

# Khimji Kunverji & Co

(Registered)

Chartered Accountants

Mumbai • Kandla • Bangalore • Jabalpur



## Auditor's Report

To the Board of Directors  
**Aptech Training Limited FZE**

1. We refer to your letter dated April 30, 2009 requesting us to audit the accounts of Aptech Training Limited FZE, UAE ("the Company"), a wholly owned subsidiary of Aptech Limited ("the Parent") formed as a licensee of Free Trade Zone authority of the Ras Al Khaimah. (One of the Emirates of United Arab Emirates, UAE), in accordance with the accounting policies described in Schedule 14 Part B1 to B7 ("the accounting policies"), based on records including photo copies of some records, received from the company in Mumbai. We have not performed a Statutory Audit, 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, in accordance with the accounting policies, the attached Balance Sheet of the Company as at March 31, 2010, and also the Profit and Loss account and the Cash Flow statement for the period ended on that date annexed thereto, which are in agreement with the books of accounts verified by us. These financial statements are the responsibility of the Company's management and have been prepared in accordance with the accounting policies, for the purpose of consolidation of financial statements of the parent. Our responsibility is to express an opinion on these financial statements based on our audit
3. 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
4. In our opinion and based on our audit, and to the best of our information and according to the explanations given to us, the accompanying financial statement give a true and fair view in conformity with the accounting policies:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
  - b) in the case of the Profit and Loss account, of the profit of the Company for the period ended on that date; and
  - c) in the case of Cash Flow statement, of the cash flows of the Company for the period ended on that date.

For and on behalf of

**KHIMJI KUNVERJI & Co**

*Chartered Accountants*

Firm Registration No.105146W

**R V CHANIYARI**  
Partner(F-31083)

Mumbai  
dated: May 31, 2010

**APTECH TRAINING LIMITED FZE**

**BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT	
		31ST MARCH 2010	31ST DECEMBER 2008
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
SHARE CAPITAL	"1"	46,007,103	46,007,103
RESERVES AND SURPLUS	"2"	14,389,743	
<b>LOAN FUNDS</b>			
UNSECURED LOANS	"3"	9,742,682	
<b>TOTAL FUNDS EMPLOYED</b>		<b>70,139,530</b>	<b>46,007,103</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	"4"	53,664,176	53,664,176
LESS: ACCUMULATED DEPRECIATION & IMPAIRMENT		53,664,176	53,664,176
<b>NET BLOCK</b>			
<b>INVESTMENT</b>			
	"5"	14,439,460	28,208
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
SUNDRY DEBTORS	"6"	19,039,793	16,208,430
BANK BALANCE		3,925,174	12,262,929
DEPOSITS		35,403	35,403
LOANS AND ADVANCES		33,449,611	6,813,384
		<b>56,449,982</b>	<b>35,320,146</b>
LESS:			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
LIABILITIES	"7"	482,673	2,852,754
PROVISIONS		267,238	412,214
		<b>749,911</b>	<b>3,264,968</b>
<b>NET CURRENT ASSETS</b>		<b>55,700,070</b>	<b>32,055,178</b>
<b>PROFIT AND LOSS ACCOUNT</b>			<b>13,923,717</b>
<b>TOTAL FUNDS UTILIZED</b>		<b>70,139,530</b>	<b>46,007,103</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT</b>	"14"	0	

