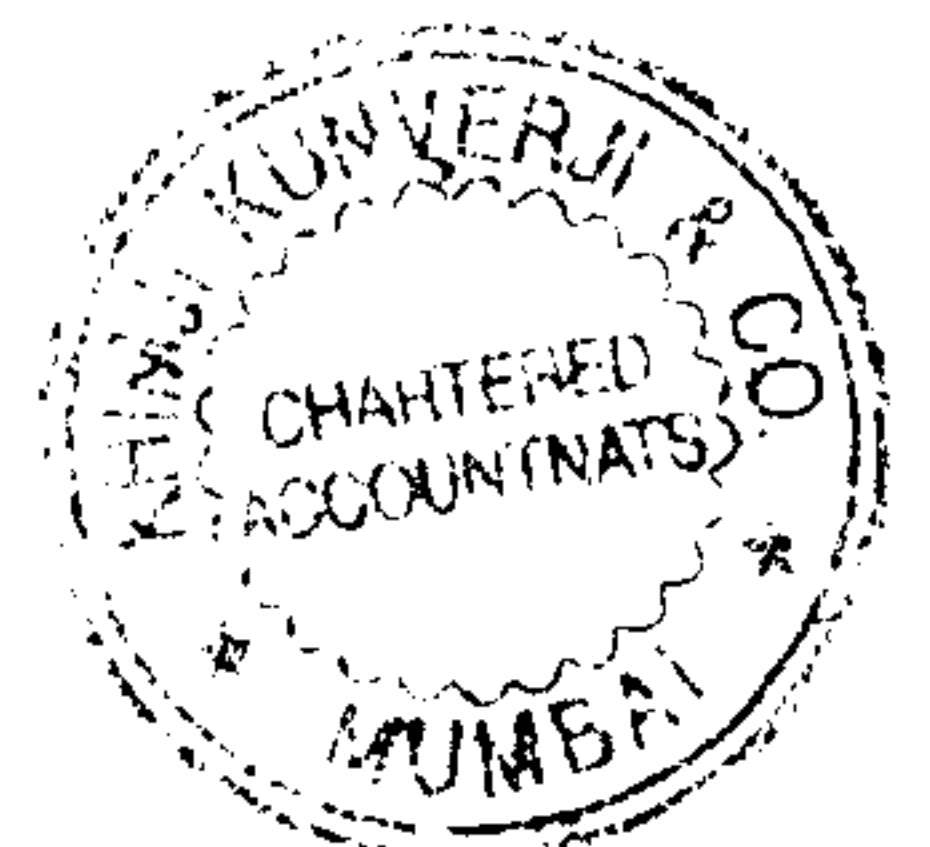




AUDITORS' REPORT

To The Shareholders of ATTEST TESTING SERVICES LIMITED

1. We have audited the attached Balance Sheet of **ATTEST TESTING SERVICES LIMITED** as at March 31, 2011, and also the Profit and Loss account and the 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 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) (hereinafter referred to as "the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter 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.
4. *As mentioned in note number B 2 of Schedule 11 of Notes to Accounts, the accounts of the company have been prepared on a going concern basis, which in view of the heavy losses incurred and erosion of net worth is dependent on future profitability and availability of continued finance from Holding company.*
5. Further to our comments in the annexure referred to in para 3 above and Subject to our comments in para 4 above, the effect of which could not be determined, 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 it 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 section 211 (3C) of the Act;
 - v. On the basis of the written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of section 274 (1)(g) of the Act;
 - vi. 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



Khimji Kunverji & Co

(Registered)


Chartered Accountants

Mumbai • Kandla • Bangalore • Jabalpur



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 March 31, 2011;
- b) In the case of the Profit and Loss account, of the Profit of the Company for the year ended on that date; and
- c) In the case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.


For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Firm Registration No.105146W


RV Chaniyari
Partner (F-31083)

Mumbai,
Dated: May 30, 2011

Annexure to Auditors' Report

Re: **ATTEST TESTING SERVICES LIMITED**

(Referred to in paragraph 3 of our report of even date)

i. In respect of its Fixed Assets:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification

(c) The Company has not disposed off a substantial part of its Fixed Assets during the year.

ii. According to the information and explanation given to us, the company does not maintain stock of inventory and hence clause (ii) of the order is not applicable.

iii. According to the information and explanation given to us, the company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act hence clause (iii) of the order is 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 fixed assets and sale of services. No major weakness has been noticed in the internal control system in respect of purchase of fixed assets.

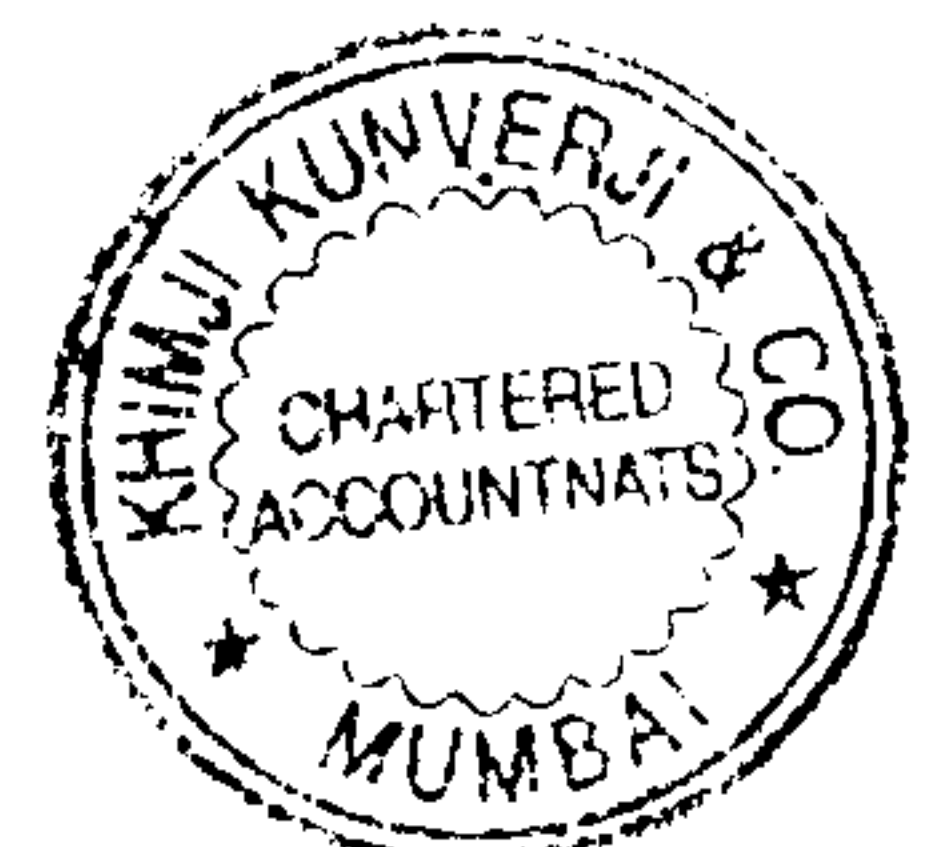
v. Based on the audit procedures applied and according to the information and explanations provided by the management, there are no transactions that need to be entered in the register maintained under section 301 of the Act, hence clause 4(v)(b) of the Order is not applicable to the company.

vi. The company has not accepted deposits from the public, and hence the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act, are not applicable, to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

vii. According to the information and explanations given to us, no internal audit has been conducted during the Financial Year.

viii. Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act; as a result such accounts and records have not been made and maintained.

ix. In our opinion and according to the information and explanations given to us in respect of statutory and other dues,



(a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, cess and other material statutory dues with the appropriate authorities during the year, where applicable. We are informed that during the year the company is not liable for Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Investor Education & Protection Fund. There were no arrears as at March 31, 2011 for a period of more than six months from the date they become payable.

(b) According to information and explanations given to us there are no dues of Income tax/ Service Tax / Provident Fund and cess which have not been deposited with the appropriate authorities on account of any dispute other than as follows:

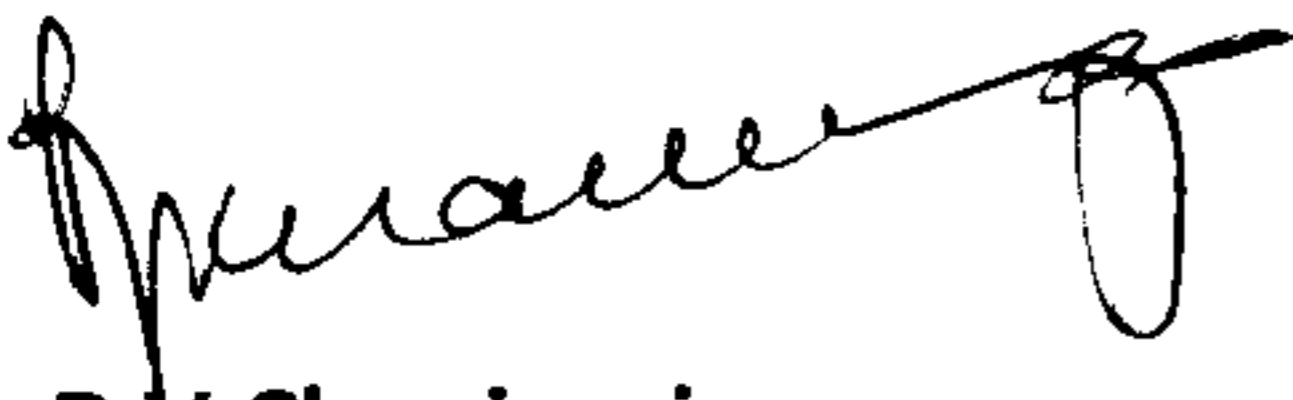
| Name of Statute | Nature of dues | Amount (In Rs.) | Period to which the amount relates | Forum where dispute is pending |
|---------------------------------|----------------|-----------------|------------------------------------|--|
| Finance Act, 1994 (Service Tax) | Service Tax | 2,081,670 | Jan, 2005 – Oct, 2006 | Custom Excise And Service Tax Appellate Tribunal |

- x. The Company has accumulated losses at the end of the financial year in excess of 50% of its net worth. The Company has not incurred cash losses in the current year and has also not incurred cash losses in the immediately preceding financial year
- xi. According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders
- xii. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- 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 Order are not applicable to the company.
- xv. In our opinion, the terms and conditions on which the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the company has not taken any term loans
- xvii. According to the information and explanations given to us and on 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. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.



