

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Aptech Worldwide Corporation, USA**


Report on the Financial Statements

- 1 We refer to your letter dated May 7, 2012 requesting us to audit the accounts of APTECH WORLDWIDE CORPORATION – USA (“the Company”), a wholly owned subsidiary of Aptech Limited (“the Parent”) incorporated in the State of California, United States of America, in accordance with the accounting policies described in point A1 to A8 of Note 11 (“the accounting polices”), based on records including photo copies of some records, received from the company in Mumbai. We have not performed a Statutory Audit which may be required under US Laws, the objective of which would be the expression of an opinion on the financial statements in conformity with generally accepted accounting practice and accordingly, we do not express such an opinion
- 2 We have audited the accompanying financial statements of **APTECH WORLDWIDE CORPORATION - USA** (“the Company”), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

- 3 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

- 4 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in 

order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

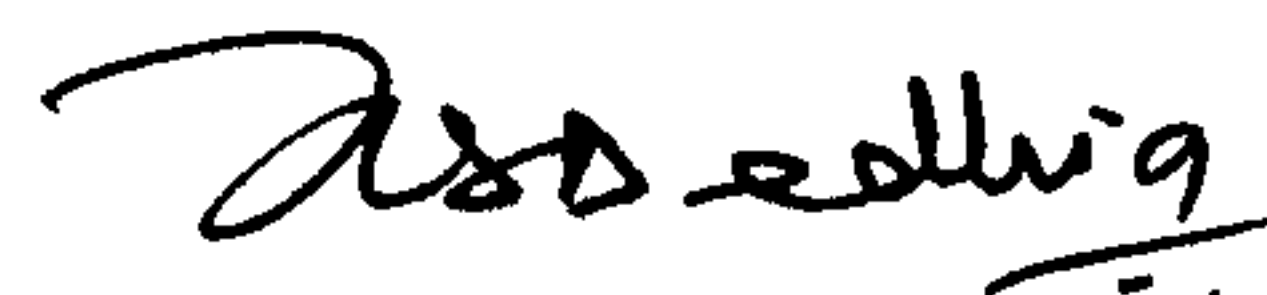
Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - In the case of the Cash Flow Statement, of the cash flows for the year ended on that date
- 8 This report is issued at the request of the Company Management to be used for the consolidation of Financial Statement of the Parent and should not be used, copied or circulated to any other person without our prior written consent

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W

Place: Mumbai

Date: May 13, 2013



Hasmukh B Dedhia
Partner (F – 33494)

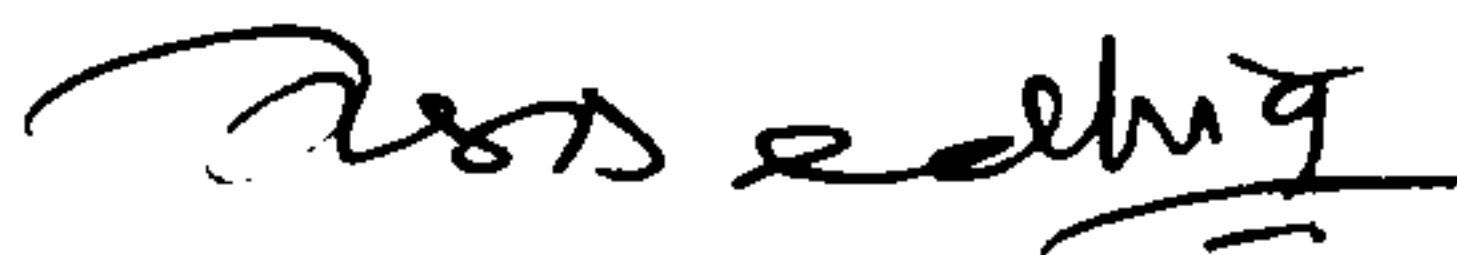


APTECH WORLDWIDE CORPORATION - USA
BALANCE SHEET AS AT MARCH 31, 2013

PARTICULARS	Note No.	AS AT March 31, 2013	AS AT March 31, 2012
(I) EQUITY AND LIABILITIES			
1 SHARE HOLDERS' FUNDS			
(a) Share capital	1	40,950,000	40,950,000
(b) Reserves and surplus	2	(47,767,127)	(54,537,972)
		(6,817,127)	(13,587,972)
2 CURRENT LIABILITIES	3		
(a) Other current liabilities		2,283,096	2,203,714
(b) Short term provisions		90,439	136,200
		2,373,534	2,339,914
TOTAL		(4,443,593)	(11,248,058)
(II) ASSETS			
1 NON CURRENT ASSETS			
(A) Fixed assets	4	-	-
(B) Long term loans and advances	5	71,736	89,356
2 CURRENT ASSETS	6		
(i) Trade receivables		(4,563,238)	(11,357,442)
(ii) Cash and bank balances		47,910	20,028
		(4,515,329)	(11,337,414)
TOTAL		(4,443,593)	(11,248,058)
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS	11		