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

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

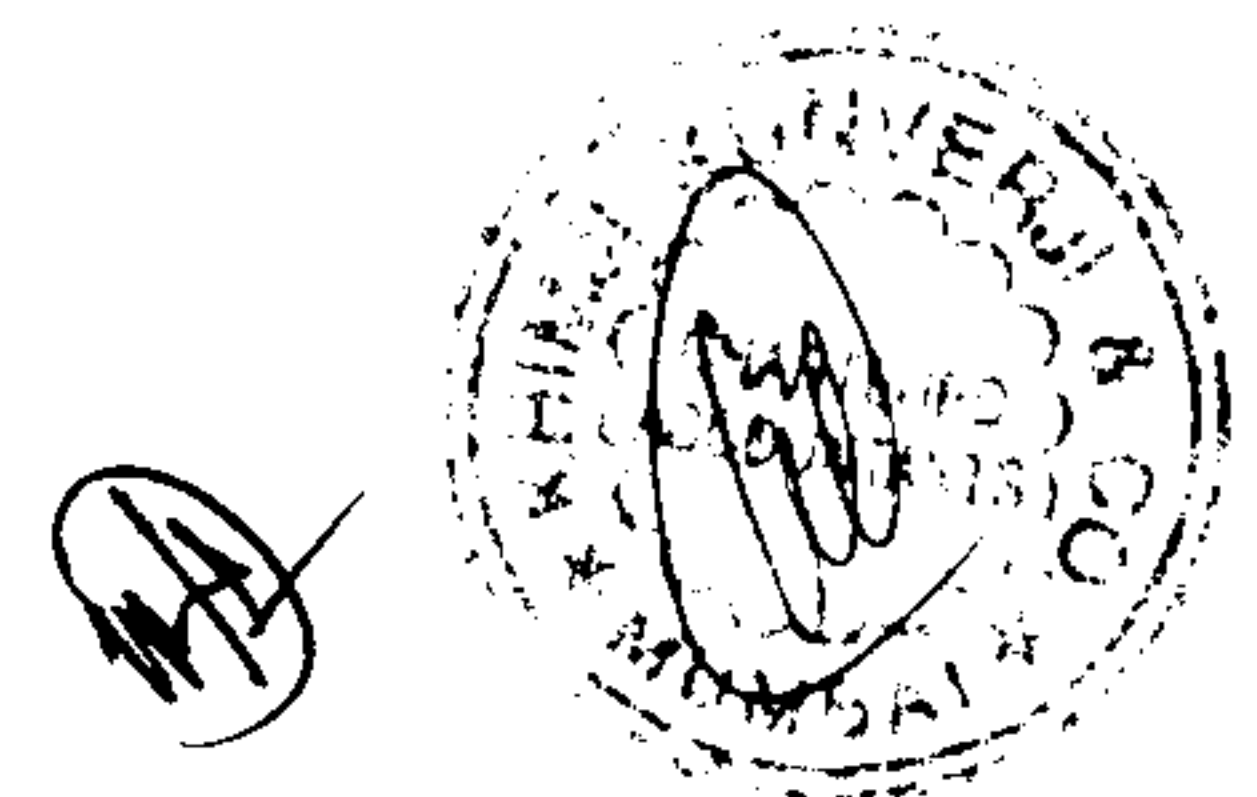
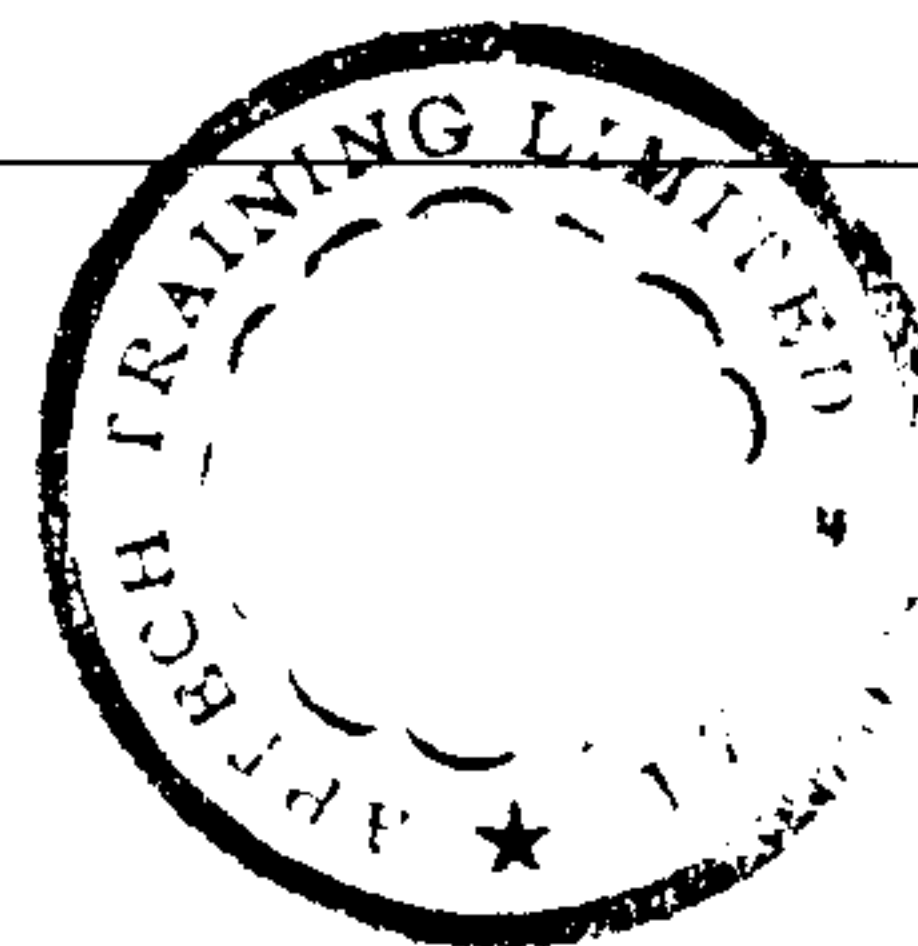
*V Chaniyari*  
V Chaniyari  
Partner  
M No. F 31083

