

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of
Aptech Limited

1. We have audited the attached Consolidated Balance Sheet of Aptech Limited ("the Company") and its Subsidiaries and joint venture (collectively referred to as the 'Group') as at December 31, 2008 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. We report that the Consolidated Financial Statements (CFS) have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements' and AS 27 'Financial Reporting of Interests in Joint Ventures', notified under Companies (Accounting Standards) Rules, 2006.
4. Included in these Consolidated Financial Statements are Assets of Rs. 1,992,592,116 as at December 31, 2008, revenue of Rs. 1,194,201,879 and net cash flows amounting to Rs. 816,297,455 for the year then ended of Six Subsidiaries and a Joint Venture, which have not been audited by us. These have been audited/certified by other auditors, whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and a Joint Venture, is based solely on the reports of those respective auditors.
5. Attention is invited to Note No 5 of Schedule 14 relating to Financial Statements of China Joint Venture Company (JV) being restated as per US Generally Accepted Accounting Principles (GAAP) and the details of restated figures of revenue/expenses/assets and liabilities of JV are included in CFS to the extent of available information related thereto.
6. Attention is drawn to Note No B.25 (B) of Schedule 14 regarding the payment of Remuneration by certain subsidiaries to their Directors, which in the opinion of the Company, are not covered under the limits specified and requirements of disclosures as per the Companies Act, 1956, on which we are unable to express our opinion.
7. Attention is drawn to Note No B.25 (A) of Schedule 14 regarding the payment of Remuneration by Aptech Limited, in excess of sum payable under Schedule XIII of the Companies Act, 1956 to Managing Director and Executive Director aggregating to Rs. 5,937,880, for which approval of Central Government remains to be obtained.
8. 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 CFS, read with Para 4 to 6 and subject to Para 7 above, 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 the Group as at December 31, 2008;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group 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: August 11, 2009

APTECH LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2008

PARTICULARS	SCHEDULE	AS AT		AS AT	
		31ST DECEMBER 2008 RUPEES	31ST DECEMBER 2007 RUPEES	31ST DECEMBER 2008 RUPEES	31ST DECEMBER 2007 RUPEES
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
SHARE CAPITAL	1	465,019,840		437,511,170	
WARRANTS (Refer Note no.B-9 of schedule 14)		1,411,633		36,112,500	
RESERVES AND SURPLUS	2	2,091,252,923		1,066,207,922	
			2,557,684,396		1,539,831,592
MINORITY INTEREST			-		3,760,164
LOAN FUNDS					
SECURED LOANS	3	189,407,634		172,127,015	
			189,407,634		172,127,015
DEFERRED TAX LIABILITY (Refer note no. B-22(a) of Schedule 14)			-		851,346
TOTAL FUNDS EMPLOYED			2,747,092,031		1,716,570,116
APPLICATION OF FUNDS					
Goodwill on Conslidation			-		41,315,151
FIXED ASSETS					
GROSS BLOCK	4	1,268,227,901		1,666,178,902	
LESS: ACCUMULATED DEPRECIATION AND IMPAIRMENT		741,709,265		1,134,617,993	
		526,518,636		531,560,909	
ADD : CAPITAL WORK-IN -PROGRESS		2,875,420		41,837,577	
NET BLOCK			529,394,055		573,398,486
DEFERRED TAX ASSET (Refer note no. B-22(a) of Schedule 14)			309,489,972		29,357,821
CURRENT ASSETS, LOANS AND ADVANCES					
INVENTORIES	5	38,781,694		30,869,656	
SUNDRY DEBTORS		448,664,260		511,222,093	
CASH AND BANK BALANCES		1,901,718,112		761,083,112	
LOANS AND ADVANCES		266,591,962		222,082,821	
		2,655,756,028		1,525,257,682	
LESS:					
CURRENT LIABILITIES AND PROVISIONS	6				
LIABILITIES		610,905,502		401,506,225	
PROVISIONS		136,642,523		51,252,798	
		747,548,024		452,759,023	
NET CURRENT ASSETS			1,908,208,003		1,072,498,658
TOTAL FUNDS UTILISED			2,747,092,031		1,716,570,116
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS					
14					

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
M.No. 2242
Place : Mumbai
Date : August 10, 2009

For and on behalf of the Board of Directors

NINAD KARPE
Managing Director

T. K. RAVISHANKAR
Executive Vice President - & CFO

C. Y. PAL
Vice Chairman

KETAN SHAH
Company Secretary

APTECH LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2008

PARTICULARS	SCHEDULE	2008		2007	
		RUPEES	RUPEES	RUPEES	RUPEES
INCOME					
INCOME FROM OPERATIONS	7	2,739,217,905		2,167,362,990	
OTHER INCOME	8	43,582,898		1,689,537	
			2,782,800,803		2,169,052,527
EXPENDITURE					
TRAINING & EDUCATION EXPENSES	9	688,235,556		573,652,634	
MARKETING AND ADVERTISEMENT EXPENSES	10	480,969,072		385,956,674	
PAYMENTS TO AND PROVISION FOR EMPLOYEES	11	484,455,157		449,899,085	
ADMINISTRATION AND OTHER EXPENSES	12	452,389,331		363,310,246	
INTEREST AND FINANCE EXPENSES (Net)	13	1,875,433		20,651,098	
			2,107,924,549		1,793,469,737
PROFIT BEFORE DEPRECIATION/AMORTISATION AND EXCEPTIONAL ITEMS					
DEPRECIATION AND AMORTISATION			674,876,253		375,582,790
			173,539,744		155,134,230
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX					
			501,336,510		220,448,560
EXCEPTIONAL ITEMS					
RESTATEMENT OF CHINA JV PROFITS OF EARLIER YEARS		-		(70,570,541)	
PROVISION FOR REBATE (Refer note no. B-17 of Schedule 14)		(108,000,000)		-	
LOSS ON SALE OF STAKE IN SUBSIDIARY (Refer note no. B-3 of Schedule 14)		(41,721,538)		-	
PROVISIONS/LIABILITIES NO LONGER REQUIRED WRITTEN BACK		15,144,628		16,058,460	
			(134,576,910)		(54,512,080)
PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS					
			366,759,599		165,936,480
PROVISION FOR TAXATION					
- INCOME TAX		179,670,247		22,447,363	
- FRINGE BENEFIT TAX		9,146,122		6,600,480	
- WEALTH TAX		156,842		220,000	
- DEFERRED TAX (Current Year)		(264,388,468)		(15,193,387)	
- DEFERRED TAX (Previous Recognised)		-		(13,886,155)	
			(75,415,257)		188,301
(LOSS)/PROFIT AFTER TAX BEFORE MINORITY INTEREST					
			442,174,856		165,748,179
Less: AMOUNT TRANSFERRED ON CHANGE IN STAKE IN SUBSIDIARY			-		(3,628,336)
Less: MINORITY INTEREST			(2,224,798)		(6,107,729)
(LOSS)/PROFIT AFTER TAX AND MINORITY INTEREST					
			444,399,654		175,484,244
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			275,241,904		(289,144,895)
ADD : TRANSFERRED TO SHARE PREMIUM			-		388,902,555
BALANCE CARRIED TO BALANCE SHEET					
			719,641,558		275,241,904
EARNING PER SHARE (Refer Note no. B-19 of schedule 14)					
- BASIC (Face Value Rs. 10/- each)			9.70		4.15
- DILUTED (Face Value Rs. 10/- each)			9.66		3.92
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS					
	14				

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
M.No. 2242

Place : Mumbai
Date : August 10, 2009

For and on behalf of the Board of Directors

NINAD KARPE
Managing Director

T. K. RAVISHANKAR
Executive Vice President - & CFO

C. Y. PAL
Vice Chairman

KETAN SHAH
Company Secretary

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APTECH LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST DECEMBER 2008