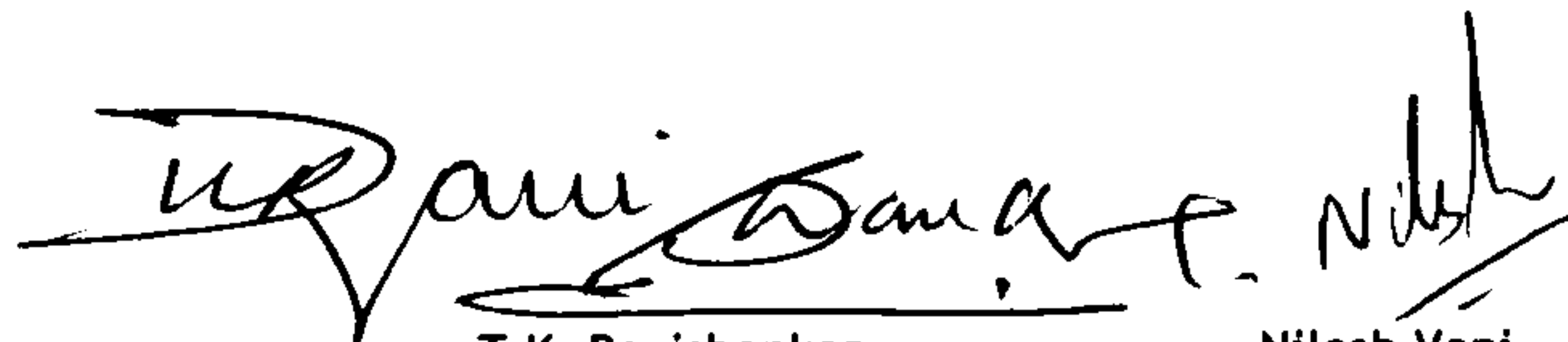
Notes referred to above form an integral part of the financial statements.
As per our attached report of even date.

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



Hasmukh B Dedhia
Partner (F -33494)

For and on behalf of the Board of Directors
APTECH WORLDWIDE CORPORATION - USA



T.K. Ravishankar
Director

Nilesh Vani
Director

Place : Mumbai
Date :

Mumbai, 13th May 2013

13 MAY 2013



APTECH WORLDWIDE CORPORATION - USA
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS	Note No.	For the year ended 31, 2013	March	For the year ended 31, 2012	March
INCOME					
Income from Operations	7	7,097,279		6,256,182	
Other Income	8	34,592		722,731	
			7,131,871		6,978,913
EXPENDITURE					
Administration and Other Expenses	9	309,779		329,303	
Interest and finance charges	10	7,250		30,608	
Depreciation and Amortisation	4	-		8,681	
			317,029		368,592
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX			6,814,843		6,610,321
EXCEPTIONAL ITEMS			-		-
PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS			6,814,843		6,610,321
PROVISION FOR TAXATION					
Income Tax		43,997		40,563	
			43,997		40,563
PROFIT/ (LOSS) AFTER TAX FOR THE YEAR			6,770,845		6,569,758
Earning Per Share (Refer Note No. B-4 Of Note 11)					
- Basic			1.65		1.60
- Diluted			1.65		1.60
[Nominal value of share ₹ 10 (Previous year ₹ 10)]					
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS	11				

Notes referred to above form an integral part of the financial statements.
As per our attached report of even date.

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

For and on behalf of the Board of Directors
APTECH WORLDWIDE CORPORATION - USA



Hasmukh B Dedhia
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Place : Mumbai
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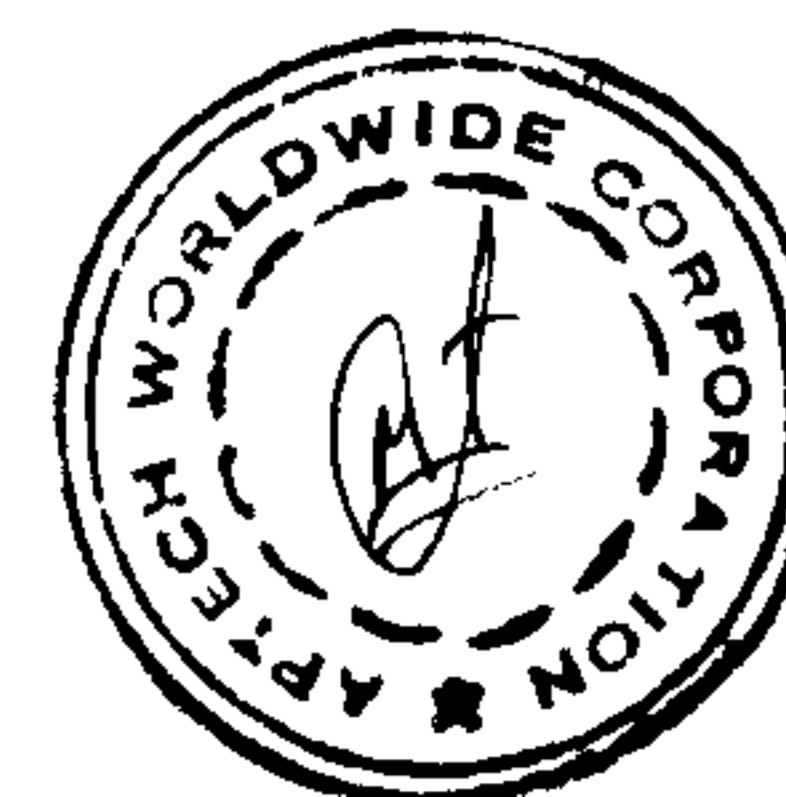
13 MAY 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Amount in ₹

PARTICULARS	For the Year ended March 31,2013		For the Year ended March 31,2012	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT / (LOSS) BEFORE TAX		6,814,843		6,610,321
Adjustments for:				
Depreciation and Amortisation	-		8,681	
Interest and Finance Costs (net)	7,250		30,608	
		7,250		39,289
Operating Profit Before Working Capital Changes		6,822,092		6,649,610
Adjustments for :				
Decrease / (Increase) in Sundry Debtors (Net of Provision)	(6,794,204)		(6,316,825)	
Increase / (Decrease) in Current Liabilities and Provisions	(89,759)		(634,230)	
		(6,883,962)		(6,951,055)
Net Cash From / (used) in Operating Activities (I)		-61,870		-301,446
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Decrease / (Increase) Long Term Loans & Advances	17,620		(76,735)	
Net Cash From / (used) in Investing Activities (II)		17,620		(76,735)
(C) CASH FROM FINANCING ACTIVITIES				
Proceeds / (Repayment) of loans	79,382		358,590	
Interest paid	(7,250)		(30,608)	
Net Cash from / (Used) Financing Activities (III)		72,132		327,982
Net Increase in Cash & Cash equivalents (I+ II+ III)		27,882		(50,198)
Cash & Cash equivalents at the beginning of the year		20,028		70,226
Cash & Cash equivalents at the end of the year		47,910		20,028
		27,882		(50,198)