- xix. According to the information and explanations given to us during the period covered by our audit report, the company had not issued any debentures.
- xx. According to the information and explanations given to us, the company has not raised any money through public issue
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor we have been informed of such case by the management

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Firm Registration No. 105146W

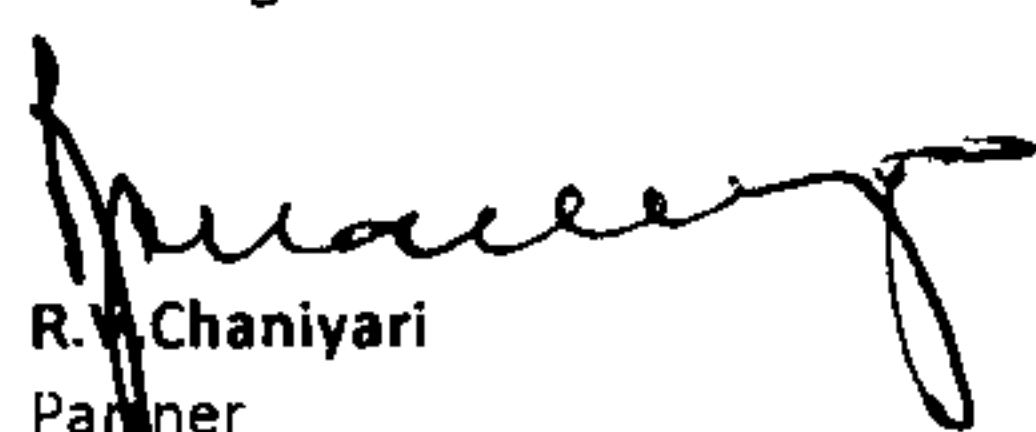

R V Chaniyari
Partner (F-31083)

Mumbai,
Dated: May 30, 2011


| PARTICULARS | SCHEDULE | As at | | As at | |
|--|----------|------------------|-------------------|------------------|--------------------|
| | | 31st March 2011 | | 31st March 2010 | |
| SOURCES OF FUNDS: | | | | | |
| SHARE HOLDERS' FUNDS | | | | | |
| SHARE CAPITAL | 1 | 828,410 | | 828,410 | |
| | | | 828,410 | | 828,410 |
| LOAN FUNDS | | | | | |
| UNSECURED LOANS | | | | | |
| Loans from Holding Company | | 77,228,994 | | 101,283,008 | |
| | | | 77,228,994 | | 101,283,008 |
| TOTAL FUNDS EMPLOYED | | | 78,057,404 | | 102,111,418 |
| APPLICATION OF FUNDS: | | | | | |
| FIXED ASSETS | | | | | |
| GROSS BLOCK | 2 | 35,939,299 | | 34,891,020 | |
| LESS: ACCUMULATED DEPRECIATION | | (32,793,649) | | (27,980,686) | |
| NET BLOCK | | 3,145,650 | | 6,910,334 | |
| ADD : CAPITAL WORK-IN -PROGRESS | | 104,000 | | 104,000 | |
| | | | 3,249,650 | | 7,014,334 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | | | |
| SUNDRY DEBTORS | | | | | |
| CASH AND BANK BALANCES | 3 | 14,759,098 | | 11,603,019 | |
| LOANS AND ADVANCES | | 13,558,428 | | 7,565,048 | |
| | | 31,970,023 | | 29,269,398 | |
| | | | 60,287,549 | | 48,437,465 |
| LESS: | | | | | |
| CURRENT LIABILITIES AND PROVISIONS | | | | | |
| LIABILITIES | 4 | 23,169,348 | | 18,898,758 | |
| PROVISIONS | | 2,251,514 | | 2,059,670 | |
| | | 25,420,862 | | 20,958,428 | |
| NET CURRENT ASSETS | | | 34,866,687 | | 27,479,037 |
| PROFIT AND LOSS ACCOUNT BALANCE | | | | | |
| | | | 39,941,067 | | 67,618,047 |
| TOTAL FUNDS UTILISED | | | 78,057,404 | | 102,111,418 |
| Significant Accounting Policies and Notes on Accounts | | | | | |
| | 11 | | | | |

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
Firm Registration No.105146W


R. Chaniyari
Partner
Place : Mumbai
Date : 30th May'2011

For and on behalf of the Board of Directors


T. K. RAVISHANKAR
Director


AJAY OBEROI
Director





ATTEST TESTING SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2011

Amount in Rupees

| PARTICULARS | SCHEDULE | For the year ended | | For fifteen months ended | |
|---|----------|--------------------|--------------|--------------------------|--------------|
| | | 31-Mar-2011 | | 31-Mar-2010 | |
| INCOME | | | | | |
| INCOME FROM OPERATIONS | 5 | 120,624,336 | | 124,124,279 | |
| OTHER INCOME | 6 | 1,513,821 | | 381,779 | |
| | | | 122,138,157 | | 124,506,058 |
| EXPENDITURE | | | | | |
| TRAINING & EDUCATION EXPENSES | 7 | 49,192,870 | | 61,329,289 | |
| PAYMENTS TO AND PROVISION FOR EMPLOYEES | 8 | 30,889,757 | | 41,582,788 | |
| ADMINISTRATION AND OTHER EXPENSES | 9 | 9,559,731 | | 11,899,564 | |
| INTEREST AND FINANCE EXPENSES (Net) | 10 | 59,275 | | 64,206 | |
| DEPRECIATION AND AMORTISATION | 2 | 4,759,544 | | 11,151,888 | |
| | | | 94,461,177 | | 126,027,735 |
| PROFIT/(LOSS) BEFORE TAX | | | 27,676,980 | | (1,521,677) |
| PROVISION FOR TAXATION - FRINGE BENEFIT TAX | | | - | | 48,500 |
| PROFIT/(LOSS) AFTER TAX | | | 27,676,980 | | (1,570,177) |
| PROFIT/LOSS BROUGHT FORWARD FROM PREVIOUS YEAR | | | (67,618,047) | | (66,047,870) |
| BALANCE CARRIED TO BALANCE SHEET | | | (39,941,067) | | (67,618,047) |
| EARNING PER SHARE (Refer Note no. 7 of schedule 11B) - BASIC / DILUTED | | | 334.10 | | (18.95) |
| Significant Accounting Policies and Notes on Accounts | 11 | | | | |

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
Firm Registration No.105146W