PARTICULARS	2008		2007	
	Rupees	Rupees	Rupees	Rupees
(A) CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT / (LOSS) Before TAX		366,759,599		236,507,021
Adjustments For :				
Warrants Written Back			(87,312)	
Employee Stock Compensation Net Charge (2006 Scheme)	21,905,342		32,797,230	
Employee Stock Compensation Net Charge (2006 Scheme)			(1,164,602)	
Depreciation and Amortisation	173,539,744		155,134,229	
Provision for Rebates	108,000,000		-	
Provision for Bad debts	72,578,767		542,965	
Bad debts written off	-		2,382,231	
Loss on Sale of Investments	41,721,538		-	
Interest and Finance Costs (Net)	1,875,433		20,651,098	
liability no longer required	(15,144,628)		(16,058,460)	
Provision no longer required written back	-		(1,675,588)	
Unrealised Exchange loss	14,616,923		-	
Loss on Sale of Fixed Assets (Net)	1,076,764		5,507,196	
		420,169,882		198,028,987
Operating Profit Before Working Capital Changes		786,929,481		434,536,007
Adjustments for Working Capital Changes				
Decrease/(Increase) in Inventory	(7,912,038)		(1,462,794)	
Decrease/(Increase) in Sundry Debtors	(132,637,856)		(195,260,654)	
Decrease/(Increase) in Loans and Advances-Other than Subsidiaries	(9,528,777)		4,712,664	
Increase/(Decrease) in Current Liabilities and Provisions	222,121,973		88,431,255	
Impact of Foreign Currency Translation Reserve	258,805,379		9,049,202	
		330,848,680		(94,530,328)
Cash From / (used) in Operating Activities		1,117,778,162		340,005,679
Wealth Tax Paid (Net)	(182,832)		(119,700)	
Income Tax	(135,959,085)		(45,997,854)	
		(136,141,917)		(46,117,554)
Net Cash From / (used) in Operating Activities		981,636,245		293,888,125
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(145,728,664)		(202,352,561)	
Sale of Fixed Assets	15,116,587		5,180,143	
Minority Interest Paid	(1,941,753)		50,000	
		(132,553,830)		(197,122,418)
Net Cash used in Investing Activities		(132,553,830)		(197,122,418)
(C) CASH FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital / Warrants (ESOP and Preferential Issue)/Share Premium	276,147,400		394,784,320	
Repayment of Borrowings	(46,778,030)		(102,028,695)	
Increase in Borrowings/ (Repayment) (net)	(54,000,000)		17,375,000	
Increase / (Reduction) of Cash credit facility from bank	118,058,649		29,778,609	
Dividend paid during the year	-		(4,701)	
Interest paid (Net)	(1,875,433)		(20,651,098)	
		291,552,586		319,253,435
Net Cash from Financing Activities		291,552,586		319,253,435
Net (Decrease) / Increase in Cash & Cash equivalents		1,140,635,000		416,019,142
Cash & Cash equivalents at the beginning of the year		761,083,112		345,063,970
Cash & Cash equivalents at the end of the year		1,901,718,112		761,083,112
		1,140,635,000		416,019,142

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- 3) Proceeds from borrowings reflect the increase in secured and unsecured loans and is net of repayments.
- 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
M.No. 2242

Place : Mumbai
Date : August 10, 2009

For and on behalf of the Board of Directors

NINAD KARPE
Managing Director

C.Y. PAL
Vice Chairman

T. K. RAVISHANKAR
Executive Vice President & CFO

KETAN SHAH
Company Secretary

APTECH LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

PARTICULARS	AS AT		AS AT	
	31ST DECEMBER 2008	31ST DECEMBER 2007	31ST DECEMBER 2008	31ST DECEMBER 2007
	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				
46,501,984 (Previous year 43,751,117)		465,019,840		437,511,170
Equity Shares of Rs.10/- each fully paid (Refer Note No. B-9 & 10 of Schedule 14)		<u>465,019,840</u>		<u>437,511,170</u>
SCHEDULE '2' - RESERVES AND SURPLUS				
ESOP-2004 SCHEME				
Balance at the commencement of the year	-		6,134,598	
Less : Net Charge for the year	<u>-</u>		<u>6,134,598</u>	
				-
EOP-2006 SCHEME				
During the year	45,719,893		31,458,000	
Less : Net Charge for the year (Refer Note no. B-10 of schedule 14)	<u>-</u>			
		45,719,893		31,458,000
CAPITAL RESERVE		150,046		150,046
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	676,111,137		677,336,308	
Add : Additions during the year (Refer Note no. B-9 & 10 of schedule 14)	290,983,047		387,677,384	
Less : Adjustment of Debit Balance of Profit & Balance Account	<u>-</u>		<u>388,902,555</u>	
		967,094,184		676,111,137
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at the commencement of the year	(16,899,185)		(7,849,983)	
Add : Additions during the year	<u>275,400,408</u>		<u>(9,049,202)</u>	
Balance at the end of the year		258,501,223		(16,899,185)
GENERAL RESERVE				
Balance at the commencement of the year	11,666,020		11,666,020	
Add: Transferred from Profit & Loss account	-		-	
Add: Transferred from Diminution in Investment account	-		-	
	11,666,020		11,666,020	
Less : Debit Balance in Profit and Loss Account deducted	<u>-</u>		<u>-</u>	
		11,666,020		11,666,020
SURPLUS OF PROFIT & LOSS ACCOUNT				
		719,641,558		275,241,904
		<u>2,091,252,923</u>		<u>1,066,207,922</u>

APTECH LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

PARTICULARS	AS AT		AS AT	
	31ST DECEMBER 2008	31ST DECEMBER 2007	31ST DECEMBER 2008	31ST DECEMBER 2007
	RUPEES	RUPEES	RUPEES	RUPEES
SCHEDULE '3' - SECURED LOANS				
FROM BANKS				
- TERM LOANS		-		46,778,030
- WORKING CAPITAL DEMAND LOAN	40,000,000			94,000,000
- CASH CREDIT	146,777,631			28,969,524
- VEHICLE LOANS	2,630,004			2,379,461
	<u>189,407,634</u>			<u>172,127,015</u>

- 1) Term Loan, Working Capital Demand Loan and Cash Credit facility from banks are secured as under :
- a) Term Loan aggregating to Rs.NIL/- (Previous year Rs.37,546,916 /-), 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 hypothecation deed dated 25th June, 2003, and Stocks and Book Debts.
- b) Term Loan from another bank aggregating to Rs.NIL/- (Previous year Rs. 92,311,114/- 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.

SCHEDULE - 4 : FIXED ASSETS - CONSOLIDATED

(Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTISATION					IMPAIRMENT			NET BLOCK	
	As at 01.01.2008	Additions	Deductions/ Adjustments	As at 31.12.2008	As at 01.01.2008	For the year	Deductions/ Adjustments	InterComp Depreciation	As at 31.12.2008	As at 01.01.2008	For the year	As at 31.12.2008	As at 31.12.2008	As at 31.12.2007
Freehold Land	28,663,069	670,431		29,333,500					-			-	29,333,500	28,663,069
Building	146,074,657	23,000,000	6,582,962	162,491,695	14,403,207	2,578,165	980,722		16,000,650				146,491,044	131,671,460
Computer Hardwar	554,942,715	14,324,766	425,631,008	143,636,473	403,938,307	65,511,720	353,084,863	5,150,960	111,214,205	66,914,782	(66,914,782)	-	32,422,269	84,089,623
Office equipment	149,006,187	6,919,045	100,979,320	54,945,912	69,374,307	15,567,854	66,966,208	359,881	17,616,071	22,045,841	(22,045,841)	-	37,329,841	57,586,040
Electrical fittings	26,806,250	8,956,005	7,670,449	28,091,805	14,569,573	4,294,771	5,514,113	53,431	13,296,801			-	14,795,004	12,236,690
Furniture and Fixtur	99,699,729	17,159,894	31,024,436	85,835,187	59,154,173	12,226,997	25,718,675	676,909	44,985,585			-	40,849,601	40,545,560
Vehicles	30,871,113	17,868,817	10,848,100	37,891,829	12,632,779	5,348,785	6,906,484	(508,792)	11,583,872			-	26,307,957	18,238,333
Intangible Assets														
Goodwill	105,440,598			105,440,598	46,739,701	10,548,414			57,288,115			-	48,152,483	58,700,898
Courseware	344,162,080	63,191,274	275,986	407,077,368	128,440,953	28,385,377	275,986		156,560,344	156,717,988		166,717,988	93,809,036	59,003,139
Computer Software	141,312,505	45,276,590	12,308,408	174,280,687	49,421,660	20,224,020	12,301,314		57,344,366	67,119,313	(7,381)	67,111,932	49,824,389	24,771,532
Patents	39,200,000			39,200,000	23,145,694	8,853,642			31,999,336			-	7,200,664	16,054,306
TOTAL	1,666,178,903	197,366,821	595,320,670	1,268,227,901	821,820,353	173,539,746	471,748,365	5,732,388	517,879,345	312,797,924	(88,968,004)	223,829,920	526,518,636	531,560,909
Total (Previous yea	1,527,552,339	173,971,499	35,344,938	1,666,178,903	679,481,050	155,134,179	12,794,893		821,820,353	312,797,924		312,797,924	531,560,909	