Place : Mumbai  
Date : 31st May'2010

For and on behalf of the Board of Directors

*T.K. Ravishankar*  
T.K. Ravishankar  
Director

*Anuj Kacker*  
Anuj Kacker  
Director

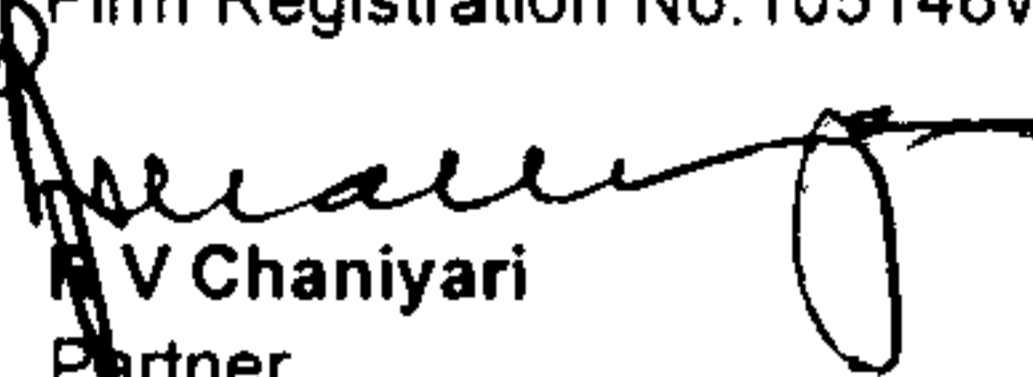


**APTECH TRAINING LIMITED FZE**

**PROFIT AND LOSS ACCOUNT FOR THE FIFTEEN MONTHS PERIOD ENDED 31ST MARCH 2010**

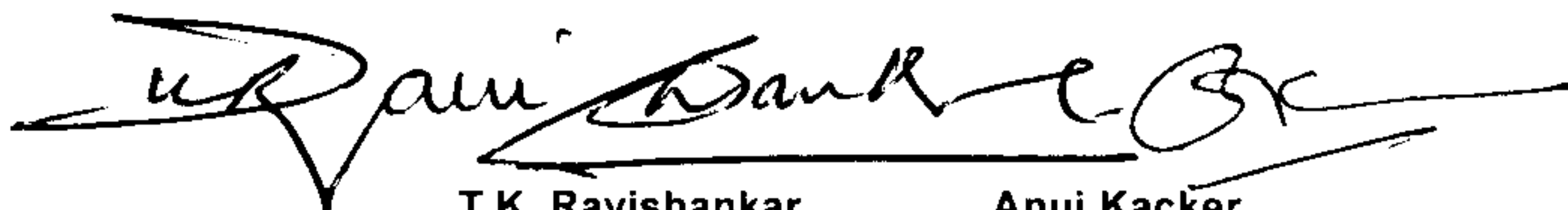
PARTICULARS	SCHEDULE	For the period from		For the year ended	
		01-Jan-2009 to 31-Mar-2010		31-Dec-2008	
<b>INCOME</b>					
INCOME FROM OPERATIONS	"8"	58,059,759		35,840,145	
OTHER INCOME					
EXCHANGE GAIN				3,751,300	
			<b>58,059,759</b>		<b>39,591,445</b>
<b>EXPENDITURE</b>					
EMPLOYMENT EXPENSES	"9"	1,748,599		813,474	
TRAINING & EDUCATION EXPENSES	"10"	20,746,367		12,483,396	
MARKETING EXPENSES	"11"	4,390,760		63,484	
ADMINISTRATION AND OTHER EXPENSES	"12"	2,614,880		5,126,784	
INTEREST AND FINANCE COSTS	"13"	245,693		65,794	
			<b>29,746,299</b>		<b>18,552,933</b>
PROFIT/(LOSS) BEFORE DEPRECIATION/AMORTISATION AND EXCEPTIONAL ITEMS			<b>28,313,460</b>		<b>21,038,512</b>
DEPRECIATION					13,788
PROFIT/(LOSS) FOR THE YEAR			<b>28,313,460</b>		<b>21,024,724</b>
PROFIT/(LOSS) BROUGHT FORWARD FROM PREVIOUS YEAR			<b>(13,923,717)</b>		<b>(34,948,441)</b>
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>14,389,743</b>		<b>(13,923,717)</b>
<b>BASIC AND DILUTED EARNING PER SHARE</b>			<b>765,229</b>		<b>568,236</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT</b>	"14"				

As per our report of even date.