Notes:

1. Cash and Cash equivalents include cash and bank balances in current accounts and deposit accounts. (Refer note no. 6 (ii))
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
APTECH WORLDWIDE CORPORATION - USA

Hasmukh B Dedhia
Partner (F -33494)


T.K. Ravishankar
Director


Nilesh Vani
Director

Place : Mumbai

Date : 13 MAY 2013

Mumbai, 13th May 2013



Note 1 Share Capital

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
Authorised 16,00,000 (PY 16,00,000) Equity Share of Rs. 10 each.	16,000,000	160,000,000	16,000,000	160,000,000
Issued, Subscribed & Paid up 40,95,000 (PY 40,95,000) Equity Share of Rs. 10 each fully paid up.	4,095,000	40,950,000	4,095,000	40,950,000
Total	4,095,000	40,950,000	4,095,000	40,950,000

The Company has equity shares having a par value of Rs.10/- each. The holder of equity share is entitled to same rights in all respect.

Note 1.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	4,095,000	40,950,000	4,095,000	40,950,000
Shares Issued during the year :-	-	-	-	-
Shares outstanding at the end of the year	4,095,000	40,950,000	4,095,000	40,950,000

Note 1.2 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

100% equity share capital held by Holding Company, Aptech Limited.

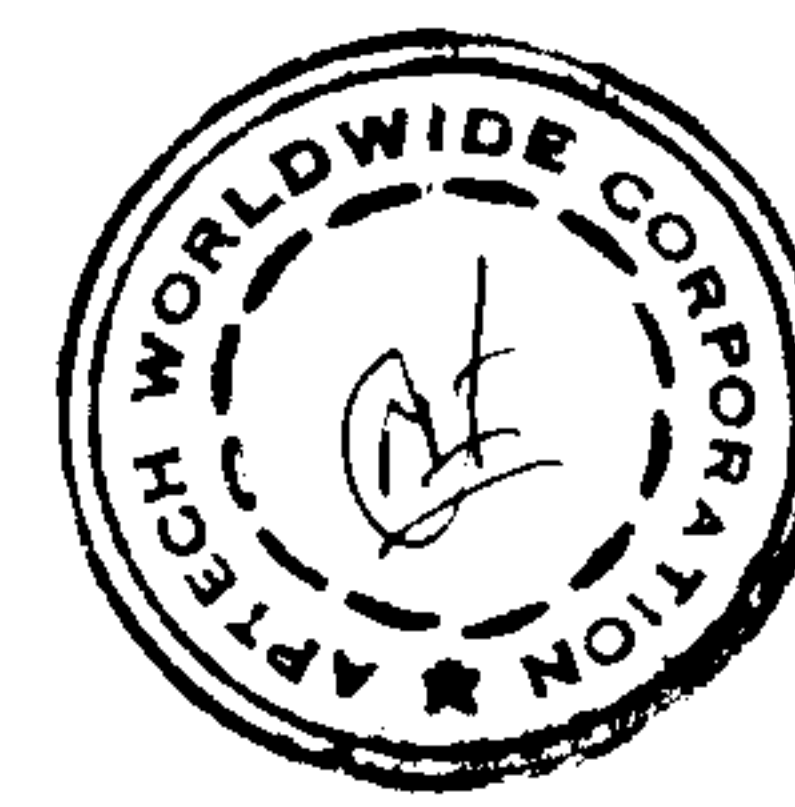
Note 1.3 For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

In the peirod of five years immediately preceding March 31, 2013 the Company has not:

1. issued equity shares pursuant to contract(s) without payment being received in cash,
2. issued equity shares fuly paid up by way of bonus shares,
3. Bought back equity shares.

Note 2 Reserves & Surplus

Particulars	As at 31 March 2013	As at 31 March 2012
	₹	₹
Profit and loss accounts balance		
Opening balance	(54,537,972)	(61,107,730)
(+) Net Profit/(Net Loss) For the current year	6,770,845	6,569,758
Closing Balance	(47,767,127)	(54,537,972)
Total	(47,767,127)	(54,537,972)