Note:

1) In case of inter company transfered of Fixed assets Gross block at cost alongwith accumulated depreciation is transferred and reflected as such above.

APTECH LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

PARTICULARS	AS AT		AS AT	
	31ST DECEMBER 2008	31ST DECEMBER 2007	31ST DECEMBER 2008	31ST DECEMBER 2007
	RUPEES	RUPEES	RUPEES	RUPEES
		-		-
SCHEDULE '5' - CURRENT ASSETS				
A. INVENTORIES				
EDUCATION AND TRAINING MATERIALS		38,781,694		30,869,656
B. SUNDRY DEBTORS				
(UNSECURED, CONSIDERED GOOD EXCEPT OTHERWISE STATED)				
DUE FOR PERIOD EXCEEDING SIX MONTHS	521,841,725		291,151,233	
OTHERS	271,653,051		384,322,609	
	793,494,776		675,473,842	
LESS : PROVISION FOR DOUBTFUL DEBTS (Refer Note no. B-16 & 17 of schedule 14)	344,830,516		164,251,750	
Notes : Sundry Debtors includes		448,664,260		511,222,093
1) a) Considered good Rs.448664260/- (Previous year Rs. 511222092.5817/-).				
b) Considered doubtful Rs.344830516/- (Previous year Rs. 164251749.54/-).				
C. CASH AND BANK BALANCES				
1) CASH IN HAND	231,791		432,872	
2) BANK BALANCES				
BALANCES WITH SCHEDULED BANKS				
i) CURRENT ACCOUNTS	44,323,422		58,104,624	
(including Exchange Earners Foreign Currency Accounts Rs.6,325,234/- (Previous year Rs. 4,083,482 /-)				
ii) DEPOSIT ACCOUNTS	283,034,624		145,570,586	
(including Margin deposit Rs.575,000/- (Previous year Rs. 575,000/-) and including interest accrued Rs.16,182,658 (Previous year Rs. 48,600/-)				
	327,589,838		204,108,082	
BALANCES WITH NON-SCHEDULED BANKS				
ON CURRENT ACCOUNTS -----				
Balances with Non-scheduled Banks				
South East Bank Ltd	4,362		3,695	
Maximum balance during the year Rs.4,362/- (Previous year Rs 9,510/-)				
HSBC Bank	13,929,221		5,573,069	
Maximum balance during the year Rs.13,929,221/- (Previous year Rs 66,76,134/-)				
Cash & Cash equivalents in China JV	1,560,194,692		551,398,266	
	<u>1,901,718,112</u>		<u>761,083,112</u>	

APTECH LIMITED

SCHEDULES TO CONSOLIDATED BALANCE SHEET

PARTICULARS	AS AT		AS AT	
	31ST DECEMBER 2008	31ST DECEMBER 2007	31ST DECEMBER 2008	31ST DECEMBER 2007
	RUPEES	RUPEES	RUPEES	RUPEES
D. LOANS AND ADVANCES				
(UNSECURED, CONSIDERED GOOD EXCEPT OTHERWISE STATED)				
TO OTHERS	71,030,160		58,077,791	
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	40,045,313		33,880,108	
DEPOSITS	31,427,878		41,016,676	
ADVANCE PAYMENT OF INCOME TAX / FRINGE BENEFIT TAX	124,630,705		89,650,341	
	267,134,057		222,624,916	
LESS : PROVISION	542,094		542,094	
Notes : Loans and advances includes		266,591,962		222,082,821
1) a) Considered good Rs. 266,591,962/- (Previous year Rs. 222,082,821/-)				
b) Considered doubtful Rs.542,094 /- (Previous year Rs. 542,094/-)				
2) Due From a Director Rs. NIL (Previous year Rs. NIL)				
Maximum amount outstanding during the year Rs. NIL (Previous year Rs.661,476/-)				
		2,655,756,028		1,525,257,682
SCHEDULE '6' - CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
ACCEPTANCES		-		
SUNDRY CREDITORS		547,089,135		334,678,854
i) Total outstanding dues to Creditors other than Small Scale Industrial undertakings				
ADVANCES FROM CUSTOMERS		-		
UNCLAIMED DIVIDEND *		591,360		591,360
INTEREST ACCRUED BUT NOT DUE ON LOANS				
FRANCHISEE/OTHER DEPOSITS		14,611,088		19,666,982
OTHER LIABILITIES		48,613,919		46,569,030
* Includes amounts outstanding to be credited, as and when due, to Investor Education and Protection Fund.		610,905,502		401,506,225
B. PROVISIONS FOR				
INCOME TAX / WEALTH TAX/ DEFERRED TAX	90,722,837		12,527,961	
FRINGE BENEFIT TAX	27,695,945		18,079,163	
GRATUITY	9,939,200		9,877,069	
LEAVE ENCASHMENT	8,284,541		10,768,605	
		136,642,523		51,252,798
		747,548,024		452,759,023

APTECH LIMITED

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

PARTICULARS	2008		2007	
	RUPEES	RUPEES	RUPEES	RUPEES
SCHEDULE '7' - INCOME FROM OPERATIONS				
Training & Education income		2,560,806,615		1,953,125,677
Income from Testing Services Operations		76,174,000		67,527,197
Income from Content Development		102,237,290		146,710,116
		<u>2,739,217,905</u>		<u>2,167,362,990</u>
SCHEDULE '8' - OTHER INCOME				
LIABILITIES NO LONGER REQUIRED WRITTEN BACK		-		1,675,588
MISCELLANEOUS INCOME		20,906,296		13,949
EXCHANGE RATE GAIN (Net)		22,676,602		
		<u>43,582,898</u>		<u>1,689,537</u>
SCHEDULE '9' - TRAINING AND EDUCATION EXPENSES				
EDUCATION, TRAINING EXPENSES AND COURSE MATERIALS		341,039,105		266,929,287
COURSE EXECUTION CHARGES (Included Royalty payment of 'Rs. 4,110,435/-(Previous Year 7,440,660/-))		347,196,451		306,723,347
		<u>688,235,556</u>		<u>573,652,634</u>
SCHEDULE '10' - MARKETING AND ADVERTISEMENT EXPENSES				
ADVERTISEMENT EXPENSES		439,679,143		366,521,065
BUSINESS PROMOTION		41,289,929		19,435,609
		<u>480,969,072</u>		<u>385,956,674</u>
SCHEDULE '11' - PAYMENTS TO AND PROVISION FOR EMPLOYEES				
SALARY AND OTHER ALLOWANCES		399,622,800		369,121,290
CONTRIBUTION TO PROVIDENT FUND AND OTHER FUNDS		49,428,150		35,494,267
STAFF WELFARE EXPENSES		13,498,865		13,738,212
ESOP EXPENSES		21,905,342		31,545,316
		<u>484,455,157</u>		<u>449,899,085</u>