For and on behalf of  
**Khimji Kunverji & Co.**  
 Chartered Accountants  
 Firm Registration No.105146W  
  
**H.V. Chaniyari**  
 Partner  
 M No. F 31083

Place : Mumbai  
 Date : 31st May'2010

For and on behalf of the Board of Directors

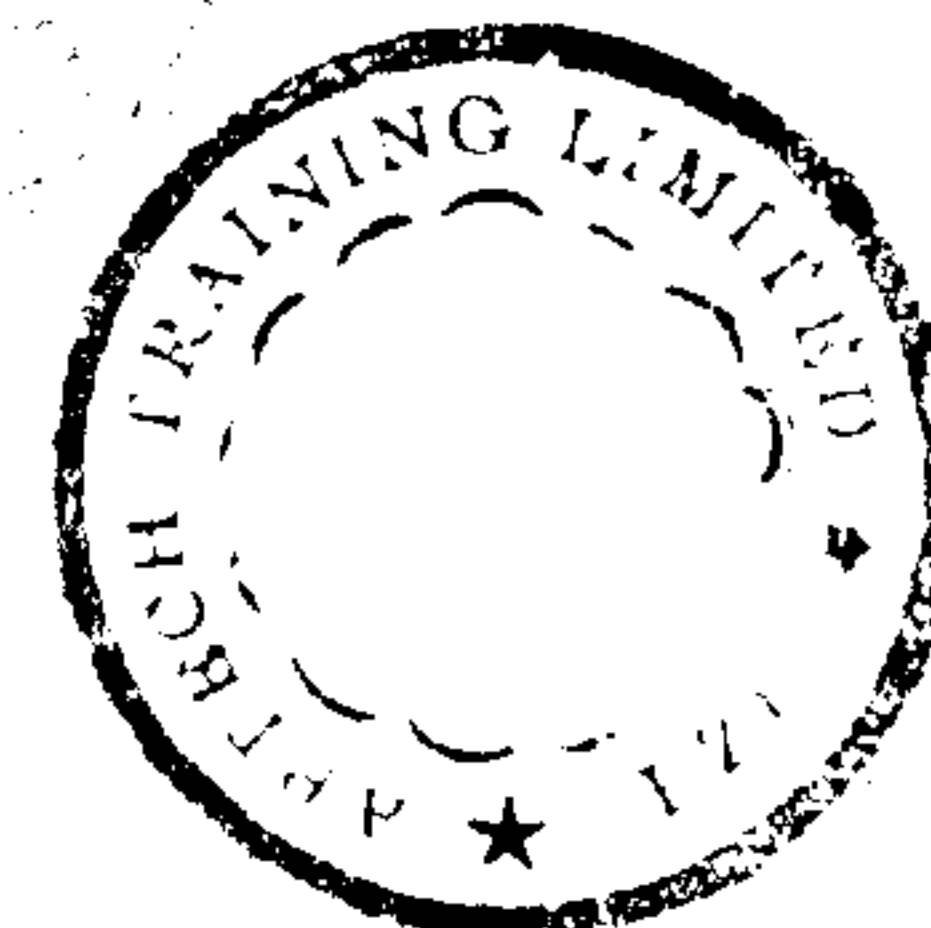
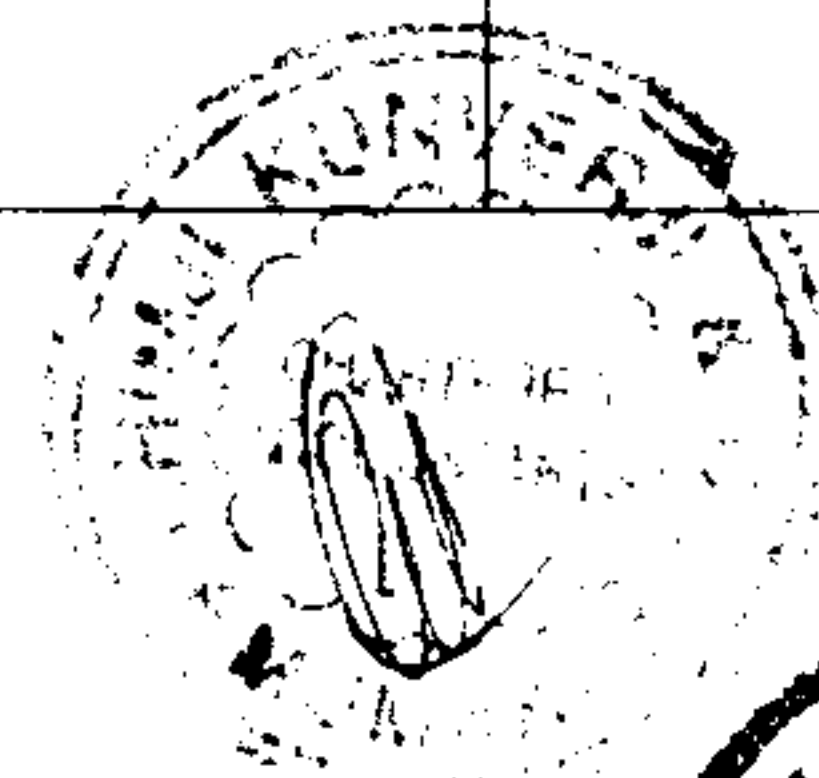
  
