rupees
Aptech Training Limited FZE	Wholly Owned Subsidiary	–	997,609	1,023,977	997,609
Aptech (WOS) Bangladesh Limited	Wholly Owned Subsidiary	2,103,573	2,103,573	2,103,573	2,103,573
Aptech Software Limited (refer note 5 below)	Wholly Owned Subsidiary	373,069,739	306,400,287	373,069,809	309,305,042
Attest Testing Services Limited	Wholly Owned Subsidiary	71,730,158	22,316,887	77,962,361	25,323,207
Aptech Training and Education trust (refer note 5 below)	Entity in which Director has significant influence	9,123,807	9,123,807	9,123,807	9,123,807
Aptech Employee Welfare Trust (refer note 5 below)	Entity in which Director has significant influence	286,122	286,122	286,122	286,122
Aptech Education Trust (refer note 5 below)	Entity in which Director has significant influence	15,000	15,000	15,000	15,000
Aptech Education Society (refer Note 5 below)	Entity in which Director has significant influence	216,223,369	217,051,369	217,051,369	245,026,970
Aptech Worldwide Corporation	Wholly Owned Subsidiary	35,701,760	49,063,948	49,063,948	51,006,948
Aptech Manpower Services Ltd	Wholly Owned Subsidiary	–	–	874,579	–
Avalon Aviation Academy Pvt Ltd	Wholly Owned Subsidiary	29,417,441	–	35,488,637	–
Aptech Worldwide Ltd, South Africa	Wholly Owned Subsidiary	58,366	–	58,366	–
AGLSM SDN.BHD Malaysia	Wholly Owned Subsidiary	2,665,487	–	2,665,487	–

APTECH LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- Notes :**
1. Above loans and advances are interest free and repayable on demand.
 2. Loans to employees as per the Company's policy are not considered.
 3. There are no investments by the loanees in the shares of the Company.
 4. The above loans and advances include share application money (refer note no. B-5 above).
 5. The said loans are fully/partly provided for as doubtful of recovery (Refer note B-6, 7 above).
25. The figures for the previous year have been regrouped/rearranged wherever necessary .

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Shivji K. Vikamsey
Partner
Membership No. 2242
Place : Mumbai
Date : April 27, 2007

For and on behalf of the Board of Directors

Pramod Khera
Managing Director

T. K. Ravishankar
Executive Vice President & CFO

C. Y. Pal
Vice Chairman

Sree Vidhya Raju
Company Secretary

Balance Sheet Abstract and Company's General Business Profile:

1. Registration Details		
Registration No.		11/123841
State Code		11
Balance Sheet Date		Dec 31, 2006
2. Capital Raised During the Year at Face Value		Rs. in '000
Public Issue (GDR Issue)		–
Rights Issue		–
Employees Stock Option Plan 2004		2,513
Warrants		81,422
Preferential Allotment		–
3. Position of Mobilisation and Deployment of Funds		Rs. in '000
Total Liabilities		1,433,519
Total Assets		1,433,519
Sources of Funds		
Paid-up Capital		378,872
Warrants		81,422
Reserves & Surplus		771,950
Secured Loans		201,273
Unsecured Loans		–
Deferred Tax Liability		–
Application of Funds		
Net Fixed Assets		368,897
Investments		112,670
Net Current Assets		562,238
Misc. Expenditure		–
Accumulated Losses		389,713
4. Performance of Company		Rs. in '000
Turnover		851,387
Total Expenditure		910,967
(Loss) / Profit Before Tax		(59,580)
(Loss) / Profit After Tax		(67,365)
Earnings Per Share in Rs. (Refer Note No. B-22 above)		(1.78)
Dividend Rate %		–

APTECH LIMITED

5. Generic Names of the Three Principal Products/Services of Company

Item *	NIL
Code No. (ITC code)	NIL
Product Description	COMPUTER EDUCATION
Item *	NIL
Code No. (ITC code)	NIL
Product Description	MULTIMEDIA EDUCATION

* Code No. for the services rendered by the Company is not available in the Publication of the Indian Trade Classification for ITC Code of Products by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Calcutta - 700 001.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES
FOR THE YEAR ENDED 31ST DECEMBER, 2006**