APTECH LIMITED

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

PARTICULARS	2008		2007	
	RUPEES	RUPEES	RUPEES	RUPEES
SCHEDULE '12' - ADMINISTRATION AND OTHER EXPENSES				
RENT		54,154,900		46,863,682
RATES AND TAXES		4,867,904		3,045,038
TRAVELLING AND CONVEYANCE EXPENSES		62,658,059		72,066,366
ELECTRICITY CHARGES		20,184,556		19,239,024
COMMUNICATION EXPENSES		23,575,670		23,855,075
REPAIRS AND MAINTENANCE				
- BUILDINGS	619,068		437,920	
- PLANT & MACHINERY	5,197,514		5,278,606	
- OTHERS	7,704,961		5,750,901	
		<u>13,521,543</u>	<u>11,467,427</u>	
INSURANCE PREMIUM		872,783		859,375
LEGAL AND PROFESSIONAL CHARGES		31,288,177		37,995,758
PROVISION FOR DOUBTFUL DEBTS		72,573,954		542,965
EXCHANGE DIFFERENCE (NET)		-		10,504,075
LOSS / (GAIN) ON SALE / DISPOSAL OF FIXED ASSETS		1,076,764		5,523,841
DIRECTOR'S SITTING FEES		919,729		1,169,285
MISCELLANEOUS EXPENSES		166,695,293		130,178,335
(Note : Miscellaneous expenses includes Audit Fees, Carriage and Forwarding, Security Charges, Service Charges etc.)		<u>452,389,331</u>	<u>363,310,246</u>	
SCHEDULE '13' - INTEREST AND FINANCE EXPENSES				
INTEREST ON				
- TERM LOANS	3,579,697		12,224,340	
- WORKING CAPITAL DEMAND LOANS	3,271,750		4,917,746	
- OTHERS	13,547,870		3,682,824	
FINANCE CHARGES	2,582,971		4,451,844	
	<u>22,982,287</u>		<u>25,276,754</u>	
LESS : INTEREST INCOME				
INTEREST ON FIXED DEPOSITS WITH BANKS	16,709,409		4,572,853	
OTHER INTEREST	4,397,444		52,803	
		<u>1,875,433</u>	<u>20,651,098</u>	

Schedule “14”

Significant Accounting Policies and Notes on Accounts

A) ACCOUNTING POLICIES

(a) Accounting Convention:

The Consolidated Financial Statements (CFS) comprises the financial statement of Aptech Ltd (“the Company”) and its Subsidiaries and Joint Ventures (hereinafter collectively referred to as the “Group”). The financial statements are prepared under the historical cost convention, on an accrual basis in compliance with all material aspects of the applicable accounting standards in India and the relevant provisions of the Companies Act 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year, unless otherwise mentioned in the notes. In case of BEIJING APTECH BEIDA JADE BIRD INFORMATION TECHNOLOGY CO., LTD (China JV) the accounts are made in accordance with United States (U.S) Generally Accepted Accounting Principles (GAAP) (US GAAP).

(b) Accounting Estimates/Assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and results of operations during the reported period end. Although, these estimates/assumptions are based upon management’s best knowledge of current events and actions, actual results could differ.

(c) Principles of consolidation:

The financials statements of the Aptech Limited and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions as per Accounting Standard (AS) 21 “Consolidated Financial Statements” notified under Companies (Accounting Standards) Rules, 2006

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per AS 27 – “Financial Reporting of Interests in Joint Ventures”.

The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the Consolidated Financial Statements as goodwill/capital reserve.

The list of entities included in CFS is mentioned in Note B.1

(d) Uniformity of accounting policies

Most of the accounting policies of the reporting company and that of its subsidiaries and joint ventures are similar unless otherwise mentioned in the notes. However, since certain subsidiaries/joint ventures which function in different countries and have different regulatory environment, certain accounting policies differ in accordance with GAAP of the respective countries.

(e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any cost, attributable to bringing the asset to its working condition for its intended use.

Intangible assets are recognized 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 amortization.

(f) 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,

- a) Certain items of plant and machinery (including computers) installed at and used in institutional projects, 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.
- b) Vehicles purchased under the "Own Your Car" (OYC) scheme for the employees, which are depreciated over the period of the scheme.
- c) Goodwill arising on acquisition of business unit is amortised over a period of ten years.
- d) Depreciation on Buildings, Computer Hardware, Software, courseware and Furniture & Fixtures acquired on or after 1st January 2006 is provided at the following rates based on estimated useful life –

Office Premises	3.33%
Furniture & fixtures	20.00%
Computers Hardware, Software & Courseware	33.33%

- e) Depreciation on furniture & fixtures, which are installed at leasehold premises, are amortised over lease period
- f) Depreciation on the fixed assets added/disposed off/discarded during the year has been provided on pro-rata basis with reference to the date of addition/disposition/ discardation.

- g) Assets purchased during the year whose acquisition cost is Rs. 5000 or less are depreciated fully in the month of purchase.
- h) The method and rates of depreciation of some of the foreign entities are different from that of the Company

(g) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any, is charged to the Profit & Loss Account in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

(h) 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.

(i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the Profit and Loss Account. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Premium/discount, in respect of forward exchange contract is recognized over the life of the contracts. Profit/Loss on cancellation/renewal of forward exchange contract is recognized as income/expense for the year.

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 account 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.

(j) Investments

Long Term Investments are stated at cost 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.

(k) **Inventories**

Inventory of educational course material is valued at cost or net realizable value whichever is lower.

(l) **Government Grants**

Government Grants are recognized when there is reasonable assurance that the same will be received. Revenue grants are recognized in the Profit and Loss Account. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to capital reserve.

(m) **REVENUE RECOGNITION:**

a) 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 recognized over the period of contracts or as per terms of the contract. For services rendered through franchisees only the company's share of revenue is recognized as per the terms of the contract.

b) 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.

c) Dividend

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

In Case Of China JV

Revenue is recognized when all of the following conditions are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable, and collectibility is reasonably assured. These criteria as they relate to each of the following major revenue generating activities are described below. Revenue is recorded, net of business tax, which is levied on the Company's revenues generated in the PRC at the rate of 5%.

a) Revenue from Franchise Fee

Franchise fee revenues primarily consist of initial and renewal franchise fees, marketing and advertising fees, and sale of textbooks and exam services to franchisees.

Initial and renewal franchise fee revenues

Initial franchise fees are recognized when all material services or conditions have been substantially rendered or satisfied as follows:

- I. the Company has no remaining obligations or intent by Agreement, practice or law to refund any cash received or to forgive any unpaid receivables,
 - II. the Company has rendered all services stipulated and required in the franchise agreement, and
 - III. no other material conditions or obligations related to the determination of substantial performance exist. For all periods presented, these criteria were met upon the opening of the BJB-Aptech-franchised training centre. Renewal franchise fees are recognized when the above criteria have been met, which for all periods presented were met when the renewal agreement became effective. To the extent these conditions have not been met at the end of the reporting period, any initial and renewal franchise fees received are deferred and recognized as revenue in the period in which the conditions have been satisfied.
- b) Area agent fee

The Company grants third-party sales agents the exclusive right to sell the Company's instructor training services and related instructor materials, textbooks and exam services to vocational schools, universities and colleges in designated territories for a contractually specified period of time, normally four to five years, and in return, the sales agents pay a non-refundable fee. The fee is deferred and recognized as revenue ratably on a straight-line basis over the period of the agreement

c) Marketing and Advertising Fees

Beginning January 1, 2006, franchisees are required to pay a monthly fee to the Company for marketing and advertising. The monthly fee is determined at the beginning of the year or upon entering into initial franchise agreements for new franchisees during the year. Because the advertising is directed and controlled entirely at the Company's discretion, the marketing and advertising fee is recognized as revenue on a monthly basis when the fee is earned. Costs incurred by the Company for marketing and advertising are expensed as incurred.