**T.K. Ravishankar**      **Anuj Kacker**  
 Director                      Director



**APTECH TRAINING LIMITED FZE**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rs.)

PARTICULARS	AS AT	
	31ST MARCH 2010	31ST DECEMBER 2008
<b>SCHEDULE "1" - SHARE CAPITAL</b>		
37 (Previous year 37) EQUITY SHARES OF UAE DHMS (AED) 100000/- EACH FULLY PAID UP (All Shares are held by the holding company Aptech Limited)	46,007,103	46,007,103
	46,007,103	46,007,103
<b>SCHEDULE "2" - RESERVE &amp; SURPLUS</b>		
OPENING BALANCE	(13,923,717)	-34948441
ADD: PROFIT DURING THE YEAR	28,313,460	21024724
	14,389,743	(13,923,717)
<b>SCHEDULE "3" - UNSECURED LOAN</b>		
LOAN FROM HOLDING COMPANY	9,742,682	-
<b>SCHEDULE "5" - INVESTMENT</b>		
500 Ordinary Shares (Previous Year 500) of Euro 1 each fully paid-up in Aptech Ventures Limited [Ceased to be Subsidiary w.e.f 10th August 2009]	28,208	
222133 Ordinary Shares (Previous Year NIL) of Euro 1 each fully paid-up in Aptech Global Investments	14,411,252	
	14,439,460	
<b>SCHEDULE "4" - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>SUNDRY DEBTORS (Unsecured, Considered good except otherwise stated)</b>		
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	2,289,586	2,481,460
OTHER DEBTS	17,745,244	14,722,008
LESS: PROVISION FOR BAD DEBT	(995,038)	(995,038)
	19,039,793	16,208,430
<b>CASH AND BANK BALANCES</b>		
BANK BALANCE	3,925,174	12,262,929
<b>LOANS AND ADVANCES (UNSECURED)</b>		
PREPAID EXPENSES	23,995,137	2,728,814
LOAN TO HOLDING COMPANY :		
APTECH LIMITED	2,693,773	3,759,480
LOAN TO GROUP COMPANIES :		
APTECH BANGLADESH WOS LIMITED	540,242	540,242
APTECH VENTURES LIMITED	669,981	28,433
APTECH INVESTMENT ENHANCERS LIMITED	674,927	296,656
LOAN TO SUBSIDIARY COMPANT :		
APTECH GLOBAL INVESTMENTS	5,415,793	
LESS: PROVISION FOR LOANS & ADVANCES	(540,242)	(540,242)
	33,449,611	6,813,384
	56,414,578	35,284,743
<b>SCHEDULE "5" - CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
INCOME RECEIVED IN ADVANCE	242,530	2,586,599
SUNDRY CREDITORS	240,143	266,155
OTHER LIABILITIES	267,238	412,214
	749,911	3,264,968



**APTECH TRAINING LIMITED FZE**  
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

(Amount in Rs.)

PARTICULARS	For the period from		For the year ended	
	01-Jan-2009 to 31-Mar-2010		31-Dec-2008	
<b>SCHEDULE "6" - INCOME FROM OPERATIONS</b>				
INCOME FROM OPERATION		58,059,759		35,840,145
		-		
		58,059,759		35,840,145
<b>SCHEDULE "7" - EMPLOYMENT EXPENSES</b>				
SALARIES & OTHER ALLOWANCES		1,748,599		813,474
		1,748,599		813,474
<b>SCHEDULE "8" - TRAINING AND EDUCATION EXPENSES</b>				
EDUCATION, TRAINING EXPENSES		20,746,367		12,483,396
		20,746,367		12,483,396
<b>SCHEDULE "9" - MARKETING EXPENSES</b>				
MARKETING EXPENSES		4,390,760		63,484
		4,390,760		63,484
<b>SCHEDULE "10" - ADMINISTRATION AND OTHER EXPENSES</b>				
RENT		572,089		398,023
TRAVELLING AND CONVEYANCE EXPENSES		4,035		296,206
PROFESSIONAL FEES		-		2,024,242
AUDIT FEES		195,991		273,452
EXCHANGE RATE DIFFERENCE		1,370,529		-
MANAGEMENT CHARGES		249,028		143,555
FOREIGN WITHHOLDING TAX		211,320		456,027
PROVISION FOR DOUBTFUL DEBTS & ADVANCES		-		1,535,280
MISCELLANEOUS ADMIN. EXPENSES		11,888		
		2,614,880		5,126,784
<b>SCHEDULE "11" - INTEREST AND FINANCE COSTS</b>				
BANK CHARGES AND COMMISSION		245,693		65,794
		245,693		65,794