Subsidiary	Attest Testing Services Limited	Aptech Software Limited	Aptech Worldwide Corporation	Aptech Manpower Services Ltd.	Synergetics Information Technology Services (India) Pvt. Ltd.	Aptech Training Limited FZE	Avalon Aviation Academy Pvt. Ltd.	AGLSM SDN. BHD. Malaysia	Aptech (WOS) Bangladesh Limited	Aptech Worldwide South Africa
Equity Capital	500,000	500,000	40,950,000	500,000	812,000	46,007,103	7,500,500	25	1,409,334	-
Share Application Money	328,406	156,236,990	-	-	-	-	-	6,716,975	-	-
Reserves	(46,196,310)	(283,195,167)	(52,342,834)	426,076	7,485,794	(42,619,211)	(28,448,782)	(2,388,281)	1,352,052	(69,590)
Loan Funds	71,398,644	240,577,965	-	-	1,981,920	-	29,417,049	2,665,487	2,103,573	58,366
Total Assets	40,483,926	124,709,367	37,087,928	1,025,524	20,084,408	5,162,153	21,191,213	6,229,060	8,714,488	-
Total Liabilities	40,483,926	124,709,367	37,087,928	1,025,524	20,084,408	5,162,153	21,191,213	6,229,060	8,714,488	11,224
Turnover	32,827,597	101,047,346	107,245,478	791,319	8,895,197	15,288,321	2,303,798	94,417	1,111,831	-
Profit/(Loss) Before Tax	(22,519,722)	(10,111)	(11,951,418)	430,759	3,073,182	8,472,743	(28,162,989)	(2,388,281)	446,062	(69,590)
Provision for Taxation	334,472	729,406	230,935	4,683	1,477,320	-	285,793	-	2,808	-
Profit/(Loss) After Tax	(22,854,194)	(739,517)	(12,182,353)	426,076	1,595,862	8,472,743	(28,448,782)	(2,388,281)	443,254	(69,590)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-

For and on behalf of the Board of Directors

Pramod Khera
Managing Director

C. Y. Pal
Vice Chairman

Place : Mumbai

Date : April 27, 2007

APTECH LIMITED

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of Aptech Limited will be held on Thursday, June 28, 2007 at 4.30 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jarnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended December 31, 2006 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Asit Koticha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ramesh S. Damani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vijay Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. Appointment of Mr. R. Krishnan as a Whole-time Director of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED THAT, pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, (hereinafter referred to as “the said Act”), consent be and is hereby accorded, to the appointment of Mr. R. Krishnan as a Whole-time Director of the Company, designated as an Executive Director, to hold office for a period of 5 years with effect from October 29, 2006 and to the terms of remuneration payable to him (including the remuneration to be paid in the

event of loss or inadequacy of profits in any financial year during the tenure of appointment), in accordance with the terms and conditions as set out in the Explanatory Statement and the agreement for appointment (hereinafter “agreement”) to be entered into between the Company and Mr. R. Krishnan, a draft whereof is placed before this meeting, with authority to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions in the said agreement.

RESOLVED FURTHER THAT, in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. R. Krishnan by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to Mr. R. Krishnan shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution.”

7. Appointment of Mr. Rajiv Agarwal as a Director, retiring by rotation.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Rajiv Agarwal, who was appointed as an Additional Director of the Company with effect from October 29, 2006 under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and who is eligible for appointment, and, in respect of whom the Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

8. Appointment of Mr. Ninad Karpe as a Director, retiring by rotation.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Ninad Karpe, who was appointed as an Additional Director of the Company with effect from October 29, 2006 under Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and who is eligible for appointment, and, in respect of whom the Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

9. Increase in the total strength of the Board of Directors.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED THAT, pursuant to Sections 258, 259 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the total number of Directors of the Company, be increased from twelve to fifteen.