d) Sale of textbooks and exam services

The franchise agreements include terms for the continuing delivery of textbooks and provision of exam services to franchisees. Pursuant to the franchise agreement, the Company delivers textbooks and provides exam services on a per enrolled student basis for which franchisees pay the Company a percentage of tuition fees, textbook fees and exam fees received from each enrolled student. The Company receives payment prior to the start of each course. Textbooks are delivered to the franchisees at the start of the course and exam services, which include organization, proctoring, grading of exams, and the issuance of certificates of completion to students who pass the exam, are provided at the end of the

course. Revenue allocated to exam services is deferred and recognized upon completion of the exam services. Revenue allocated to exam services is determined based upon the separate selling price the Company sells exam services to franchisees whose enrolled students apply for taking the exam without taking the relevant training for the course. The remaining portion of total cash collected at the beginning of each course is allocated to the sale of textbooks for which revenue is recognized when the textbooks are delivered, which is when risks and rewards of ownership have been transferred. To the extent textbooks have not been delivered or exam services have not been rendered, any fees received are deferred and recognized as revenue in the period in which textbooks are delivered or exam services are rendered. Under the Company's agreements with franchisees, textbooks are considered delivered when they reach the franchisee's location and are accepted by franchisees.

(n) Retirement Benefits

i. Defined Contribution plan

The Group makes defined contribution to Provident fund and Superannuation Scheme which are recognized in the profit & Loss account on accrual basis

ii. Defined benefit plan

The company's liabilities under Payment of Gratuity Act (funded) and long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences, which are provided on estimates. Actuarial gain & losses are recognized immediately in the statement of profit & Loss account as income or expenses. Obligation is measured at the present value of estimated future cash flows using the discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation

(o) 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 is recognized as deferred employee compensation. 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, to the extent of the amortised portion of value of lapsed portion. The costs incurred on account of ESOP granted to employees of subsidiary companies are recovered from the subsidiaries.

(p) Income Tax

Tax expense comprises of current, deferred and Fringe benefit 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.

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 recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits. Deferred tax assets in case of China operations are recognised at appropriate tax rates based on reasonable certainty

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

In Case Of China JV

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and any operating loss and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates or tax laws is recognized in the consolidated statements of income in the period the change in tax rates or tax laws is enacted. A valuation allowance is provided to reduce the carrying amount of deferred income tax assets if it is considered more likely than not that some portion or all of the deferred income tax assets will not be realized.

On January 1, 2007, the Company adopted Financial Accounting Standards Board (“FASB”) Interpretation No. 48, Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109 (“FIN 48”). FIN 48 clarifies the accounting for uncertain tax positions. This interpretation requires that an entity recognizes in the consolidated financial statements the impact of a tax position, if that position is more likely than not of being sustained upon examination, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgement occurs. The initial adoption of FIN 48 did not have any impact on the Company’s consolidated financial position or results of operations. The Company has elected to classify interest and penalties related to unrecognized tax benefits, if and when required, as part of income tax expense in the consolidated statements of income.

(q) Operating Lease

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases and lease rentals thereon are charged to the Profit and Loss Account.

(r) 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 possible but not probable obligations as on the Balance Sheet date, based on the available evidence.

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.

(s) **Fair Value Measurements**

In case of China JV

On January 1, 2008 the Company adopted the provisions of FASB Statement No. 157, Fair Value Measurements, for fair value measurements of financial assets and financial liabilities and for fair value measurements of non-financial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Statement 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Statement 157 also establishes a framework for measuring fair value and expands disclosures about fair value measurements. On January 1, 2009, the Company will be required to apply the provisions of Statement 157 to fair value measurements of non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a non-recurring basis. The Company is in the process of evaluating the impact, if any, of applying these provisions on its financial position and results of operations. In October 2008, the FASB issued FASB Staff Position FAS 157-3, Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active, which was effective immediately. FSP FAS 157-3 clarifies the application of Statement 157 in cases where the market for a financial instrument is not active and provides an example to illustrate key considerations in determining fair value in those circumstances. Management has considered the guidance provided by FSP FAS 157-3 in its determination of estimated fair values during 2008.

B) NOTES ON ACCOUNTS

1. The names 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 December 31, 2008	Ownership Interest December 31, 2007
Subsidiaries			
Aptech Training Limited FZE	UAE	100%	100%
Aptech Worldwide Bangladesh Limited	Bangladesh	100%	100%
Aptech Worldwide Corporation, USA	United States of America	100%	100%
Aptech Software Limited.	India	100%	100%
Attest Testing Services Limited	India	100%	100%
AGLSM SDN.BHD (w.e.f. June 8, 2006)	Malaysia	100%	100%
Avalon Aviation Academy Private Limited (w.e.f. April 1, 2006)	India	100%	100%
Synergetics Information Technology Services (India) Pvt. Ltd. (ceased w.e.f October 1, 2008)	India	-	85%
Aptech Manpower Services Ltd	India	100%	100%
Aptech Ventures Limited (Subsidiary of Aptech Training Limited FZE) w.e.f. October 25, 2007	Mauritius	100%	100%
Aptech Investment Enhancers Limited (Subsidiary of Aptech Ventures Limited) w.e.f. October 31, 2007	Mauritius	100%	100%
Control – Subsidiary			
Aptech Training & Education Trust	India	-	-
Aptech Education Society	India	-	-
Aptech Worldwide Limited	South Africa	-	-
Joint Venture			
Beijing Aptech Beida Jade Bird Information Technology Co. Limited	China	50%	50%
Subsidiary of Joint Venture			

Shanghai Aptech Beida Jade Bird Information Technology Co., Ltd. ("SB-Aptech") (wholly Owned Subsidiary of China JV)	China	-	-
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2. Capital Commitments and Contingent Liabilities :

(Rupees)

Particulars	2008	2007
A. Capital commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	5,401,789	1,344,460
B. Contingent liabilities in respect of:		
i) Claims against the Company not acknowledged as debts	98,929,351	175,390,629
ii) Corporate Guarantees to banks / third Parties	-	80,655
iii) Counter guarantee for projects	18,057,133	46,097,738
iv) Income Tax	83,175,188	-

3. The Company had acquired 70% stake in the Mumbai based Synergetics Information Technology Services India Pvt Ltd., (Synergetics) a company engaged in high-end IT training vertical business in 2006. In 2007, the company had increased its holding to 85%. The company has divested its entire share holding in the subsidiary by way of sale of shares with effective date of October 1, 2008.

Further, the company had advanced Rs.42,537,359/- towards working capital requirements of the said subsidiary. This has been recovered through the assignment of its net assets to the company vide a Deed of Assignment w.e.f 30th September, 2008. On 1st October, 2008, the company disposed off its investment in its subsidiary Synergetics Information Technology Services India Pvt Ltd., for a total consideration of Rs. 2,000,000. The carrying value as on that date was Rs. 3,350,579/-. As per 'Assignment Deed' and 'Share Purchase Agreement' Synergetics shall remit to the company 100% of profits for 12 profit months and 50% of profits for next 6 profit months (as and when profits accrued to that company). On The surplus recovery, if any on account of the assignment will be appropriated to reduce the loss on sale of investments. Currently, the loss on sale of the investment amounting to Rs.41,721,538 has been reflected in the Profit and Loss Account under the head Exceptional Items as "Loss on Sale of Investments.