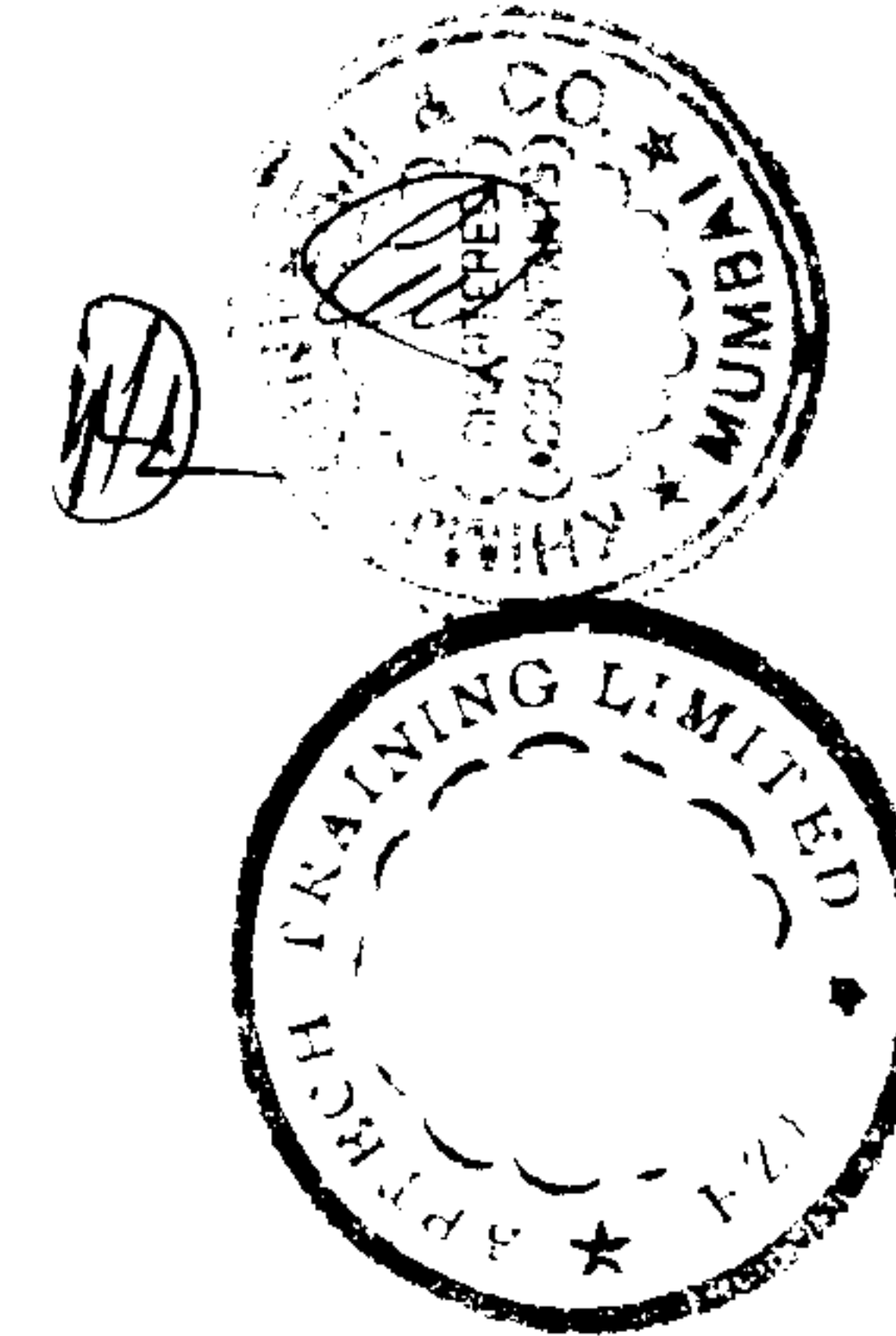


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**APTECH TRAINING LIMITED FZE**  
**SCHEDULES FORMING PART OF BALANCE SHEET**  
**SCHEDULE "4" - FIXED ASSETS**

(Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTISATION				IMPAIRMENT			NET BLOCK	
	AS AT 01-01-2009	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 31-03-2010	AS AT 01-01-2009	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENTS	AS AT 31-03-2010	AS AT 01-01-2009	FOR THE YEAR	AS AT 31-03-2010	AS AT 31-03-2010	AS AT 31-12-2008
COMPUTER HARDWARE	44,346	-	-	44,346	44,346	-	-	44,346	-	-	-	-	-
FURNITURE AND FIXTURES	47,430	-	-	47,430	47,430	-	-	47,430	-	-	-	-	-
SOFTWARE	53,572,400	-	-	53,572,400	11,657,504	-	-	11,657,504	41,914,896	-	41,914,896	-	-
<b>TOTAL</b>	<b>53,664,176</b>	-	-	<b>53,664,176</b>	<b>11,749,280</b>	-	-	<b>11,749,280</b>	<b>41,914,896</b>	-	<b>41,914,896</b>	-	-
<b>TOTAL (PREVIOUS YEAR)</b>	<b>53,664,176</b>	-	-	<b>53,664,176</b>	<b>11,735,492</b>	<b>13,788</b>	-	<b>11,749,280</b>	<b>41,914,896</b>	-	<b>41,914,896</b>	-	-



# APTECH TRAINING LIMITED FZE

## CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDING 31ST MARCH 2010

(Amount in Rs.)