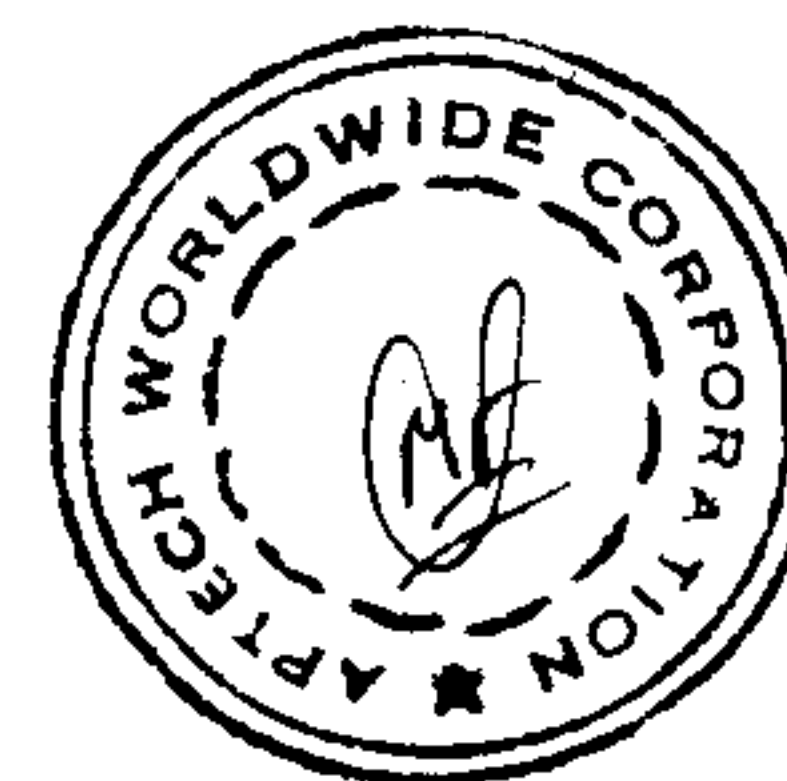
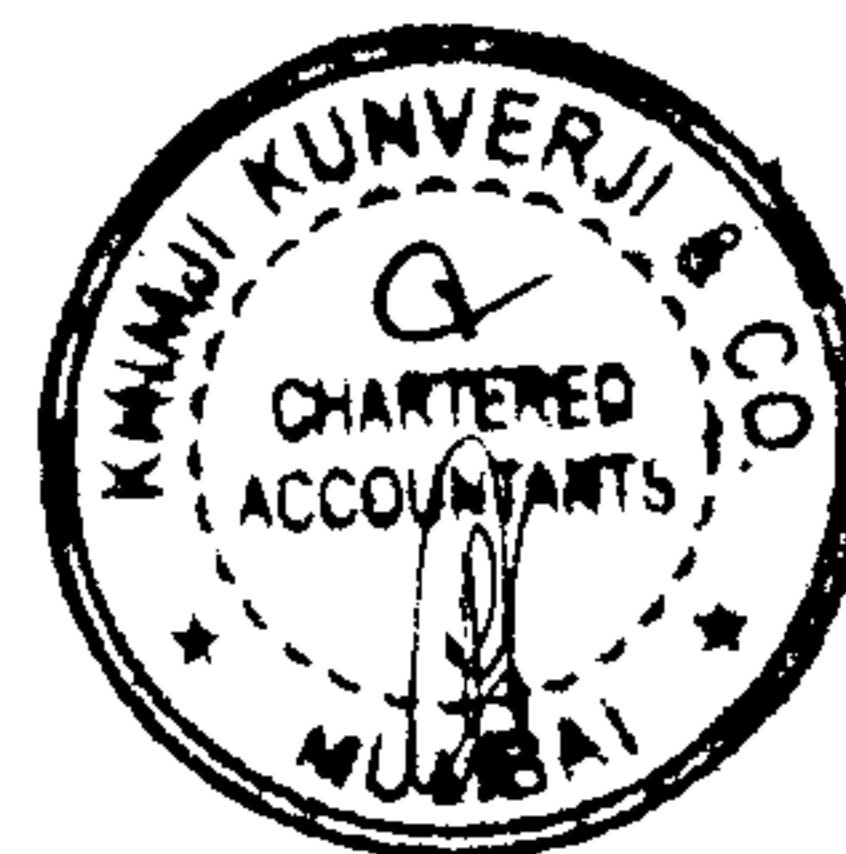
Note 3 Current Liabilities

Note 3 (a) Other Current Liabilities

<u>Particulars</u>	As at 31 March 2013	As at 31 March 2012
	₹	₹
Loans and Advances from Related parties(from holding company Aptech Limited)	2,283,096	2,203,714
Total	2,283,096	2,203,714

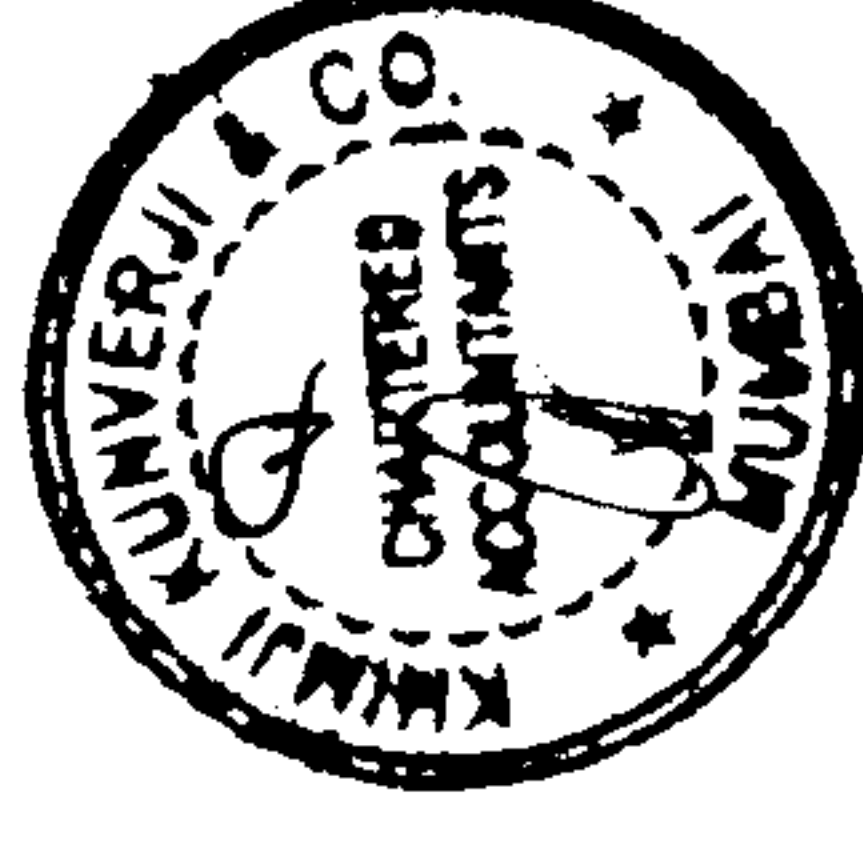
Note 3 (b) Short Term Provisions

<u>Particulars</u>	As at 31 March 2013	As at 31 March 2012
	₹	₹
Provision for expenses	90,439	136,200
Total	90,439	136,200