4. The Company has a Joint Venture on December 31, 2008 and its percentage Holding is given below :

Name of the Joint Venture	% Share holding
Beijing Aptech Beida Jade	
Bird Information Technology Co. Ltd ("China JV")	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:

(Rupees)

ASSETS	As on Dec 31,2008	As on Dec 31,2007
Net Block	29,332,344	30,775,662
Current Assets	1,691,942,683	735,620,614
Loans & Advances	23,967,751	33,957,169
TOTAL ASSETS	1,745,242,778	800,353,445
LIABILITIES		
Share Capital	22,130,994	22,130,994
Reserve & Surplus	1,285,617,010	618,907,132
Current Liabilities	437,494,774	159,315,319
TOTAL LIABILITIES	1,745,242,778	800,353,445
INCOME	2008	2007
SALES	1,153,476,947	827,698,085
Other Income	29,372,751	9,542,966
TOTAL INCOME	1,182,849,698	837,241,051
EXPENSES		
Employment Expenses	13,090,245	8,030,707
Training & Education	217,714,981	166,210,529
Marketing Expenses	271,411,273	213,862,849
Administration & Other Expenses	121,178,935	80,729,456
Depreciation	15,017,124	10,089,662
Taxes	136,532,633	2,857,679
TOTAL	774,945,191	481,780,882
Contingent Liabilities & Capital Commitment	NIL	NIL

5. (a) The financial statements of China JV till 2006 were prepared and audited as per People's Republic of China (PRC) GAAP. From the year 2007, the financial statements under PRC - GAAP are not prepared. The same have been prepared in conformity with U.S. GAAP. Accordingly, the Financial Statement of the previous years i.e. of 2005 & 2006 have been restated to comply with USGAAP. The details of items of revenue, expenses, assets and liabilities restated in conformity with the U.S. GAAP, being not made available are not shown separately.
- (b) The Financials of China JV are made up in accordance with US GAAP; as such details as required under Schedule VI to Companies Act, 1956 are given in CFS to the extent of availability of information thereof.
- (c) From February 13, 2006 China JV as established Wholly Owned Subsidiary, Shanghai Aptech Beida Jade Bird Information Technology Co., Ltd. ("SJB-Aptech"). The financial statements of SJB – Aptech have been included in Consolidated Financial Statement of China JV.
- (d) Pursuant to the framework agreement signed on 20th March, 2008, the Company had completed the Definitive Agreements for restructuring of the China JV and had executed the same on 26th March, 2009. Upon the approval from the appropriate authorities sale of JV shares have been recorded in the books in April, 2009. Accordingly company ceases to hold any share in China JV from April, 2009.
6. As approved by the shareholders of the Company in 20th March'09, under section 372 A of the Companies Act, Aptech and / or its subsidiaries will invest up to 22% in BJC (Beijing Jade Bird IT Education Company Limited), which is the holding company of China JV partner and which is proposed to be listed on an International Stock Exchange.
7. AGLSM SDN.BHD, Malaysia is considered as integral operation. Aptech Worldwide Bangladesh Limited, Bangladesh is considered as integral operation but due to operational difficulties the translation procedures relating to addition to fixed assets, income & expenses are worked out at average rates. China JV is considered as non-integral.
8. The reporting period of Aptech Worldwide Bangladesh Limited is October to September.
9. 4,712,500 convertible warrants were allotted on 1st October, 2006 to the promoter group at a price of Rs.113/-. 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. In 2007, 2,050,000 warrants were converted into Equity Share. The balance 2,662,500 warrants have been fully converted to Equity shares on receipt of the balance monies in March 2008. Consequently, Rs.26,625,000/- has been added to Equity Share Capital and Rs. 274,237,500/- in Securities Premium Account. (Refer Schedule 2.)

The total proceeds, over the years were utilized towards liquidation of borrowings from banks, for growth and working capital purposes in the Company as well as newly acquired subsidiaries including process automation and towards expansion of new own centres in strategic metros. A part of the proceeds are placed in a term deposit to be utilized at a future date for specified purposes

10. Based on the resolution for Employee Stock Option Scheme approved by the shareholders on 16th September 2006, 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. As confirmed by the company's legal counsel :

The employees/directors were granted 1,165,000 stock options on 19th March, 2007 effective from 4th May, 2007 post Fringe Benefit Tax clarification. 1,065,000 stock options were issued to eligible employees and 100,000 stock options to Non Executive Directors. 1,065,000 stock options granted to eligible employees have been granted with a vesting schedule comprising 159,750, 213,000, 266,250 and 426,000 options over a vesting period of 12, 24, 36 and 48 months respectively from the grant date and an exercise period of one year from the respective vesting dates. The right to exercise 50% of the vested options shall be subject to the employees continuance of service with the company on the exercise date, 25% of the vested option shall be subject to achievement of KRAs as decided by the Managing Director and balance 25 % of the vested option shall be based on financial performance with reference to budgets. During the year 114,631 options were vested with the employees. The entire 100,000 stock options granted to Non Executive Directors has a vesting period of 12 months from the grant date and an exercise period of one year from the vesting date. The options have been repriced at Rs.113/- as against the formula approved by Shareholders based on the powers given by the Shareholders to the Board to alter, vary and modify the scheme. The stock option discount in the aforesaid scheme, computed as per SEBI guidelines from the date of grant viz 19th March, 2007, is being amortised on a straight line basis over the vesting period. Accordingly, during the year Rs.20,893,985/- (Previous Year Rs.26,488,180/-) being the proportionate net charge of discount for the year, has been included in "Salaries and other allowances" in the schedule of "Payments to and Provisions for Employees" (Schedule "11") as ESOP Compensation Cost. The said cost is net of recoveries of Rs.1,011,357/- (Previous Year Rs.4,970,000/-) made from ESOPs granted to employees of wholly owned subsidiaries. The net reserve as reflected in Schedule "2" under ESOP-2006 scheme is net of ESOP Outstanding account Rs.73,433,659/- (Previous Year Rs.98,180,000/-) and Deferred Employee Compensation Account Rs.27,713,767/- (Previous Year Rs.66,722,000).

During the year, 214,631 options were exercisable against which 88,367 were exercised. Accordingly Rs. 7,643,746/- was transferred from Employee Stock Options Outstanding (ESOP 2006) Account to Securities Premium Account in Schedule "2"

Details of Options Granted, exercised and lapsed	2008	2007
Options granted and outstanding as the beginning of the year	1,135,000	-
Add: Granted during the year	-	1,165,000
Less: Lapsed/Forfeited/Expired during the year	194,869	30,000
Less : Options exercised during the year	88,367	
Options granted and outstanding as the end of the year	851,764	1,135,000
Option Exercisable	125,014	-

*Includes 99,038 (Previous Year 200,000) options granted to employees of Subsidiary companies.

11. Considering the recession and downslide in US ,the management has taken the decision to temporarily discontinue the operations of Aptech Worldwide Corporation with effect from Apr'08 .Pursuant to the intimation to the concerned stakeholders ,the billing operations have been ceased since July'08 and the accounts of the company are prepared taking the same into consideration .

12. (i) During the earlier years, the Parent 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. During the year, there is no movement in the balance outstanding from the Society

(ii) Aptech Training and Education Trust setup in Tamilnadu to which company had advanced Rs. 9,123,807 (Previous Year Rs.9,123,807) in earlier years which are fully provided for.

13. The Company cannot sell, transfer, pledge, hypothecate, encumber or create any third party interest in shares of China JV except as mentioned in joint venture agreement dated 16th February 2000 and the Articles of Association of the said company.

14. In 2007, the Company and Asian Institute of Communication & Research (AICAR) had formed a strategic alliance to create a premier educational institute of world-class quality. The AICAR Business School is a world-class Residential Institute offering Graduate Students and Corporate the opportunity to enhance skills in the research and development of management and communication practices of a standard unparalleled in most other institutes.

The two-year full time Post Graduate Diploma in Management offered by AICAR Business School is approved by the All India Council of Technical Education, New Delhi and is affiliated to the Directorate of Technical Education Board, Government of Maharashtra.

The company has advanced of Rs. 47,084,270 inclusive of interest (Previous Year Rs. 43,100,000) to AICAR.