PARTICULARS	For the period from 01-Jan-2009 to 31-Mar-2010		For the year ended 31-Dec-2008	
<b>( A ) CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT / (LOSS) BEFORE TAX		28,313,460		21,024,724
<b>Adjustments</b>				
Depreciation	-		13,788	
Interest and Finance Costs	245,693		65,794	
		245,693		79,583
<b>Operating Profit Before Working Capital Changes</b>		<b>28,559,153</b>		<b>21,104,307</b>
<b>Adjustments for :</b>				
Decrease/(Increase) in Sundry Debtors(Net of Provision)	(2,831,363)		(9,452,952)	
Decrease/(Increase) in Loans and Advances(Net of Provision)	(26,636,227)		(5,907,932)	
Increase/(Decrease) in Current Liabilities and Provisions	(2,515,057)		2,894,260	
		(31,982,647)		(12,466,624)
<b>Cash From / (used) in Operating Activities</b>		<b>(3,423,494)</b>		<b>8,637,683</b>
<b>Net Cash From / (used) in Operating Activities</b>		<b>(3,423,494)</b>		<b>8,637,683</b>
<b>( B ) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investments in Subsidiary Companies	(14,411,252)			
<b>Net Cash used in Investing Activities</b>		<b>(14,411,252)</b>		<b>-</b>
<b>( C ) CASH FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayment) of Borrowings	9,742,682		(682,692)	
Interest paid	(245,693)		(65,794)	
<b>Net Cash from Financing Activities</b>		<b>9,496,990</b>		<b>(748,487)</b>
<b>Net (Decrease) / Increase in Cash &amp; Cash equivalents</b>		<b>(8,337,756)</b>		<b>7,889,196</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>		<b>12,262,929</b>		<b>4,373,732</b>
<b>Cash &amp; Cash equivalents at the end of the year</b>		<b>3,925,174</b>		<b>12,262,929</b>
		<b>(8,337,756)</b>		<b>7,889,196</b>

Notes:

1) Cash and cash equivalents includes:

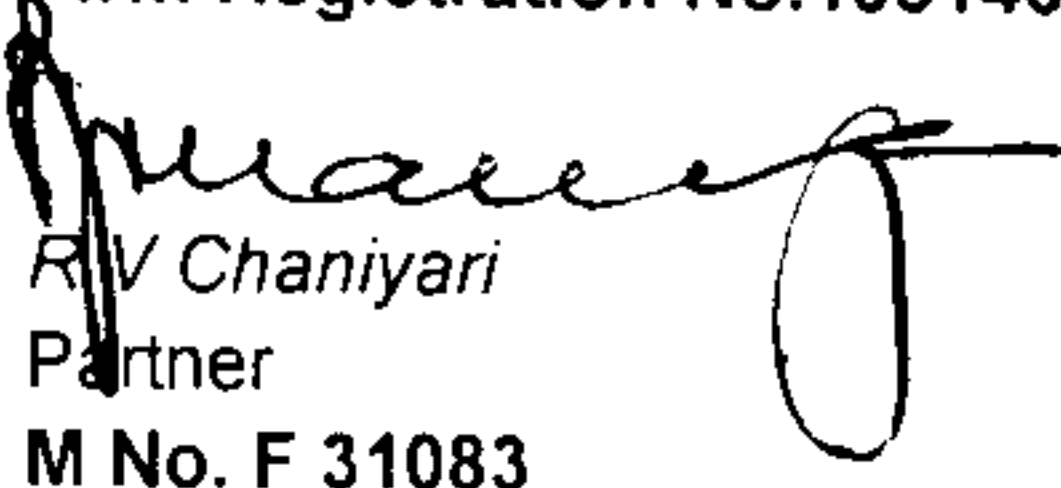
Cheque in hand  
Balance with bank

	3,925,174	12,262,929
	<u>3,925,174</u>	<u>12,262,929</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