For and on behalf of the Board of Directors

T. K. Ravishankar

T. K. RAVISHANKAR
Director

Ajay Oberoi

AJAY OBEROI
Director

R.V. Chaniyari

R.V. Chaniyari
Partner
Place : Mumbai
Date : 30th May'2011



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| PARTICULARS | FOR THE PERIOD ENDED 31st MARCH 2011 | | FOR FIFTEEN MONTHS ENDED 31st MARCH 2010 | |
|--|---|--------------|---|--------------|
| | RUPEES | RUPEES | Rupees | Rupees |
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| NET PROFIT / (LOSS) BEFORE TAX | | 27,676,980 | | (1,521,677) |
| Adjustments | | | | |
| Loss/(Profit) due to discardation of Fixed assets | | | (255,368) | |
| Warrants Written Back | | | - | |
| Employee Stock Compensation Credit (Erstwhile Aptech Scheme) | | | - | |
| Employee Stock Compensation Net Charge (2004 Scheme) | | | - | |
| Depreciation and Amortisation | 4,759,544 | | 11,151,888 | |
| Fixed Assets Written off | | | - | |
| Provision for advances to Aptech Education Socieity | | | - | |
| Interest and Finance Costs | 59,275 | | 64,206 | |
| Interest Income | (1,413,821) | | - | |
| Unrealised Exchange Loss | | | - | |
| Dividend on Long Term Investments | | | - | |
| Provision for doubtful debts | 366,509 | | - | |
| Provision for Gratuity written back | | | - | |
| ESOP Expenses | (246,863) | | 119,619 | |
| | | 3,524,644 | | 11,080,345 |
| Operating Profit Before Working Capital Changes | | 31,201,624 | | 9,558,668 |
| Adjustments for : | | | | |
| Decrease / (Increase) in trade and other receivables | (3,522,589) | | 1,834,927 | |
| Decrease / (Increase) in Loans and Advances | (2,700,625) | | (5,895,399) | |
| (Decrease) / Increase in other payables | 4,462,435 | | (6,666,986) | |
| | | (1,760,779) | | (10,727,458) |
| Cash From / (used) in Operating Activities | | 29,440,845 | | (1,168,790) |
| Interest Received | | | | |
| Wealth Tax Paid (Net) | | | | |
| Dividend Tax paid | | | | |
| Income Tax / Fringe Benefit Tax Paid | | | (48,500) | |
| | | | | (48,500) |
| Net Cash From / (used) in Operating Activities | | 29,440,845 | | (1,217,290) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (994,860) | | (1,468,815) | |
| Part payment towards Purchase of Training and Education Business | | | | |
| Sale of Fixed Assets | | | | |
| Loans and Advances to Subsidiary Companies | | | | |
| Investments in Shares of Subsidiary Companies | | | | |
| Dividend Received | | | | |
| Int. received | 1,413,821 | | 624,386 | |
| Sale of Fixed Assets | | | | |
| Net Cash used in Investing Activities | | 418,961 | | (844,429) |
| (C) CASH FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of Share Capital/ESOP | 246,863 | | | |
| Proceeds from issue of Warrants | | | | |
| Proceeds from issue of Shares at Premium | | | 116,573,422 | |
| Proceeds from holding company | | | | |
| Repayments of Borrowings | (24,054,014) | | (107,500,007) | |
| Dividend paid during the year | | | | |
| Bank charges paid | (59,275) | | (64,206) | |
| Net Cash from Financing Activities | | (23,866,426) | | 9,009,209 |
| Net (Decrease) / Increase in Cash & Cash equivalents | | 5,993,380 | | 6,947,490 |
| Cash & Cash equivalents at the beginning of the year | | 7,565,049 | | 617,559 |
| Cash & Cash equivalents at the end of the year | | 13,558,428 | | 7,565,049 |
| | | 5,993,380 | | 6,947,490 |

Notes:

- Cash and Cash equivalence includes
 - Cash
 - Balance with banks

| | |
|-------------------|------------------|
| 13,558,428 | 7,565,049 |
| <u>13,558,428</u> | <u>7,565,049</u> |

2. The previous year's figures have been regrouped / rearranged to confirm to the current year's presentation, whenever necessary.

As per our report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
 Chartered Accountants
 Firm Registration No.105146W

For and on behalf of the Board of Directors

T. K. RAWSHANKAR
 T. K. RAWSHANKAR
 Director

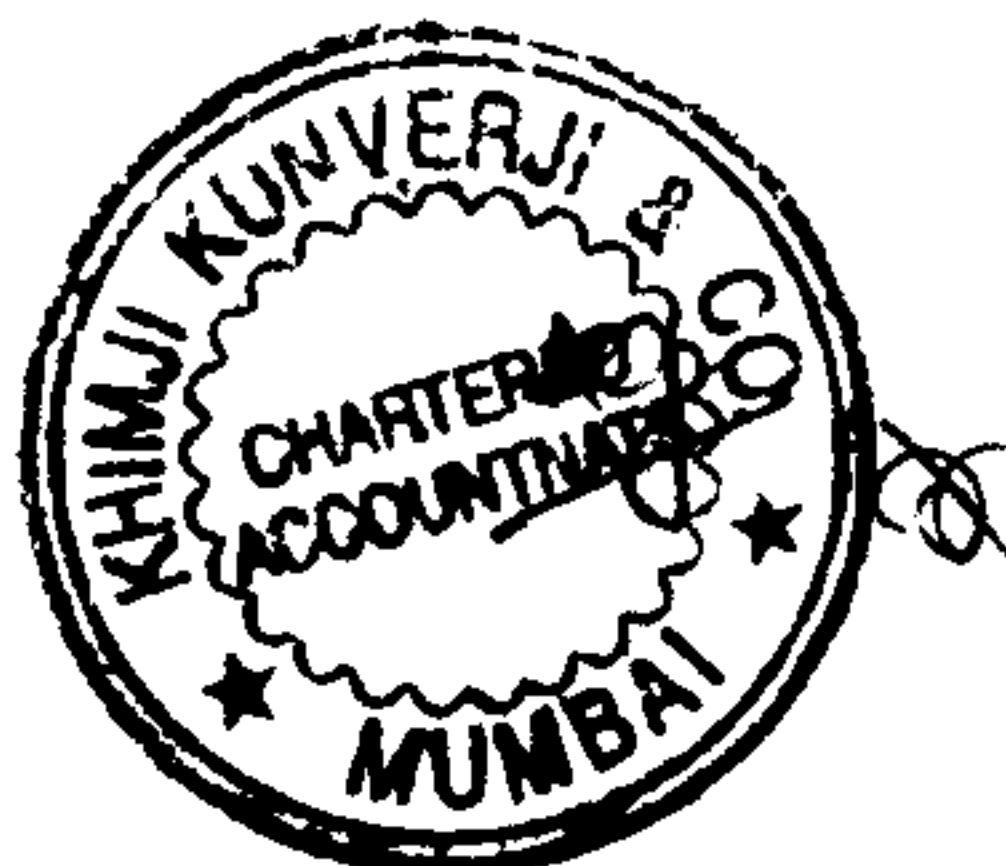
AJAY OBEROI
 AJAY OBEROI
 Director

V. Chaniyari
 V. Chaniyari
 Partner
 F-31083
 Place : Mumbai
 Date : 30th May'2011

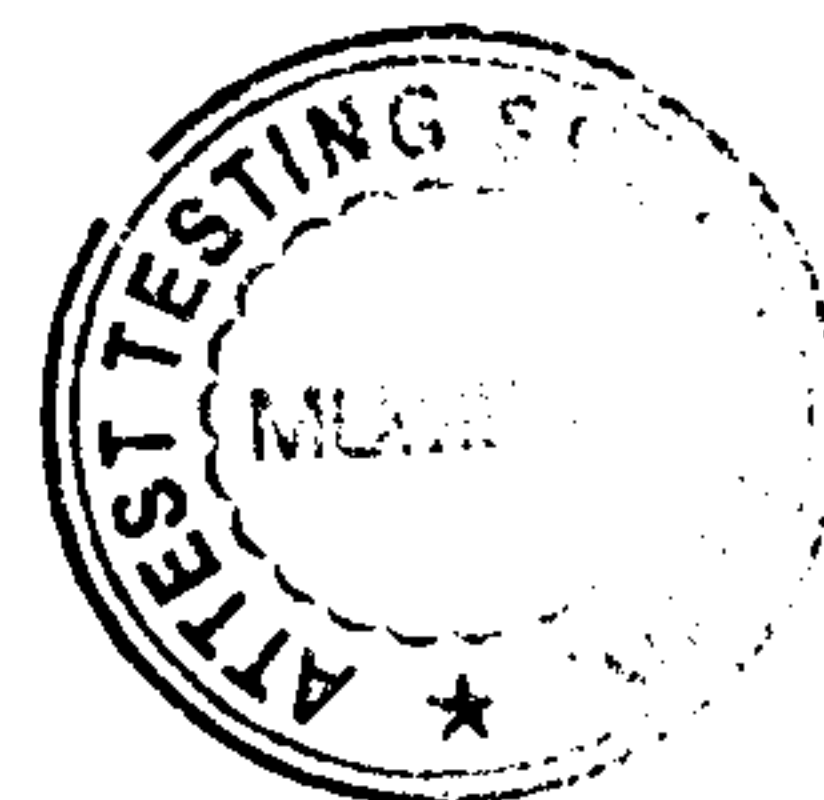
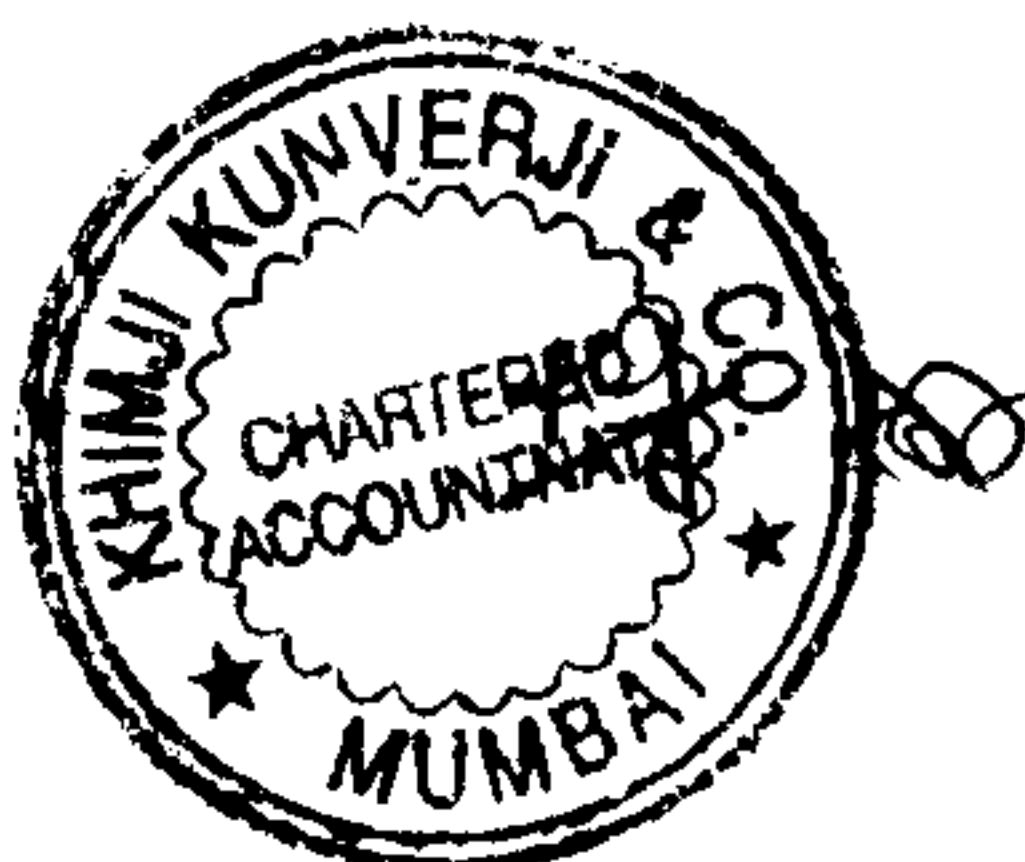