15. Sundry Debtors and Sundry Creditors are subject to confirmation & reconciliation.
16. Sundry Debtors are net of Rs. 98,018,000/- (Previous year Rs. 128,345,769/-) 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.
17. Out of the dues receivable by the company from one Institutional project which was completed, Rs. 2,925,289 has been held back by the client during the year (Previous year Rs.11,706,819) aggregating to Rs. 151,280,540 (Previous year Rs.148,355,251) towards certain alleged non-fulfillment of the Contract Terms without giving the requisite details. Based on certain details made available, the company has been able to recover an amount of Rs.8,209,608 (Previous year Rs. 9,803,000) aggregating to Rs.27,150,745. Based on prevailing pattern of payments the company estimates that out of the balance dues, a further amount could be held back by the client. The company is in correspondence with the client to obtain the full details and resolve the differences. The company has to recover Rs.101,300,563 over and above the aforesaid penalty.

Further, the company has to recover since long, Rs. 87,133,744 from another institutional client who has held back Rs. 9,029,038 towards certain alleged non fulfillment of contract terms. The company has to recover Rs 78,104,706 over and above the aforesaid penalty. Against the aforesaid receivable, the company has to pay the

business partners Rs. 33,328,337 only on recovery from the project client, after adjustment of penalty attributable to them.

Pending the final outcome of the discussions/ correspondence with the clients, as a measure of abundant caution the company has provided for further rebate of Rs.108,000,000 in current year aggregating to 163,000,000 and has made provision for doubtful debts in earlier years amounts Rs.16,469,000.

18. Related Party Disclosures

a) Names of related parties and description of relation:

i) Company Whose Control Exists : Aptech Investments

Others:

Aptech Employees Stock Option Trust

ii) Key Management Personnel:	
Mr. Pramod Khera	Managing Director
Mr. R. Krishnan	Executive Director

b) Transactions with related parties:

(Rupees)

Nature of Transactions	Company whose control exists (Rupees)	Key Management Personnel (Rupees)	Others (Rupees)	Total (Rupees)
Expenses	-	11,115,331	-	11,115,331
<i>(Previous year)</i>	-	(11,812,989)	-	(11,812,989)

Note:

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

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

(Rupees)

Transaction	Relationship	2008	2007
Expenditure : Remuneration			
Mr.Pramod Khera	Key Management Personnel	8,139,649	8,175,490
Mr.R. Krishnan	Key Management Personnel	2,975,682	3,637,499

19. Earnings per Share:

	2008	2007
(Loss) / Profit after tax attributable to Shareholders (Rupees)	444,399,654	175,484,253
Weighted average number of equity shares Outstanding during the year		
Basic	45,791,667	44,247,648
Diluted	45,982,725	44,822,993
Nominal value of equity shares (Rupees)	10/-	10/-
Basic EPS (Rupees)	9.70	4.15
Diluted EPS (Rupees)	9.66	3.92

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

20. Operating Leases

The maximum obligation on non-cancellable operating lease payable as per the lease agreement is as follows:

(Rupees)

Obligation on non-cancellable operating lease	Year Ended 31st Dec	
	2008	2007
Not later than one year	4,397,316	17,291,383

Later than one year and not later than five years	6,775,060	10,092,375
Later than five years	NIL	NIL

21. Retirement Benefits

A) Defined benefit plan

The amount recognized in the balance sheet in respect of the gratuity:

(Rupees)

	2008	2007
Present value of the defined benefit obligation at the end of the period	19,927,381	18,604,917
Fair value of the plan assets	9,988,181	8,727,848
Net Liability / (Assets)	9,939,200	9,877,069

The amount recognized in salary and employee benefits in the profit & loss account as follows in respect of the gratuity:

(Rupees)

	2008	2007
Current Service Cost	3,860,486	3,873,199
Interest on defined benefit obligation	1,364,764	1,334,957
Expected return on plan assets	(698,228)	706,924
Net actuarial (Gain)/ Loss on plan Assets	1,943,636	(407,086)
Net Gratuity Cost	6,470,658	2,585,585

Actual Return on plan assets:

(Rupees)

	2008	2007
Expected Return on plan assets	698,228	706,924
Acturial Gain / (Loss) on plan assets	(1,206,514)	1,166,923
Actual return on plan assets	(508,286)	1,873,847

Reconciliation of present value of the obligation and the fair value of the Plan assets

(Rupees)

	2008	2007
Opening defined benefit obligation as on 1.1.2008	18,196,856	17,799,423
Current Service Cost	3,860,486	3,873,249
Interest cost	1,364,764	1,334,957
Actuarial (Gain)/ Loss	737,122	(748,776)
Benefit Paid	(4,231,847)	(3,653,938)
Closing defined benefit obligation as on 31.12.2008	19,927,381	18,604,917

Change in fair value plan assets

(Rupees)

	2008	2007
Fair value of the plan assets at the beginning of the period	8,727,848	8,836,550
Expected return on plan assets for the period	698,228	706,924
Contributions during the period	6,000,466	1,671,389
Benefits paid during the period	(4,231,847)	(3,653,938)
Actuarial Gain / (Loss) on plan assets	(1,206,514)	1,166,923
Fair value of the plan assets at the end of the period	9,988,181	8,727,848

Principal Actuarial Assumptions at the balance sheet date 31.12.2008

	2008	2007
Discount Rate	7.50%	7.50%
Estimated rate of return on plan assets	8.00%	8.00%
Rate of Salary Growth	6.25%	6.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors.

General description of the fair value of the plan

Gratuity liability under the Payment of Gratuity Act, 1972 is accrued on actuarial valuation and funded through group gratuity scheme of the holding company administered by ICICI Prudential Life Insurance Company Limited

None of the foreign subsidiary or JV has any defined benefit plans for the employees

The amount recognized in the balance sheet in respect of the Leave Encashment:

(Rupees)

	2008	2007
Present value of the defined benefit obligation at the end of the period	8,284,541	10,767,605
Fair value of the plan assets	-	-
Net Liability / (Assets)	8,284,541	10,767,605

The amount recognized in salary and employee benefits in the profit & loss account as follows in respect of the :

(Rupees)

	2008	2007
Current Service Cost	1,308,543	2,299,118
Interest on defined benefit obligation	774,340	563,151
Expected return on plan assets		
Net actuarial (Gain)/ Loss on plan Assets	(2,170,186)	(1,145,931)
Net Gratuity Cost	(87,303)	1,716,334

Reconciliation of present value of the obligation

(Rupees)

	2008	2007
Opening defined benefit obligation as on 1.1.2008	10,324,532	10,011,581
Current Service Cost	1,308,543	2,299,118

Interest cost	774,340	563,151
Actuarial (Gain)/ Loss	2,170,186	(1,145,935)
Benefit Paid	(1,952,688)	(959,310)
Closing defined benefit obligation as on 31.12.2008	8,284,541	10,768,605

Principal Actuarial Assumptions at the balance sheet date 31.12.2008

	2008	2007
Discount Rate	7.50%	7.50%
Estimated rate of return on plan assets	0.00%	0.00%
Rate of Salary Growth	6.25%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors, such as supply & demand in the employment market.

B) Defined Contribution Plan –

Amount recognized as an expense and included in the Schedule 11 - “Contribution to Provident & Other Funds” – Rs.46,111,613/- (Previous Year 34,216,017/-).