Note 4 Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 Mar 2013	Balance as at April 2012	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2013	Balance as at 31 March 2012	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a										
Tangible Assets										
Computer Hardware	355,149			355,149	355,149	-		355,149	-	
Total	355,149	-		355,149	355,149	-		355,149	-	
Previous year	355,149	-	-	355,149	346,468	8,681	-	355,149	-	
b										
Intangible Assets										
Computer software	456,555			456,555	456,555			456,555	-	
Courseware	37,291,812			37,291,812	37,291,812			37,291,812	-	
Total	37,748,367	-		37,748,367	37,748,367	-		37,748,367	-	
Previous year	37,748,367	-	-	37,748,367	37,748,367	-	-	37,748,367	-	
c										
Capital Work In Progress										
Intangible assets under Development										
Total	38,103,516	-	-	38,103,516	38,103,516	-	-	38,103,516	-	
Previous year	38,103,516	-	-	38,103,516	38,094,835	8,681	-	38,103,516	-	8,681



Note 5 Long Term Loans and Advences

Particulars	As at 31 March 2013	As at 31 March 2012
	₹	₹
Other loans and advances		
Advance Tax (Net of provision for tax Rs.17,620 (PY Rs. 59,115))	71,736	89,356
	71,736	89,356

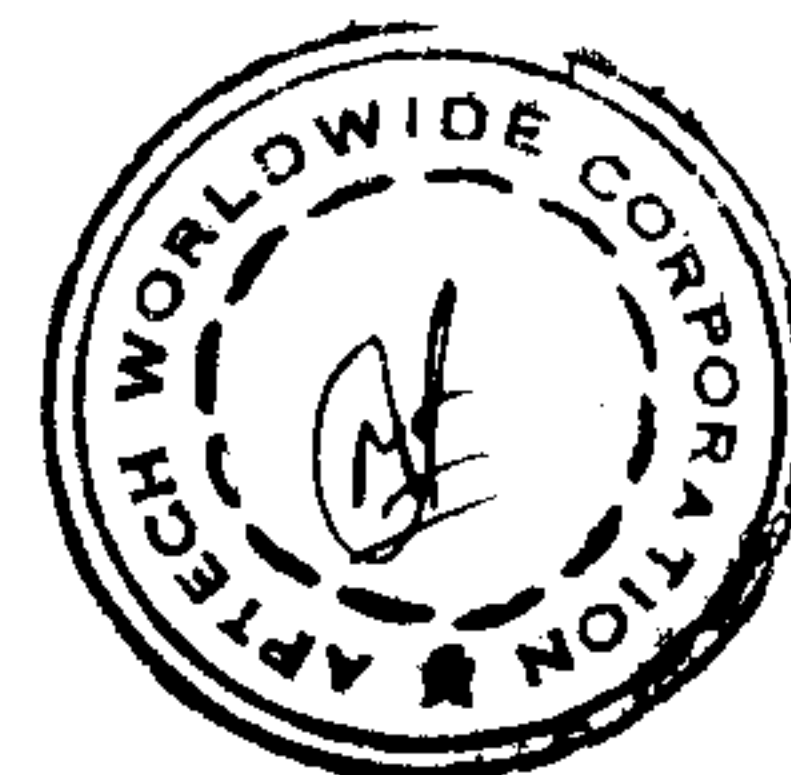
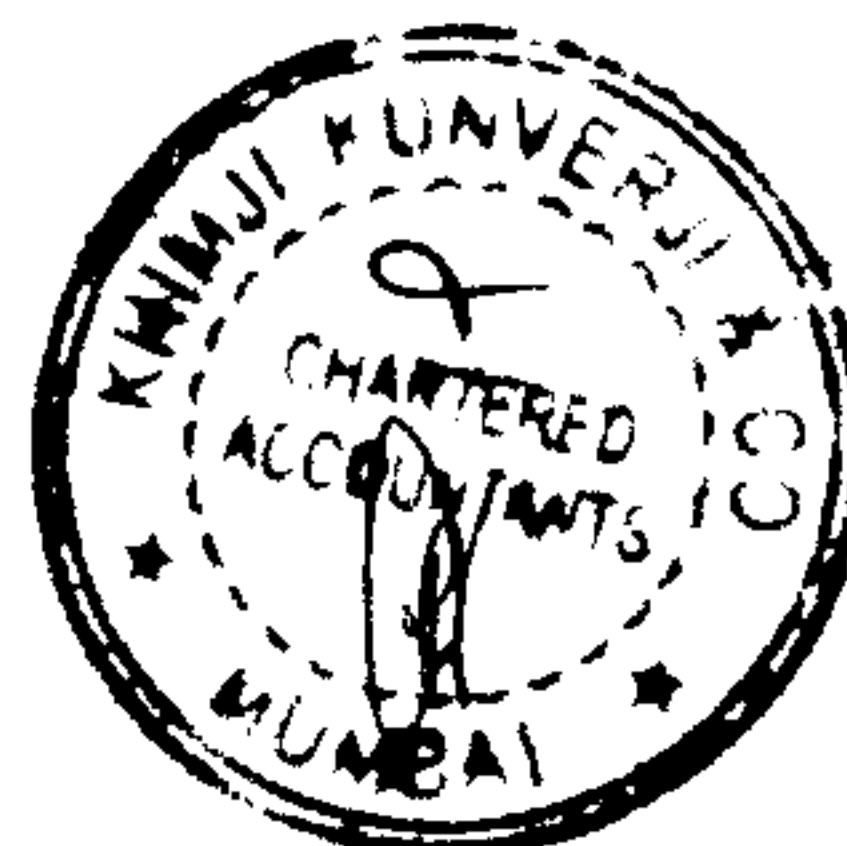
Note 6 Current Assets