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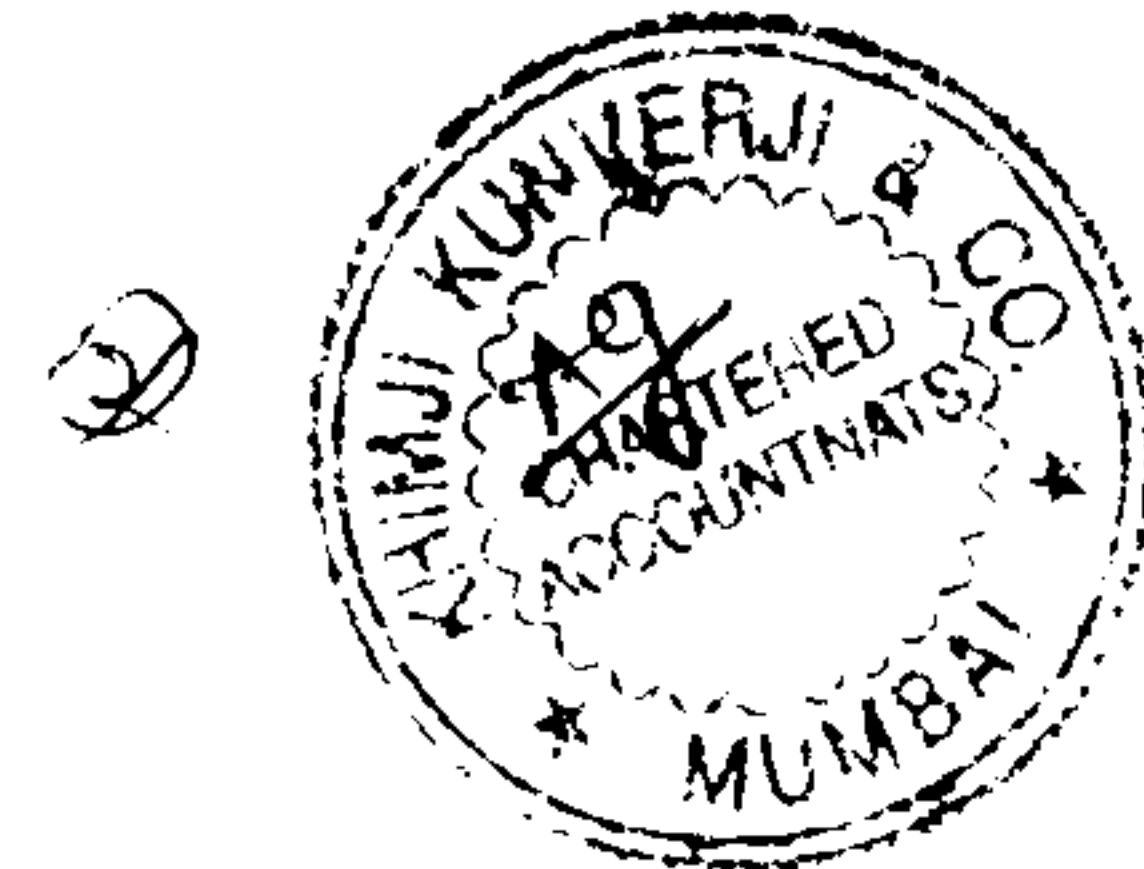
| PARTICULARS | As at 31st March 2011 | | As at 31st MARCH 2010 | |
|--|--|------------|---|------------|
| | SCHEDULE '1' - SHARE CAPITAL | | | |
| AUTHORISED 100,000 EQUITY SHARES OF RS. 10/- EACH | | 1,000,000 | | 1,000,000 |
| | | 1,000,000 | | 1,000,000 |
| ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 82,841 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP (All shares are held by the holding company Aptech Limited) | | 828,410 | | 828,410 |
| | | 828,410 | | 828,410 |
| SCHEDULE '3' - CURRENT ASSETS | | | | |
| SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD EXCEPT OTHERWISE STATED) DUE FOR PERIOD EXCEEDING SIX MONTHS OTHER DEBTS | 14,892,948 201,323 | | - 1,084,270 11,571,689 | |
| | 15,094,271 | | 12,655,959 | |
| LESS : PROVISION FOR DOUBTFUL DEBTS | 335,173 | | 1,052,940 | |
| | | 14,759,098 | | 11,603,019 |
| CASH AND BANK BALANCES CASH IN HAND BANK BALANCES BALANCES WITH SCHEDULED BANKS i) CURRENT ACCOUNTS ii) DEPOSIT ACCOUNTS | 11,952,996 1,605,432 | 13,558,428 | 7,534,988 30,060 | 7,565,048 |
| LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD EXCEPT OTHERWISE STATED) TO OTHERS PREPAID EXPENSES DEPOSITS LOANS TO FELLOW SUBSIDIARY-(Refer Notes No. 15 of Sch. 11B) ADVANCE PAYMENT OF INCOME TAX / FRINGE BENEFIT TAX | 1,024,111 1,943,851 160,000 - 28,842,061 | | 1,020,321 1,638,279 29,000 979,791 25,602,007 | |
| | | 31,970,023 | | 29,269,398 |
| SCHEDULE '4' - CURRENT LIABILITIES AND PROVISIONS | | | | |
| CURRENT LIABILITIES SUNDRY CREDITORS: ** a. TOTAL OUTSTANDING DUES OF MICRO & SMALL ENTERPRISES (REFER NOTE NO. 14 OF SCHEDULE B IN NOTES TO ACCOUNTS) b. OTHERS | - 9,872,465 | | | 8,983,824 |
| ADVANCES FROM CUSTOMERS FRANCHISEE/OTHER DEPOSITS OTHER LIABILITIES | 7,702,661 340,000 5,254,222 | | 7,733,619 260,000 1,921,315 | |
| | | 23,169,348 | | 18,898,758 |
| PROVISIONS FOR INCOME TAX / FRINGE BENEFIT TAX / WEALTH TAX LEAVE ENCASHMENT GRATUITY | 760,476 772,576 718,462 | | 760,475 614,112 685,083 | |
| | | 2,251,514 | | 2,059,670 |
| | | 25,420,862 | | 20,958,428 |



| PARTICULARS | For the period from 01-April-2010 to 31-Mar-2011 | | For the year ended 31-Mar-2010 | |
|--|---|-------------|-----------------------------------|-------------|
| | | | | |
| SCHEDULE '5' - INCOME FROM OPERATIONS | | | | |
| TRAINING AND EDUCATION INCOME Income from Testing Services Operations | | 120,624,336 | | 124,124,279 |
| | | 120,624,336 | | 124,124,279 |
| SCHEDULE '6' - OTHER INCOME | | | | |
| Profit on sale of Fixed Assets | | - | | 255,368 |
| Other Interest | | 1,413,821 | | 11,410.60 |
| Renewal Fee | | 100,000 | | 115,000 |
| | | 1,513,821 | | 381,779 |
| SCHEDULE '7' - TESTING EXPENSES | | | | |
| TEST EXECUTION CHARGES | | 48,185,632 | | 59,676,165 |
| PROFESSIONAL CHARGES | | 1,004,104 | | 534,754 |
| EDUCATION, TRAINING & OTHER EXPENSES | | 3,134 | | 1,118,370 |
| | | 49,192,870 | | 61,329,289 |
| SCHEDULE '8' - SALARIES AND EMPLOYEE BENEFITS (payments to & provision for employees) | | | | |
| SALARY AND OTHER ALLOWANCES | | 29,366,289 | | 39,049,449 |
| CONTRIBUTION TO PROVIDENT AND OTHER FUNDS | | 1,104,698 | | 1,835,815 |
| STAFF WELFARE EXPENSES | | 665,633 | | 577,905 |
| ESOP COMPENSATION COST (Net) | | (246,863) | | 119,619 |
| | | 30,889,757 | | 41,582,788 |
| SCHEDULE '9' - ADMINISTRATION AND OTHER EXPENSES | | | | |
| RENT | | 958,011 | | 2,533,337 |
| RATES AND TAXES | | 194,391 | | 280,213 |
| TRAVELLING AND CONVEYANCE EXPENSES | | 2,805,400 | | 1,986,367 |
| ELECTRICITY CHARGES | | 742,594 | | 1,285,645 |
| COMMUNICATION EXPENSES | | 547,701 | | 1,113,376 |
| REPAIRS AND MAINTENANCE | | - | | 1,258 |
| - BUILDINGS | | - | | 81,296 |
| - COMPUTERS | 26,593 | - | | - |
| - OTHERS | 320,312 | 346,905 | 400,107 | 482,661 |
| PRINTING & STATIONERY | | 129,289 | | 191,034 |
| AUDIT FEES | | 236,264 | | 218,750 |
| STAMP DUTY AND FILING FEES | | 1,350 | | 9,300 |
| SECURITY & HOUSEKEEPING CHARGES | | 418,934 | | 535,600 |
| MARKETING EXPENSES | | 522,964 | | 446,451 |
| FOREIGN EXCHANGE LOSS / (GAIN) | | (956) | | 187,050 |
| INSURANCE CHARGES | | 9,455 | | 20,501 |
| PROFESSIONAL FEES | | 78,434 | | 232,808 |
| PROV FOR BAD DEBTS | | 366,509 | | 351,940 |
| MANAGEMENT EXPENSES ON ADMIN | | 2,089,505 | | 1,925,810 |
| MISCELLANEOUS EXPENSES | | 112,981 | | 98,720 |
| | | 9,559,731 | | 11,899,564 |
| SCHEDULE '10' - INTEREST AND FINANCE EXPENSES | | | | |
| BANK CHARGES & COMMISSION | | 59,275 | | 64,206 |
| | | 59,275 | | 64,206 |



| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION AND AMORTISATION | | | | NET BLOCK | |
|--------------------------|-------------------|------------------|----------------------------|-------------------|-------------------------------|------------------|----------------------------|-------------------|---------------------|---------------------|
| | As at 31.3.2010 | Additions | Deductions/ Adjustments | As at 31.03.2011 | As at 31.3.2010 | For the year | Deductions/ Adjustments | As at 31.03.2011 | As at 31.03.2011 | As at 31.03.2010 |
| Computer Hardware | 6,400,149 | 959,540 | | 7,359,689 | 5,667,517 | 635,535 | (53,419) | 6,356,473 | 1,003,216 | 732,632 |
| Office equipment | 1,578,669 | 21,239 | | 1,599,908 | 943,145 | 41,573 | | 984,718 | 615,190 | 635,524 |
| Electrical fittings | 2,310,074 | | | 2,310,074 | 2,139,159 | 73,467 | | 2,212,626 | 97,448 | 170,915 |
| Furniture and Fixtures | 3,651,508 | | | 3,651,508 | 3,004,735 | 166,475 | | 3,171,210 | 480,298 | 646,772 |
| Vehicles | 844,406 | | | 844,406 | 667,815 | 176,591 | | 844,406 | - | 176,591 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 20,106,215 | 67,500 | | 20,173,715 | 15,558,315 | 3,665,903 | | 19,224,217 | 949,497 | 4,547,899 |
| TOTAL | 34,891,020 | 1,048,279 | - | 35,939,299 | 27,980,686 | 4,759,544 | (53,419) | 32,793,650 | 3,145,649 | 6,910,334 |
| Total (Previous year) | 34,532,074 | 1,468,815 | 1,109,869 | 34,891,020 | 17,569,649 | 11,151,888 | 740,852 | 27,980,686 | 6,910,334 | 16,962,424 |
| WORK IN PROGRESS | 104,000 | | | 104,000 | - | | | - | 104,000 | 104,000 |



SCHEDULE "11"**B. NOTES FORMING PART OF THE ACCOUNTS:**

1. ATTEST Testing Services Limited ('the Company') have been prepared and presented for the year ended March 31, 2011 against the corresponding preceding period which were for the period of 15 months from January 1, 2009 to March 31, 2010 (the period). Therefore the figures of current year are not comparable with that of previous period.
2. Despite Negative Net worth, the Financial Statements have been prepared based on Going Concern assumptions in view of the restructured business plan by the management and availability of continued finance and requisite financial support from its holding company (Aptech Limited).
3. Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. Nil (Previous year Rs. Nil).
4. Contingent liability :

Claim against the Company not acknowledged as debt - in respect of Service tax matters amounting of Rs. 2,081,670/- (previous year NIL).

5. a) Based on the resolution for Employee Stock option as approved by the shareholder of Holding Company, the holding company has granted 30,000 numbers of stock options on May 4, 2007 to eligible employees of the Company comprising of 4,500, 6,000, 7,500 and 12,000 options, with a vesting period of 12, 24, 36 and 48 months respectively from the award date and an exercise period of one year from the respective vesting dates.

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 there is a net recovery of Rs. is **Rs. 246,862/-**, (Previous Year Rs. 119,619/-) being the proportionate net charge of discount for the year, has been included in the schedule of "Payments to and Provisions for Employees" (Schedule "8") as ESOP Compensation cost. During the year 5,000 stock option have been lapsed and reversal of discount charge aggregating Rs. 432,500/- which has been credited to Schedule "8".

b) During the year **no** options were exercised.

6. Sundry Debtors and Sundry Creditors are subject to confirmation and reconciliation.

7. PAYMENT TO AUDITORS:*

Amount in Rs.

| Particulars | Year ended Mar'11 | 15 Months ended Mar'10 |
|--------------------|----------------------|---------------------------|
| Audit Fees | 108764 | 100,000 |
| Tax Audit Fees | 67500 | 62,500 |
| Certification Fees | 60000 | 56,250 |
| TOTAL | 236,264 | 218,750 |

*Above fees is exclusive of service tax of Rs. 24,335/- (Previous year Rs. 22,532/-) which is taken as input credit against service tax liability & hence not an expense.

7. EARNINGS PER SHARE:

| Particulars | Year ended Mar'11 | 15 Months ended Mar'10 |
|--|----------------------|---------------------------|
| Net Profit (Loss) after tax (Rs.) | 27,676,979 | (1,570,175) |
| Weighted average number of shares | 82,841 | 82,841 |
| Nominal Value of shares (Rs.) | 10/- | 10/- |
| Basic and Diluted Earnings per Share (Rs.) | 334.10 | (18.95) |

8. RETIREMENT BENEFITS:

(A) DEFINED BENEFIT PLAN

(1) Amounts recognised in the Balance Sheet in respect of Gratuity:

Amount in Rs.

| Particulars | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
|--|--------------------------------|--|
| Present value of the defined benefit obligation at the end of the period | 894,199 | 1,092,494 |
| Fair value of the plan assets | (175,737) | 407,411 |
| Net Liability / (Assets) | 718,462 | 685,083 |

Amounts recognized in other Income and Salary and Other Allowances in the Profit & Loss account in respect of gratuity:

Amount in Rs.

| Particulars | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
|---|--------------------------------|--|
| Current Service Cost | 223,137 | 287,179 |
| Interest on defined benefit obligation | 84,668 | 67,863 |
| Expected return on plan assets | (30,556) | (30,556) |
| Net actuarial (Gain)/ Loss recognised in the year | (243,870) | 44,131 |
| Net Gratuity Cost | 33,379 | 368,617 |

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

Amount in Rs.

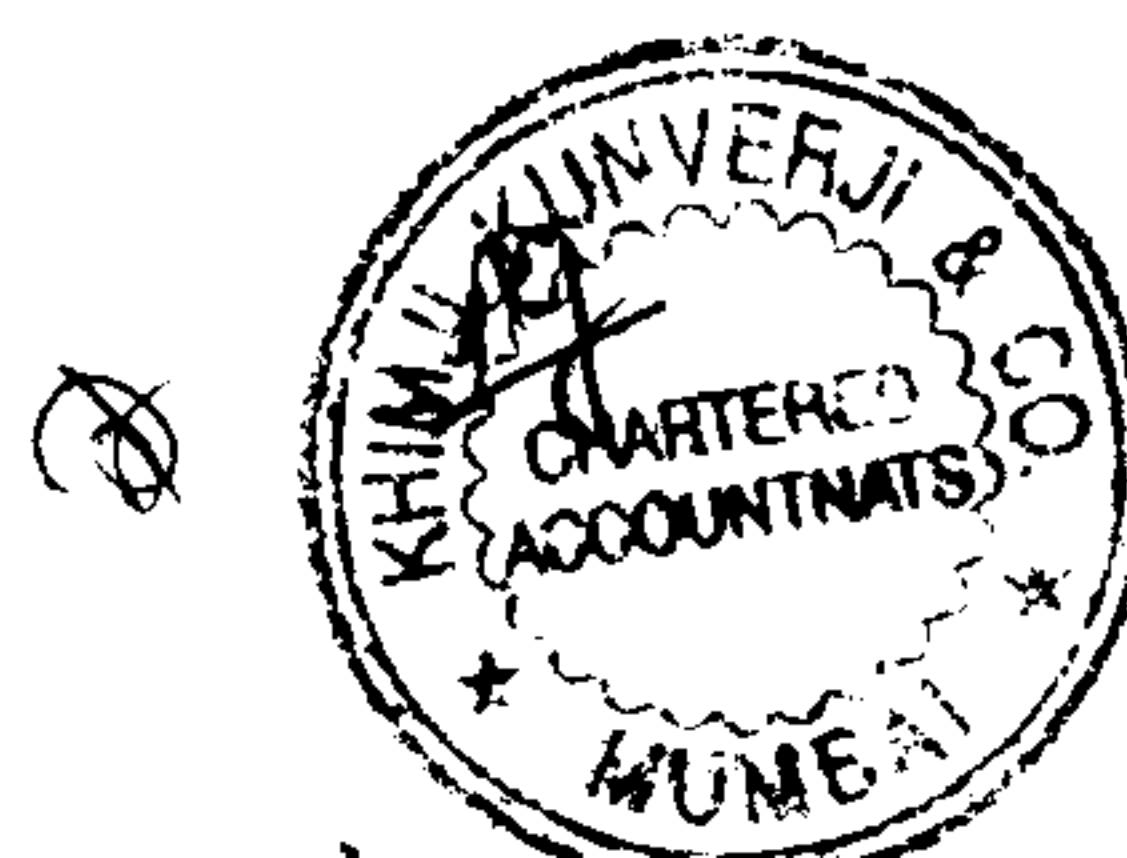
| Particulars | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
|---|--------------------------------|--|
| Opening defined benefit obligation as on 01.04.2010 | 1,092,493 | 723,876 |
| Current Service Cost | 223,137 | 287,179 |
| Interest cost | 84,668 | 67,863 |
| Actuarial (Gain)/ Loss | (244,226) | 13,575 |
| Benefit Paid | (261,874) | - |
| Closing defined benefit obligation as on 31.03.2011 | 894,198 | 1,092,493 |