22. (a) **Deferred Tax Asset/(Liability) at the period end comprise timing difference on** account of
(In Rupees)

Particulars	Consolidated Amount As on December 31, 2008	Consolidated Amount As on December 31, 2007
Deferred Revenue (China JV)	62,474,173	22,634,665
Property and Equipment (China JV)	3,868,329	3,866,221
Intangible Assets (China JV)	5,105,030	2,856,935
Advertising expenses carry forward (China JV)	17,640,045	-
Carried forward Unabsorbed Depreciation	103,856,768	-
Carry Forward Capital Loss	73,433,588	-
Provision For Bad Debts	43,112,039	-

Particulars	Consolidated Amount	Consolidated Amount
	As on December 31, 2008	As on December 31, 2007
Total Deferred Tax Asset (A)	309,489,972	29,357,821
Related to Fixed Assets	-	998,868
Expenditure/provisions	-	(147,523)
Total Deferred Tax Liability (B)	-	851,346
Net Deferred Tax Asset (A-B)	309,489,972	28,506,475

Deferred Tax Asset are not recognized on Losses and unabsorbed depreciation in certain subsidiaries out of prudence.

(b)The China JV being a new technology enterprise located in new technology zone is entitled for concessional rates of tax as under:

Year	Tax incentive programme	Effective tax rate
2002	Exempted from income tax	-
2003 & 2004	50% reduction of tax rate	7.5%
2005 & 2006	Incentive tax rate	15%
2007 & 2008	Normal Rate	25%

23. Segmental Report for the year of the group is as under-

Primary Segment information : Business Segment

(Rupees)

Particulars	2008				2007			
	Business Segments		Unallocable	Total	Business Segments		Unallocable	Total
	Retail	Institutional			Retail	Institutional		
Revenue								
Income from Segment	2,290,015,972	480,356,635	12,428,196	2,782,800,803	1,578,434,220	590,493,317	124,991	2,169,052,528
Results before Interest and Tax and Exceptional Items	826,689,906	(84,299,301)	(239,178,662)	503,211,943	587,504,822	(166,609,617)	(179,795,545)	241,099,660
Less: Interest Expenses and Finance Charges	1,779,001	2,268,378	(2,171,946)	1,875,433	2,463,355	12,753,052	5,434,691	20,651,098
Profit before Tax and Exceptional Items	824,910,904	(86,567,679)	(237,006,717)	501,336,510	585,041,466	(179,362,669)	(185,230,236)	220,448,561
Exceptional Items								
REINSTATEMENT OF CHINA JV PROFITS				-	(70,570,541)			(70,570,541)
LOSS ON SALE OF STAKE IN SUBSIDIARY			41,721,538	41,721,538				-
Provision for Diminution in Investment				-				-
Impairment of Fixed Assets				-				-
Provision for Rebate	30,000,000	78,000,000		108,000,000				-
Provision no longer required written back	(2,021,483)	(9,186,390)	(3,936,755)	(15,144,628)	(13,460,773)	(541,704)	(2,055,984)	(16,058,460)
Profit / (Loss) before Tax	796,932,388	(155,381,289)	(274,791,500)	366,759,600	527,931,698	(178,820,965)	(183,174,252)	165,936,480
Less : Provision for Current tax (net of write back)	137,850,633	109,318	(213,375,208)	(75,415,257)	(10,203,408)	3,776,709	6,615,000	188,301
Less: TRANSFER TO GOODWILL							(3,628,336)	(3,628,336)
Less : MINORITY INTEREST		(2,224,798)		(2,224,798)		(6,107,729)		(6,107,729)
Profit / (Loss) after Tax	659,081,754	(153,265,809)	(61,416,292)	444,399,654	538,135,106	(176,489,945)	(186,160,916)	175,484,245
Other Information								
Carrying amount of Segment Assets	2,247,921,262	351,290,560	895,428,233	3,494,640,055	1,080,009,342	656,044,984	433,274,814	2,169,329,140
Carrying amount of Segment Liabilities	606,089,558	77,054,617	64,403,849	747,548,024	271,961,414	119,663,758	61,133,851	452,759,023
Capital Expenditure	100,579,026	20,685,507	76,102,288	197,366,821	87,592,705	32,621,401	53,615,000	173,829,106
Depreciation / Amortization	59,429,861	73,127,282	40,982,601	173,539,744	37,249,866	87,590,161	30,294,202	155,134,229
Significant Non- Cash Expenditure	87,276,087	16,309,225	20,893,985	124,479,297	250,000	5,262,965	26,575,316	32,088,281
(ESOP,BAD DEBTS)								

Notes :

1) The Company has identified Business Segments as the primary segment. Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system.

Secondary Segment information : Geographical segment

Particulars	2008			2007		
	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	1,325,476,466	1,776,982,627	183,580,626	1,169,425,713	1,372,608,980	164,450,468
Outside India	1,457,324,337	1,717,657,428	13,786,195	999,626,813	796,720,159	9,378,639

24. Some of the subsidiaries and China JV follow different accounting policies, 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 CFS 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 Policies		2008		2007	
	Company	Subsidiaries	Amount	Proportion	Amount	Proportion
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 some items	Depreciation on fixed assets is provided on Written Down value Method	1,592,794	0.21%	1,557,069	0.14%
Fixed Assets	Different Useful Life estimated for some assets	Gross Block - Different Useful Life estimated for some assets	78,838,613	6.21%	65,660,474	3.94%
Inventory Valuation	Inventory of educational course material is valued at cost or net realizable value whichever is lower. Cost determined based on weighted average	Cost determined on FIFO assumption	17,742,047	45.74%	11,559,591	37.45%
Deferred Tax Asset	Creation of deferred tax assets only after satisfying reasonable certainty or virtual certainty, as the case may be	Creation of Deferred Tax Asset is considered if it is more likely than not, that such assets would be realised	89,087,577	28.79%	29,357,821	100%

25. (A) Managerial remuneration under section 198 of the Companies Act 1956 :

(Rupees)

Particulars	2008 Rupees		2007 Rupees	
	MD	ED (upto 23.10.2008)	MD	ED
Salaries and Allowances	7,569,392	2,768,488	7,347,690	3,326,737
Contribution to Provident and other funds	570,257	207,194	827,800	310,762
	8,139,649	2,975,682	8,175,490	3,637,499

Notes:

- i) The computation of Net Profits under section 349 of the Companies Act, 1956 is not given since no commission is payable to any director.
- ii) In determination of Managerial remuneration, certain perquisites have been valued in accordance with Income Tax Act, 1961.
- iii) The above figures Excludes Gratuity liability.
- iv) The company has applied to the Central government for approval under schedule XIII for waiver of excess remuneration paid for the current year Rs 5,169,392/- (Previous Year Rs 5,087,401/-) to the Managing Director & Rs 768,488/- (Previous Year Rs.1,226,737/-) to the Executive Director.
- v) Under the Employee Stock Option Scheme 2006, MD & ED Mr. Pramod Khera & Mr. R. Krishnan were issued grant letters dated May 4, 2007 for 265,000 & 50,000 stock options respectively , which are exercisable @ Rs.113/- per Option. These Options are linked to performance and have been issued with a vesting schedule spread over 4 years wherein the vesting period extends upto 12, 24, 36 and 48 months respectively from the grant date and the exercise period is one year from the respective vesting date of the qualified vested options.

During the Year 30,000 & 4,813 ESOPs of MD & ED respectively, were exercised and converted to shares.

- (B) Some of the subsidiaries have paid Remuneration to Directors who in the opinion of the Company, do not wield as much powers of management of the affairs of the Company or of a particular function to be considered as a whole time Director. The employment of the director with the Company does not arise due to his position as a director, being an independent position. Hence in the Company's opinion, it is not required to comply with the provisions of the Companies Act, 1956 pertaining to remuneration limits of director and disclosure thereof, etc
The company has relied upon an expert legal opinion obtained in this regard and also the latest circular (no.16/39/CL-1-111/85 dated 26th June 1987) issued by the Department of Company Affairs

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

For and on behalf of

For and on behalf of the Board of Directors

KHIMJI KUNVERJI & CO.

Chartered Accountants

Shivji K. Vikamsey

Partner

Membership No. 2242

Place: Mumbai

Date : August 10, 2009

Ninad Karpe

(Managing Director)

T.K Ravishankar

(Executive Vice President & CFO)

C.Y Pal

(Vice Chairman)

Ketan Shah

(Company Secretary)