RESOLVED FURTHER THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, existing Article 97 of the Articles of Association of the Company shall stand amended in the following manner, with effect from the date of Central Government’s approval in accordance with the provisions of the Companies Act, 1956 :

97. Subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and unless otherwise determined by the Company in General Meeting by a Special Resolution, more than fifteen.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorised to do all deeds, acts, matters and things as it may in its absolute discretion, deem

necessary, expedient or desirable and take action on matters, give such directions or instructions or carry out such modifications as may be directed by the Central Government to implement the aforesaid Resolution.

NOTES :

- a) The Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 to 9 and the relevant details in respect of Item Nos. 2 to 4 and 6 to 8 pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) Members/proxies are requested to bring their copies of the Annual Report together with the duly filled in attendance slip at the meeting.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, May 31, 2007 to Friday, June 8, 2007 (both days inclusive).
- e) As per the provisions of the Companies Act, 1956, facility for making nomination is available to the individual members in respect of the shares held by them. The nominee shall be a 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 can be a nominee provided the name and address of the guardian is given in the nomination form. The facility of nomination is not available to non-individual members such as bodies corporate, kartas of Hindu undivided families, partnership firms, societies, trusts and holders of Power of Attorney. The necessary Form No. 2B is enclosed in this Annual Report for the use of the members.
- f) Members are requested to note that trading in the shares of the Company is permitted only in dematerialised form.

APTECH LIMITED

- g) Members holding shares in the dematerialised mode are requested to intimate changes, if any, in their addresses alongwith pin code to their Depository Participant (DP).
- h) Members holding shares in physical form are requested to intimate to the Company's Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., Satam Estate, 3rd floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099 the following :
 - (i) Change in their address, if any, along with the pin code.
 - (ii) Request for consolidation of shareholdings into one account if share certificate(s) are held in multiple accounts or joint accounts in identical order of names.
- i) Members are requested to quote their folio numbers (for shares held in physical form)/ Member IDs (for shares held in electronic form) in all their correspondence.
- j) Appointment/Re-appointment of Directors :
As required under Clause 49 of the Listing Agreement with the Stock Exchanges,

particulars of Directors seeking appointment/re-appointment are annexed to the Explanatory Statement furnished below.

- k) A certificate from the Auditors of the Company will be placed before the Members of the Company at the ensuing Annual General Meeting confirming that the implementation of the Employee Stock Option Scheme was in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended and in accordance with the resolution passed by the Members at the Extraordinary General Meeting of the Company held on February 13, 2004.

By Order of the Board of Directors,

SREE VIDHYA RAJU
Company Secretary

Place : Mumbai,
Date : April 27, 2007

Registered Office :
Elite Auto House, 54A,
Sir M. Vasanji Road,
Andheri (East), Mumbai - 400 093.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

The members are informed that Mr. R. Krishnan was employed by the Company as Head – Global Retail Businesses of Aptech. He has over 23 years of experience of which 14 years have been in the education field. He has also worked with organisations like Jasubhai Digital Media, BPL Sanyo Utilities and Appliances Ltd. and Crompton Greaves Ltd.

Taking into consideration Mr. R. Krishnan's commendable contribution and unstinted efforts towards the Company's growth, the Board of

Directors at their meeting held on October 29, 2006 had appointed Mr. R. Krishnan as the Executive Director of the Company with immediate effect for a period of 5 years, subject to the approval of the members. The Remuneration Committee of the Board of Directors of the Company at their meeting held on April 27, 2007 have noted his appointment and terms of remuneration.

Accordingly, the details of remuneration paid to Mr. R. Krishnan for the period October 29, 2006 to March 31, 2007 and payable from April 1, 2007 (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his reappointment), are as given hereunder :

(a) (i) Fixed Pay during the period October 29, 2006 to March 31, 2007 :	
Particulars	Amount (in Rs.)
Basic Salary	525,936
House Rent Allowance	262,968
Other Allowances	119,087
Sub-Total (A)	907,991
Contribution to Provident Fund	63,112
Contribution to Superannuation Fund	42,468
Gratuity (Actuarial Valuation)	25,285
Sub-Total (B)	130,865
Grand Total	1,038,856

(a) (ii) Fixed Pay will be payable with effect April 1, 2007, as per the following structure :	
Particulars	Amount (in Rs.)
Basic Salary	1,259,220
House Rent Allowance	629,616
Other Allowances	1,175,617
Sub-Total (A)	3,064,453
Contribution to Provident Fund	151,106
Contribution to Superannuation Fund	99,998
Gratuity (Actuarial Valuation)	60,539
Sub-Total (B)	311,643
Grand Total	3,376,096

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Mr. Krishnan would also be entitled to reimbursement of Telephone & Mobile expenses and a Chauffeur driven Company maintained car.