Changes in Fair value Plan assets

Amount in Rs.

| Particulars | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
|--|--------------------------------|--|
| Fair value of the plan assets at the beginning of the period | 407,411 | 407,411 |
| Expected return on plan assets for the period | 30,556 | 30,556 |
| Contributions during the period | - | - |
| Benefits paid during the period | (244,226) | - |
| Actuarial Gain / (Loss) on plan assets | (18,004) | (30,556) |
| Fair value of the plan assets at the end of the period | 175,737 | 407,411 |

Principal Actuarial Assumptions at the Balance Sheet date 31.03.2011



| Particulars | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
|---|-----------------------------|----------------------------------|
| Discount Rate | 8.00% | 7.75% |
| Estimated rate of return on plan assets | 7.50% | 7.50% |
| Rate of Salary Growth | 6.75% | 6.50% |

The estimates of future salary increases, considered in actuarial valuation, take account of Inflation, seniority, promotion and other relevant 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 administrated by ICICI Prudential Life Insurance Company Limited

(2) Amounts recognized in the Balance Sheet in respect of Leave Encashment:

| Particulars | Amount in Rs. | |
|--|-----------------------------|----------------------------------|
| | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
| Present value of the defined benefit obligation at the end of the period | 772,576 | 614,112 |
| Fair value of the plan assets | - | - |
| Net Liability / (Assets) | 772,576 | 614,112 |

Amounts recognized in other Income and Salary and Other Allowances in the Profit & Loss account in respect of Leave Encashment:

| Particulars | Amount in Rs. | |
|--|-----------------------------|----------------------------------|
| | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
| Current Service Cost | 156,747 | 187,816 |
| Interest on defined benefit obligation | 47,594 | 21,372 |
| Expected return on plan assets | - | - |
| Net actuarial (Gain)/ Loss on plan Assets | 20,631 | 226,610 |
| Net Compensated absences / Leave encashment Cost | 224,972 | 435,798 |

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

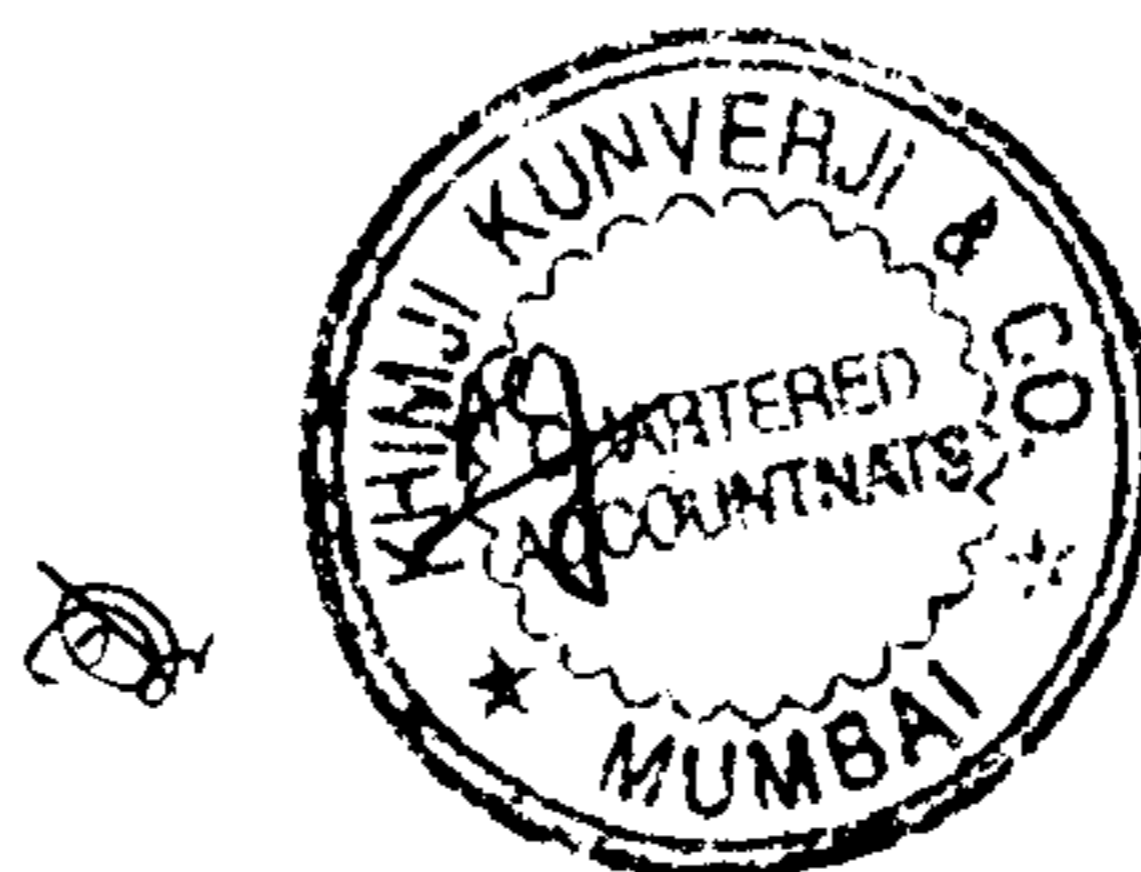
| Particulars | Amount in Rs. | |
|---|-----------------------------|----------------------------------|
| | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
| Opening defined benefit obligation as on 01.04.2010 | 614,112 | 227,970 |
| Current Service Cost | 156,747 | 187,816 |
| Interest cost | 47,594 | 21,372 |
| Actuarial (Gain)/ Loss | 20,631 | 226,610 |
| Benefit Paid | (66,507) | (49,657) |
| Closing defined benefit obligation as on 31.03.2011 | 772,577 | 614,111 |

Principal Actuarial Assumptions at the Balance Sheet date 31.03.2011

| Particulars | Amount in Rs. | |
|---|-----------------------------|----------------------------------|
| | Year Ended 31st, March 2011 | 15 months Ended 31st, March 2010 |
| Discount Rate | 8.00% | 7.75% |
| Estimated rate of return on plan assets | 7.50% | 7.50% |
| Rate of Salary Growth | 6.75% | 6.50% |

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

B) DEFINED CONTRIBUTION PLAN



The Company has recognized as an expense and included in Schedule "8" for the current year Rs. 1,104,698/- (Previous Year: Rs. 1,392,764/-).

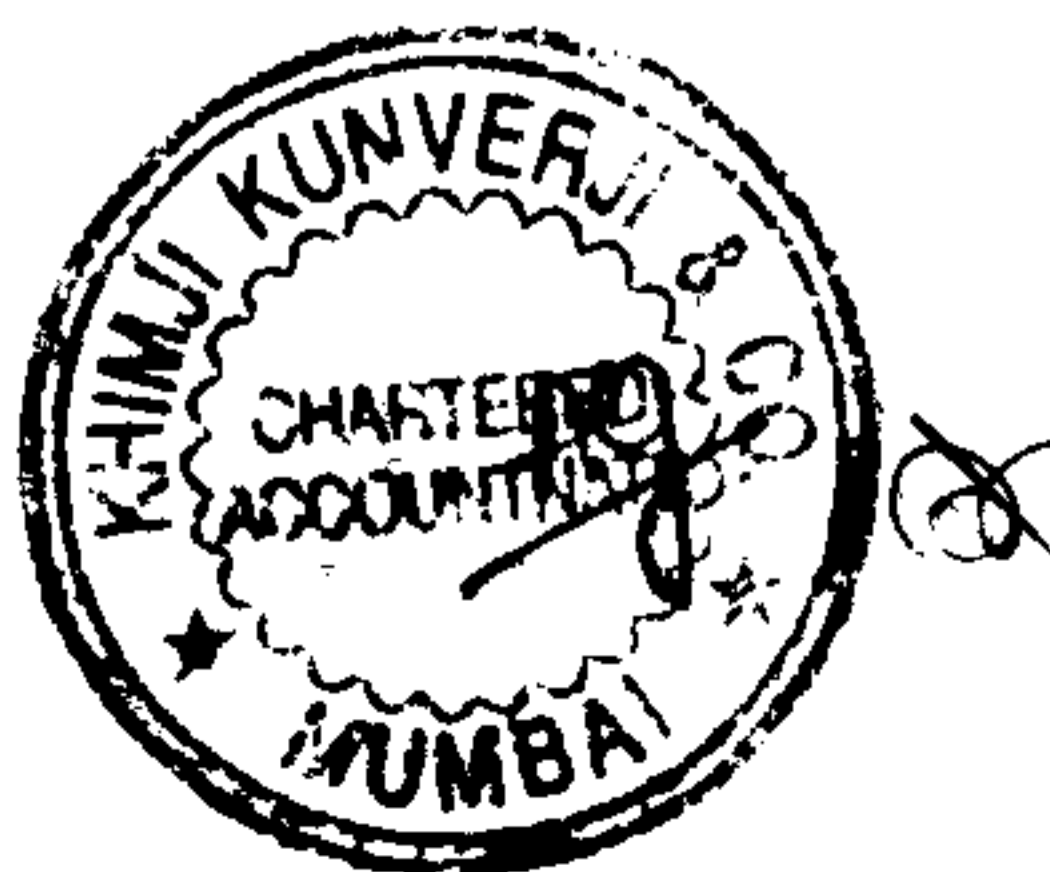
9. Segment has been identified in accordance with the Accounting Standard 17 (AS-17) on Segment Reporting, taking into account the organization structure as well as differential risks & returns of these segments. The Dominant source of risk and returns of the company is considered to be the business in which it operates viz – Testing Services. Being a single business segment group, no primary segment information is being provided.