Note 6 (i) Trade Receivables

Particulars	As at 31 March 2013	As at 31 March 2012
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	(4,563,238)	(11,357,442)
	(4,563,238)	(11,357,442)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
	-	-
	-	-
Total	(4,563,238)	(11,357,442)

Note 6 (ii) Cash and cash balances

Particulars	As at 31 March 2013	As at 31 March 2012
	₹	₹
Cash and cash equivalents :-		
i. Cash on hand	-	-
ii. Balance with banks :-		
Current Accounts	47,910	20,028
	47,910	20,028



Note 7 Income from Operation

Particulars	2012-13	2011-12
	₹	₹
Income from Operations	7,097,279	6,256,182
Total	7,097,279	6,256,182

Note 8 Other Income

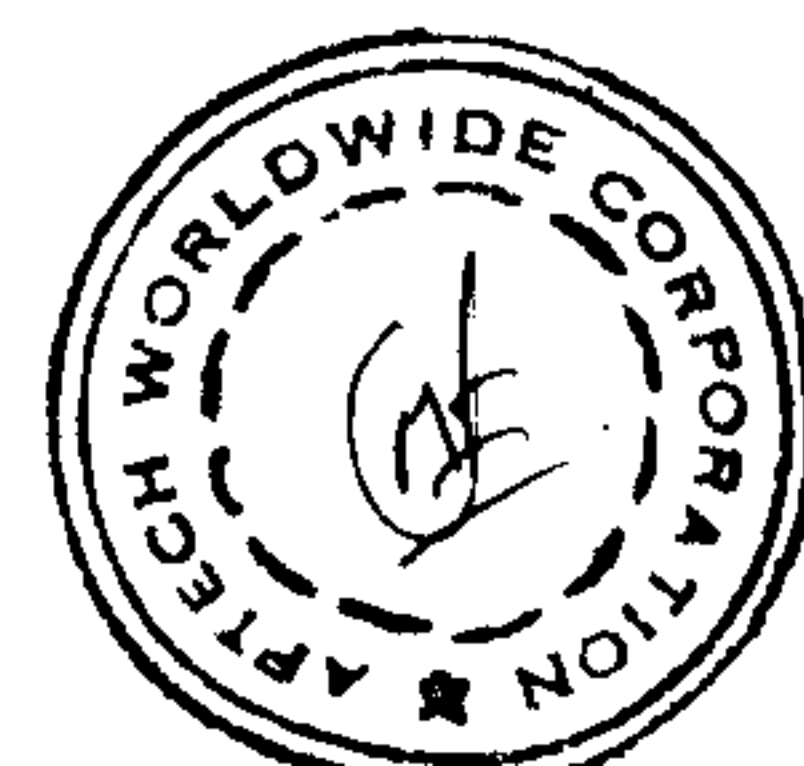
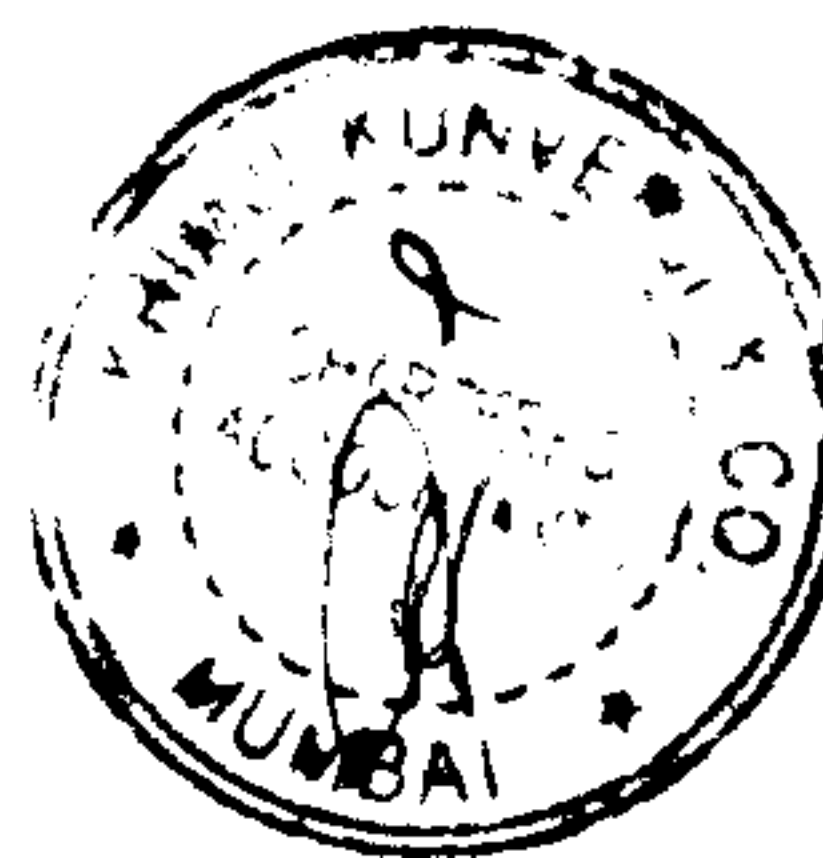
Particulars	2012-13	2011-12
	₹	₹
Liabilities No Longer Required Written Back	34,592	332,517
Exchange Difference (Net)	-	390,213
Profit on sale of Assets	-	-
Total	34,592	722,731