- (b) The annual increment during the tenure of appointment shall be payable in the manner to be decided by the Board or any Committee thereof.
- (c) Variable Pay: He will also be entitled to a Variable Pay as may be determined by the Board or any Committee thereof based on such performance parameters as may be laid down by the Board or Committee thereof.
- (d) He will be entitled to such other benefits in accordance with the schemes and rules of the Company framed from time to time.
- (e) The perquisites, wherever applicable, shall be valued as per the Income Tax Rules, 1962.
- (f) Subject to exigencies of his employment, Mr. R. Krishnan shall be entitled to privilege leave as per the Company's policy, on full pay and allowances.
- (g) Employees Stock Option Scheme: He shall be eligible to participate in the Employees Stock Option Scheme(s) as may be framed by the Company from time to time.

The other key terms and conditions of his appointment are as follows :

(h) **Non compete :**

Throughout the term of this Agreement, the Executive Director shall not take up any employment or service or offer any services directly or indirectly to any other party which in the opinion of the Board, is same or similar or related to the services offered to the Company. The Board's opinion in this behalf shall be final, conclusive and binding on the Executive Director. Further the Executive Director shall not approach the existing and/or potential clients of the Company either directly or indirectly for a period of one year, after the expiry of this Agreement, for any business opportunities.

(i) **Non solicitation:**

The Executive Director shall not during the term of his appointment and for a period of one year thereafter (hereinafter "restricted period"), directly or indirectly, hire or attempt to hire for

any purpose whatsoever (whether as an employee, consultant, advisor, independent contractor or otherwise) any employee of the Company or any person who was an employee of the Company during the last twelve months preceding the expiry of the term of appointment of the Executive Director. During the aforesaid restricted period, the Executive Director shall (i) not disclose to any third party the names, backgrounds or qualifications of any employees of the Company or otherwise identify them as potential candidates for employment (ii) not to personally or through any other person, approach, recruit or otherwise solicit employees of the Company to work for any other employer; or (iii) nor participate in any pre-employment interviews with any person who was employed by Company.

The term Company for the purposes of this clause shall mean and include its holding company, subsidiary, partnerships, proprietorship business and/or associated company and/or their agents.

- (j) The Executive Director shall not during the continuance of his employment hereunder or anytime thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and the Executive Director shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from doing so, provided however, any such divulgence or disclosure by the Executive Director to the officers and the employees of the Company for the purpose of performance of their duties, shall not be deemed to be a contravention of this clause. In other words the confidentiality provisions does not apply to such information, for which a disclosure is essential for the due performance of the functions delegated/assigned to the Executive Director or which has been approved by the shareholders of the Company in advance or which is required by law.

- (k) The Company and Mr. Krishnan shall be entitled to determine this Agreement at any time by giving

to the other party 180 days notice in writing and on the expiry of the said notice period, such Agreement shall stand terminated provided, however, that the Company shall be entitled to terminate this Agreement at any time by giving to the Executive Director 180 days salary in lieu of notice.

In compliance with the provisions of the Companies Act, 1956, the appointment and terms of remuneration specified above, require members' approval.

Accordingly, the Directors recommend the resolution set out at Item No. 6 of the accompanying notice for the approval of the members.

As the appointment is in terms of provisions of Part I of Schedule XIII of the Companies Act, 1956, no approval from the Central Government is required.

This Explanatory Statement together with the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

Except Mr. R. Krishnan, none of the other Directors are in any way concerned or interested in the said resolution.