10. **Disclosure in respect of Related Parties pursuant to Accounting Standard 18:**

Names of related parties and description of relation:

| Relationship | |
|----------------------------------|---|
| a) Holding Company : | Aptech Limited |
| b) Fellow Subsidiary Companies : | Avalon Aviation Academy Private Ltd. Aptech Software Ltd. (Merged in Aptech Ltd. W.e.f. 01.04.2009) Maya Entertainment Ltd. (w.e.f. 23rd April,2010) Aptech Ventures Ltd. Aptech Worldwide Corporation (Bangladesh) Ltd. Aptech Training Ltd. FZE (Dubai) Aptech Worldwide Corporation (USA) Ltd. Aptech Manpower Services Ltd. (ceased w.e.f. 31.12.2010) Aptech Investment Enhancers Ltd. Aptech Global Investments, Mauritius AGLSM SDN,BHD, Malasiya |

Transactions with Related party:



(Amount in Rs.)

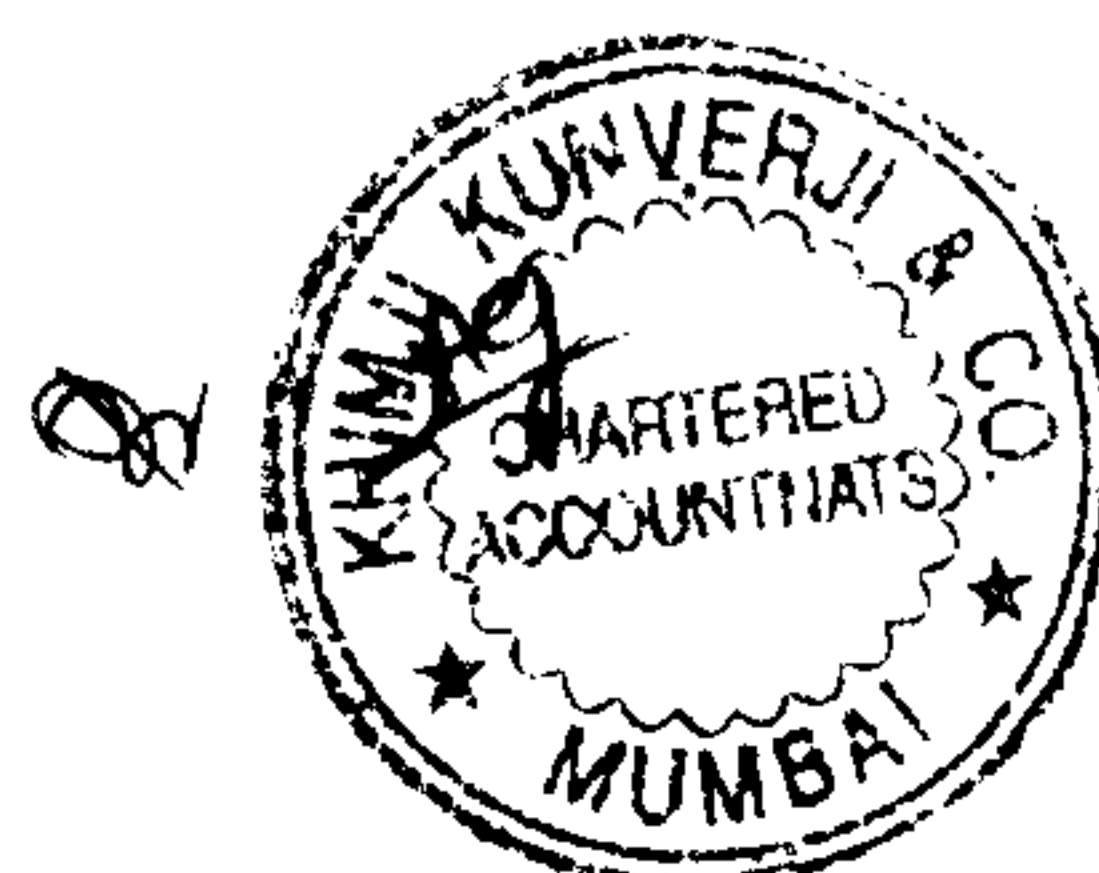
| Transactions | Holding Company | Fellow Subsidiaries |
|--|---------------------------------|---------------------|
| a) Expenses:- | | |
| Franchisee Share | - (1,967,927) | - (-) |
| Management Contracts including for Deputation of Employees | 13,930,022 (14,218,142) | - (639) |
| b) Income:- | | |
| Transfer Pricing | 3,484,431 (1,271,996) | - (-) |
| c) Finance:- | | |
| Loans Taken : | 91,076,099 | 61106 |
| * (Maya Entertainment Limited) | (116,140,661) | (-) |
| Loans Repaid : | 114,156,982 | 68844 |
| * (Maya Entertainment Limited & AAA Pvt. Ltd.) | (107,278,766) | (-) |
| Loans Given : | | 1078 |
| (Avalon Aviation Academy Pvt. Ltd.) | | (-) |
| d) Outstandings:- | | |
| Loans Payable | (77,228,993) | - |
| Share Capital | (100,309,876) | (30,108) |
| Receivables | 828,410 (828,410) | 18,486 (-) |
| *narration in brackets represents fellow subsidiary name (figures in brackets represents previous year figures) | | |

Note: 1) Related Party relationship is as identified by the Company and relied upon by the Auditors.
2) There have been no write off or write back in case of any related party.

11. The Deferred Tax Asset computed in accordance with AS-22 "Accounting for Taxes on Income", has not been recognized in the books in the current year on the principle of conservatism and prudence since the availability of sufficient future taxable income against which such deferred tax asset can be realized is presently not "virtually certain".
12. The Company has paid Remuneration to a Director who, in the opinion of the Company, does not yield 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 also relied upon an expert legal opinion obtained in this regard and also the circular (no. 16/39/CL-1-111/85 dated 26th June 1987) issued by the Department of Company affairs.
13. Additional information pursuant to the provisions of Paragraph 3, 4C, 4D of Part II of Schedule VI of the Companies Act, 1956 to the extent applicable to the company:

Earnings in Foreign Currency: Rs.1,281,646 (1,457,930)

14. Based on information available with the Company, there are no dues payable to Micro Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, hence, the disclosure required under the said Act are not given.
15. 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 Company/Entity | Relationship | Loans & Advances as at end of the year | | Maximum Outstanding during the year | |
|-------------------------------|-------------------|--|-------------|-------------------------------------|-------------|
| | | March, 2011 | March, 2010 | March, 2011 | March, 2010 |
| Avalon Aviation Academy P Ltd | Fellow Subsidiary | - | 6,660 | 7,738 | 6,660 |
| Maya Entertainment Ltd. | Fellow Subsidiary | - | - | 61,106 | - |

Notes:

- a. Above Loans & Advances are interests free and repayable on demand.
b. There are no investments by the loanees in the shares of the company.

16. The Company is one of the Wholly Owned Subsidiaries of Aptech Limited, which is providing a common pool of facilities and resources to its subsidiaries. With a view to optimize the benefits of specialization and minimize cost to each subsidiary, the Company's share of expenses under the common pool has been accounted for under the appropriate heads.

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

For and on behalf of

KHIMJI KUNVERJI & CO.

Firm Registration Number 105146W

Chartered Accountants


R/V Chaniyari

Partner

Place: Mumbai

Date : 30th-May-2011

For and on behalf of the Board of Directors


Ajay Oberoi

Director

Place: Mumbai

Date : 30th-May-2011


T.K Ravishankar

Director

Place: Mumbai

Date : 30th-May-2011





SCHEDULE '11':

A. SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1. ACCOUNTING CONVENTION:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles, accounting Standard Notified by the Companies Accounting Standard Rules, 2006 (as amended), 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.

2. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles require estimates & assumptions to be made that affect the reported amounts of assets & liabilities on the date of the financial statements & reported amounts of revenues & expenses during the reporting period. Differences between actual results & estimates are recognised in the period in which the results are known. Although, these estimates/assumptions are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. RECOGNITION OF INCOME :

Revenues / Incomes are accounted on accrual, as they are earned or incurred, unless otherwise mentioned.