Note 9 Administration and other expenses

Particulars	2012-13	2011-12
	₹	₹
Rates And Taxes	-	40,728
Travelling And Conveyance Expenses	-	13,204
Communication Expenses	14,979	11,355
Legal And Professional Charges	163,712	186,226
Audit Fees	95,278	77,346
Exchange Difference (Net)	35,811	-
Miscellaneous Expenses	-	445
Total	309,779	329,303

Note 10 Interest and finance charges

Particulars	2012-13	2011-12
	₹	₹
Interest expense:-		
Others	-	8,437
Commitment & Finance Charges	7,250	22,171
Total	7,250	30,608



APTECH WORLDWIDE CORPORATION

NOTE: 11 SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

A ACCOUNTING CONVENTION

1. Basis of Preparation

The financial statements have been prepared under the historical cost convention on an accrual basis in compliance with all material aspect of the applicable Accounting Standards in India. The accounting policies have been consistently applied by the Company, and are consistent with those used in the previous year

2. Fixed Assets

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

3. Intangible Assets

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 amortisation

4. Depreciation and Amortisation

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

- Intangible Asset: - Computer software acquired till 31st December 2005 and coursewares are amortised @ 16.21% and 33.33% respectively, considering the useful life of the assets and obsolescence
- Depreciation on Computer Hardware, Office Equipments and Furniture & Fixtures acquired on or after 1st January 2006 is provided at the following higher rates based on its estimated useful life—

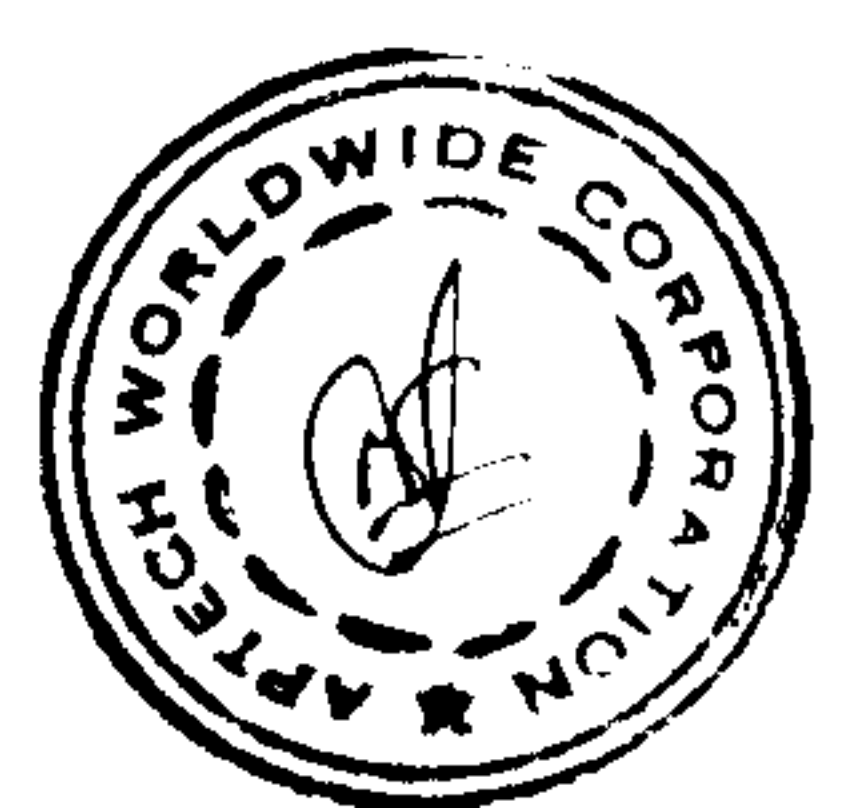
Computers Hardware	33.33%
Furniture & fixtures	20.00%

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

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

5. Impairment of 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 assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an



APTECH WORLDWIDE CORPORATION

indication that the impairment losses recognized for the assets no longer exist or have decreased

6. 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 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, Share Capital, Investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction

7. Revenue Recognition

Income from service is recognised as they are rendered based on agreements / arrangements with the concerned parties