ITEM NOS. 7 & 8

Mr. Rajiv Agarwal and Mr. Ninad Karpe were appointed as Additional Directors of the Company, in accordance with the provisions of Section 260 of the Companies Act, 1956, and in exercise of the authority vested by the Articles of Association. The term of office of Mr. Rajiv Agarwal and Mr. Ninad Karpe as Additional Directors of the Company expires at this Annual General Meeting.

Notices have been received by the Company from Members under Section 257(1) of the Companies Act, 1956, along with the requisite amount of deposit, notifying their intention to propose the candidatures of Mr. Rajiv Agarwal and Mr. Ninad Karpe, as Directors of the Company, at this Annual General Meeting.

The profiles of these two Directors whose appointment is being considered at this Annual General Meeting is given below for the information of the Members:

Mr. Rajiv Agarwal graduated in Chemical Engineering from the Institute of Technology, Benares

Hindu University in 1993. Presently he is associated with Rare Enterprises, an asset management firm promoted by Mr. Rakesh Jhunjunwala and is focused on growing Rare Enterprises' strategic investments in diverse sectors – healthcare delivery, hospitality and oil drilling. He is also responsible for providing strategic inputs to Viceroy Hotels. Mr. Agarwal has also been associated with Aptech as a Consultant over the last 10 months and has been providing strategic inputs to our Company. He is a Director on the Board of Core Hospitals, Hyderabad.

Prior to December 2005, Mr. Agarwal was with Accenture, a global management and technology consulting firm, for over 12 years and was responsible for sales and delivery of Strategy and Operations consulting work. As part of the Growth and Strategy team, he was responsible for growth of Accenture's Delivery Centre network for IT services in India. He has also worked with other Companies in India, UK, UAE and Indonesia. His rich industry exposure includes – Oil and Gas, IT, BPO, Chemicals, Pharmaceuticals, Agrochemicals, Biotechnology, Iron and Steel, Textiles, Engineering and Construction, Railways and Airlines.

Mr. Ninad Karpe is Managing Director, CA India & SAARC. Mr. Karpe has been associated with CA India since the company's inception in the country. He has held numerous management responsibilities in CA India that include setting up offices in India, managing marketing, PR, technical services, HR, operations and finance.

In his capacity as Managing Director of the Indian operations of the world's fourth largest software company his responsibilities include driving the adoption of CA's technology, broadening and strengthening strategic partnerships in India. He joined CA from CA Satyam ASP Pvt. Ltd. (C&S), a joint venture between CA and Satyam Computer Services Ltd., where he held the position of Chief Executive Officer. Prior to being in C&S, he was Executive Director of CA India.

Prior to responsibilities at CA and (C&S), Mr. Karpe was a consulting specialist for companies seeking to invest in India. This involved comprehensive studies related to the post-liberalisation scenario, assessment of the market conditions and effective entry strategies for India.

Mr. Karpe is also an avid writer. He has authored several books on strategy, taxation and foreign

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investment in India and contributes regularly to newspapers, magazines and journals. His hobbies include writing books and a very interesting but a rare hobby of 'wine making'.

The above Directors thus bring with them valuable and varied professional and industry experience.

Considering their rich and varied experience, it will be in the interests of the Company to appoint the aforementioned persons as Directors of your Company. Accordingly the Directors recommend the resolutions set out at Item Nos. 7 and 8 for approval of the Members.

Mr. Rajiv Agarwal and Mr. Ninad Karpe, being the Directors proposed to be appointed, may be deemed to be concerned or interested in their respective resolutions at Item Nos. 7 and 8 of the Notice. Save as aforesaid, none of the other Directors may be deemed to be concerned or interested in the said resolutions.

ITEM NO. 9

The members are informed that the present total strength of the Board of Directors of the Company is twelve.

The process of reforms in India has brought about significant changes in every industry structure including change in the operational structure, commercial orientation and transparency in operations with thrust on world class practices and controls at all levels. This has resulted in increased activities for any Company and has cast additional responsibilities on the Board of Directors of the Company.