Income from testing services is recognised when the testing services are completed and right to receive the fees is established.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

4. 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.

5. DEPRECIATION & AMORTISATION:

Depreciation on other assets is provided on Straight line method at the rates prescribed in Scheduled XIV to the Companies Act, 1956, except higher rate for

- 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 is amortized @ 33.33%, considering the useful life of the assets and obsolescence.
- Depreciation on Computer Hardware and Furniture & Fixtures acquired on or after 1st January 2006 is provided at the following higher rates based on its estimated useful life –

| | |
|----------------------|--------|
| Furniture & fixtures | 20.00% |
| Computers Hardware | 33.33% |



Depreciation on additions to asset or on sale / discardment of asset is calculated pro rata from the month of such addition or up to the month of such sale / discardment, as the case may be.

Depreciation on office equipments, furniture & fixtures, which are installed at leasehold premises, are amortised over lease period.

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

6. IMPAIRMENT OF ASSETS:

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, 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.

7. 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.

8. INVESTMENTS:

Investments are classified into Current & Long – term Investments.

Investments which, being readily disposable and are intended to be held for period lesser than a year are considered as 'Current' and other Investments are termed as 'Long Term'. Current Investments are stated at lower of cost & fair value.

Long term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of Long – term Investments.

9. FOREIGN CURRENCY TRANSACTIONS:

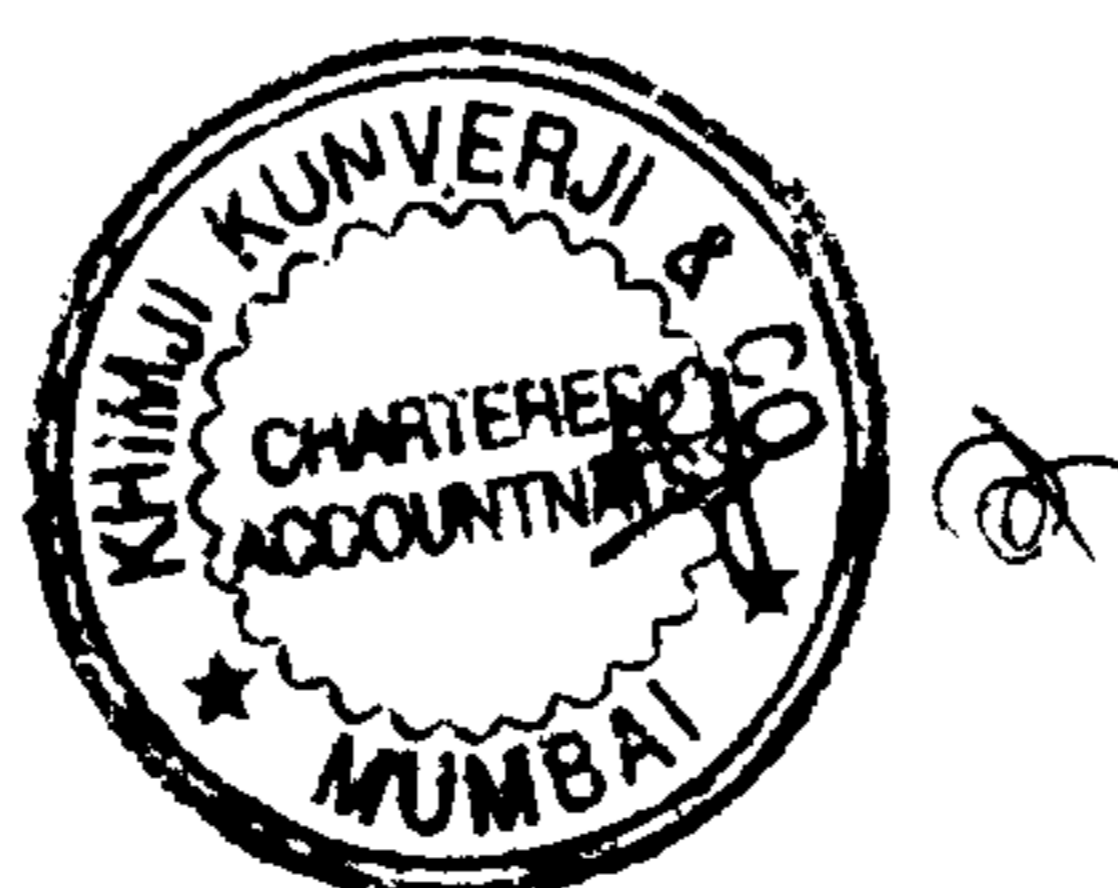
Income or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions takes place.

Monetary items in the form of Current Assets & Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

Investment in shares of foreign subsidiary company is expressed in Indian currency at the rates of exchange prevailing at the time when the original investment was made.

10. EMPLOYEES STOCK OPTION PLAN (ESOP):

The holding company grants Employee Stock Option (ESOP-2006) to the company's employees. The same is accounted for by Holding Company as per the accounting treatment prescribed by Employee Stock Option Scheme, and Employee Stock Purchase guideline, 1999 issued by Securities and Exchange Board of India {SEBI}, whereby the intrinsic value of the option being excess of the market value of the underlying share immediately prior to date of grant over its exercise price is recognized as deferred employee compensation. The holding company debits the company's share of ESOP compensation cost which is charged to profit and loss.



11. EMPLOYEE BENEFITS:

Defined Contribution Plan

The Company makes defined Contribution to provident fund and superannuation scheme which are recognized in the profit & loss account on accrual basis.

Defined benefit Plans

The Company's liabilities under payment of gratuity act (funded) , on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method .Actuarial gain & losses are recognized immediately in the statement of profit & loss account as income & 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 .

12. TAXATION:

Income tax charge comprises of current tax & deferred 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.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date, and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

The deferred tax asset & deferred tax liability is calculated by applying tax rate & tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses & unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.

13. EARNING PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

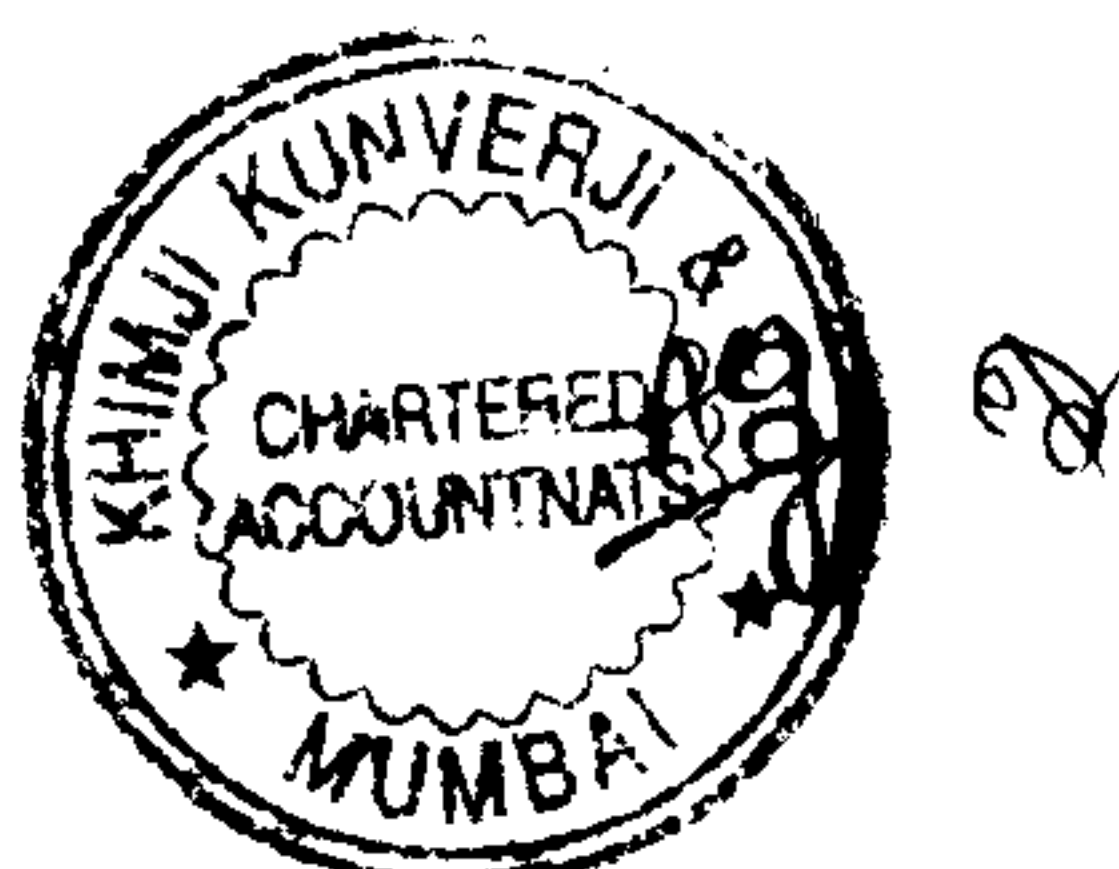
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

14. OPERATING LEASE:

Leases arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases and lease rentals thereon are recognised in the profit and loss account on a straight-line basis.

15. GOVERNMENTS GRANTS:

Government Grants are recognized when there is reasonable assurance that the Group will comply with the condition attaching to them and the grants 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.



16. PROVISIONS, CONTINGENT LIABILITIES :

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 (excluding retirement benefits) 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 in the financial statements.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