8. Provisions, Contingent Liabilities & 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.

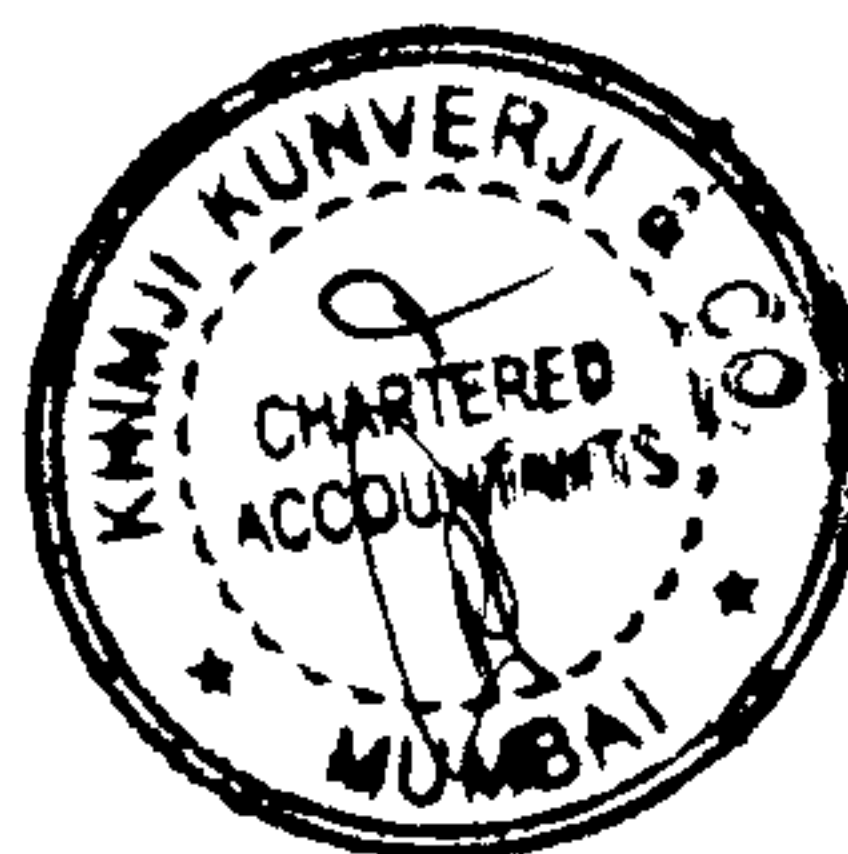
Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

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.



APTECH WORLDWIDE CORPORATION

B. OTHER NOTES ON ACCOUNTS

1. Considering the recession and downside in US ,the management has taken the decision to temporarily discontinue the operations of the company 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
2. The accounts of the company are prepared on a going concern basis, which is dependent on the availability of future profitability and continued finance
3. The transactions of the company are carried out in US dollars. However, for the purpose of the Financial Statements required by the Parent Company for Consolidation and other purposes, the US dollars amounts are translated into Indian rupees as under –

a)	Income & Expenditure	Recorded at the rates of exchange prevailing on the date of transactions
b)	Current Assets & Liabilities	Translated at the year end closing rates and the resulting exchange difference is reflected in the profit and loss account
c)	Fixed Assets & Share Capital	Translated at the rate of exchange prevailing on the date of purchase (Historical Cost)

4. Earnings per share :

Particulars	2012-13	2011-12
Net Profit (Loss) after tax (Rs.)	6,770,845	6,569,757
Weighted average number of shares	4,095,000	4,095,000
Basic and Diluted Earnings per Share (Rs.)	1.65	1.60

5. Related Party Transactions:

- (I) Holding Company
- (II) Fellow Subsidiaries

Aptech Limited
Aptech Ventures Limited
Aptech Global Investments
Aptech Investment Enhancers Limited
Aptech Bangladesh (WOS) Limited
Attest Testing Services Limited
Avalon Aviation Academy Pvt. Ltd
AGLSM Sdn Bhd, Malaysia
Aptech Training Ltd FZE
Maya Entertainment Limited




APTECH WORLDWIDE CORPORATION

Nature of Transactions	₹ in Lakhs	
	Holding Company	Fellow Subsidiaries
Income (Previous year)		7,097,279 (6,256,182)
Loans and Finance		
Opening Balance as on Apr'12 (Previous year)	2,205,587 (1,845,123)	
Loans taken/ (repaid) during the year (Previous year)	79,382 360,464	
Closing Balance as on March'13 (Previous year)	2,284,969 2,205,587	
Share Capital	40,950,000 (40,950,000)	

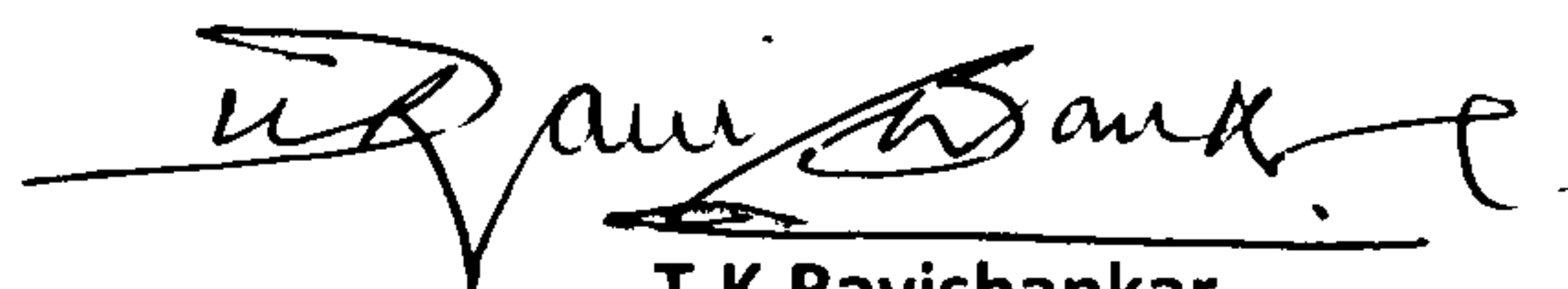
6. Since Company operates presently under single segment of licensing software, no separate disclosures are required under AS 17 on segment reporting.
7. The figures for the previous accounting year have been regrouped / rearranged wherever necessary to correspond with the figures of the current year.

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



Hasmukh B Dedhia
 Partner (F-33494)

For and on behalf of the Board of Directors
APTECH WORLDWIDE CORPORATION - USA



T.K. Ravishankar
 Director



Nilesh S. Vani
 Director

Place: Mumbai
 Date:

Mumbai, 13th May 2013

13 MAY 2013

Q