To meet the new challenges and to comply with the requirements of Clause 49 of the Listing Agreement relating to Corporate Governance, it is imperative that the Company's Board is further strengthened and broad based to enhance its effectiveness, which is pivotal to maximizing shareholder value and efficient

running of the Company. The Company, accordingly, needs to have additional Directors with appropriate qualifications, skills, experience and/or background in diverse or related fields. In view of the above, it is proposed to increase the total number of Directors, from twelve to fifteen.

Consequently, Article 97 of the Articles of Association of the Company is sought to be amended in the manner as set out in the resolution at Item No. 9.

As per the provisions of Section 259 of the Companies Act, 1956, and in accordance with the Article 97 of the Articles of Association of the Company, in case the Company desires to increase the total number of Directors beyond twelve, then the approval of the shareholders in a General Meeting by a Special Resolution is required and upon receipt of such approval from shareholders, the Company shall have to obtain the approval of the Central Government.

The members are informed that the Directors had approved the aforesaid proposal at their Board meeting held on October 29, 2006 and have recommended the resolution set out at Item No. 9 of the accompanying Notice for the approval of the members.

None of the Directors are interested in this resolution.

By Order of the Board of Directors,

Sree Vidhya Raju
Company Secretary

Place : Mumbai,
Date : April 27, 2007

Registered Office :
Elite Auto House, 54A,
Sir M. Vasanji Road,
Andheri (East), Mumbai - 400 093.

**Details of the Directors seeking appointment/re-appointment
at this Annual General Meeting
(in pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Mr. Asit Koticha	Mr. Ramesh S. Damani	Mr. Vijay Aggarwal
Date of Birth	June 14, 1958	May 12, 1957	July 8, 1968
Date of Appointment	October 28, 2005	October 28, 2005	October 28, 2005
Areas of Expertise	Asset Management, Broking and Investment Banking	Finance and Media	General Management
Qualification	B. Com. from Mumbai University	B. Com., M.B.A. from California State University, Northridge	B. Tech. (Electrical), IIT Delhi, Post Graduate Diploma in Business Administration and Management, IIM Ahmedabad
List of other public companies incorporated in India in which directorships held as on December 31, 2006	Nil	Nil	1. Asianet Satellite Communications Ltd. 2. Exide Industries Ltd. 3. Prism Cement Ltd. 4. H & R Johnson (India) Ltd.
List of Chairmanships / memberships of committees of the board of other public companies incorporated in India in which directorships held as on December 31, 2006	Nil	Nil	H & R Johnson (I) Ltd. ♦ Audit Committee (Member) Asianet Satellite Communications Ltd. ♦ Audit Committee (Member) Exide Industries Ltd. ♦ Audit Committee (Member)
No. of shares held in the Company prior to the date of appointment	Nil	Nil	Nil

Name of the Director	Mr. Rajiv Agarwal	Mr. Ninad Karpe	Mr. R. Krishnan
Date of Birth	March 28, 1971	March 4, 1961	May 27, 1959
Date of Appointment	October 29, 2006	October 29, 2006	October 29, 2006
Areas of Expertise	Strategy & Operations Consulting Services	General Management including Strategy, Operations, Marketing, HR, Finance & Technical	Global Retail Marketing
Qualification	Graduate in Chemical Engineering from Institute of Technology, Benares Hindu University	B. Com., LLB (Gen.), FCA	B. Tech. (Electrical), IIT Bombay, Post Graduate Diploma in Management, IIM Calcutta
List of other public companies incorporated in India in which directorships held as on December 31, 2006	1. Quality Care India Limited 2. Viceroy Hotels Limited	1. Savita Chemicals Ltd. 2. ABN AMRO Asset Management (India) Ltd.	1. Aptech Software Limited 2. Attest Testing Services Limited 3. Aptech Manpower Services Limited
List of Chairmanships / memberships of committees of the board of other public companies incorporated in India in which directorships held as on December 31, 2006.	Quality Care India Limited ♦ Audit Committee	Savita Chemicals Ltd ♦ Audit Committee (Member) ABN AMRO Asset Management (India) Ltd. ♦ Audit Committee (Member)	Nil
No. of shares held in the Company prior to the date of appointment	Nil	Nil	1,755