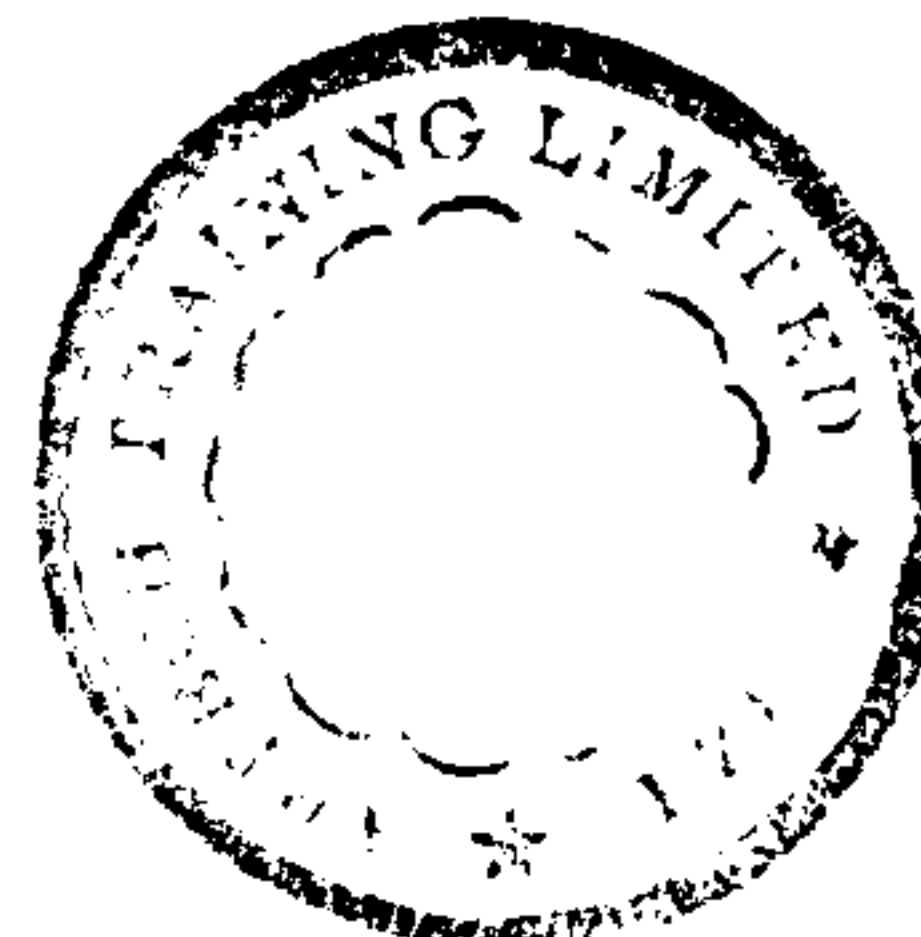
  
R.V. Chaniyari  
Partner  
M No. F 31083

For and on behalf of the board of Directors

  
T.K. Ravishankar  
Director

  
Anuj Kacker  
Director

Place : Mumbai  
Date : 31st May'2010





**SCHEDULE: 12**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**

**A. Description of Business and Organisation**

Aptech Training Limited FZE is a wholly owned subsidiary of Aptech Limited. It was formed w.e.f.19<sup>th</sup> May 2002 as a Licensee of Free Trade Zone Authorities of the Ras Al Khaimah. (One of the Emirates of United Arab Emirates, UAE) with minimum capital requirement of 100000 AED. It has its office at RAK Free Trade Zone; Ras Al Khaimah UAE. The activity permitted under the license is providing of Information Technology Education Services, subject to UAE Rules and Regulations.

**B. Significant Accounting Policies**

**1. System of Accounting**

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

**2. Revenue Recognition**

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

**3. Fixed Assets**

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

**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 at higher rates (lower estimated useful life) as mentioned hereunder.

Depreciation on Furniture & Fixtures and Computer Hardware is provided at the following rates based on it's estimated useful life -

Furniture & Fixtures	20.00%
Computer Hardware	33.33%

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.



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**5. Foreign Currency Transactions**

- i) Transactions in foreign currency are recorded at the rates of exchange prevailing on the date of transactions.
- ii) Current assets and liabilities are translated at the year end closing rates and the resulting exchange difference is reflected in the profit and loss account

**6. Impairment of Fixed Assets**

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

**7. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources is 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 recognized only when it is virtually certain that the reimbursement will be received.

Contingent liabilities not provided for are disclosed by way of notes.



# APTECH TRAINING LIMITED –F.Z.E

## C. Notes forming part of the accounts

- 1) Aptech Training Limited FZE "the Company" has changed its financial year end from December to March from this year. As a result, these financial statements have been prepared for the period of fifteen months from 01<sup>st</sup> January 2009 to 31<sup>st</sup> March 2010 ("Period") as against previous financial statements which were prepared for the year ended 31st December 2008. Therefore, the numbers of current period and previous year are not comparable.
- 2) 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)	Share Capital, Fixed Assets & Investments	Translated at the rate of exchange prevailing on the date of purchase (Historical Cost)

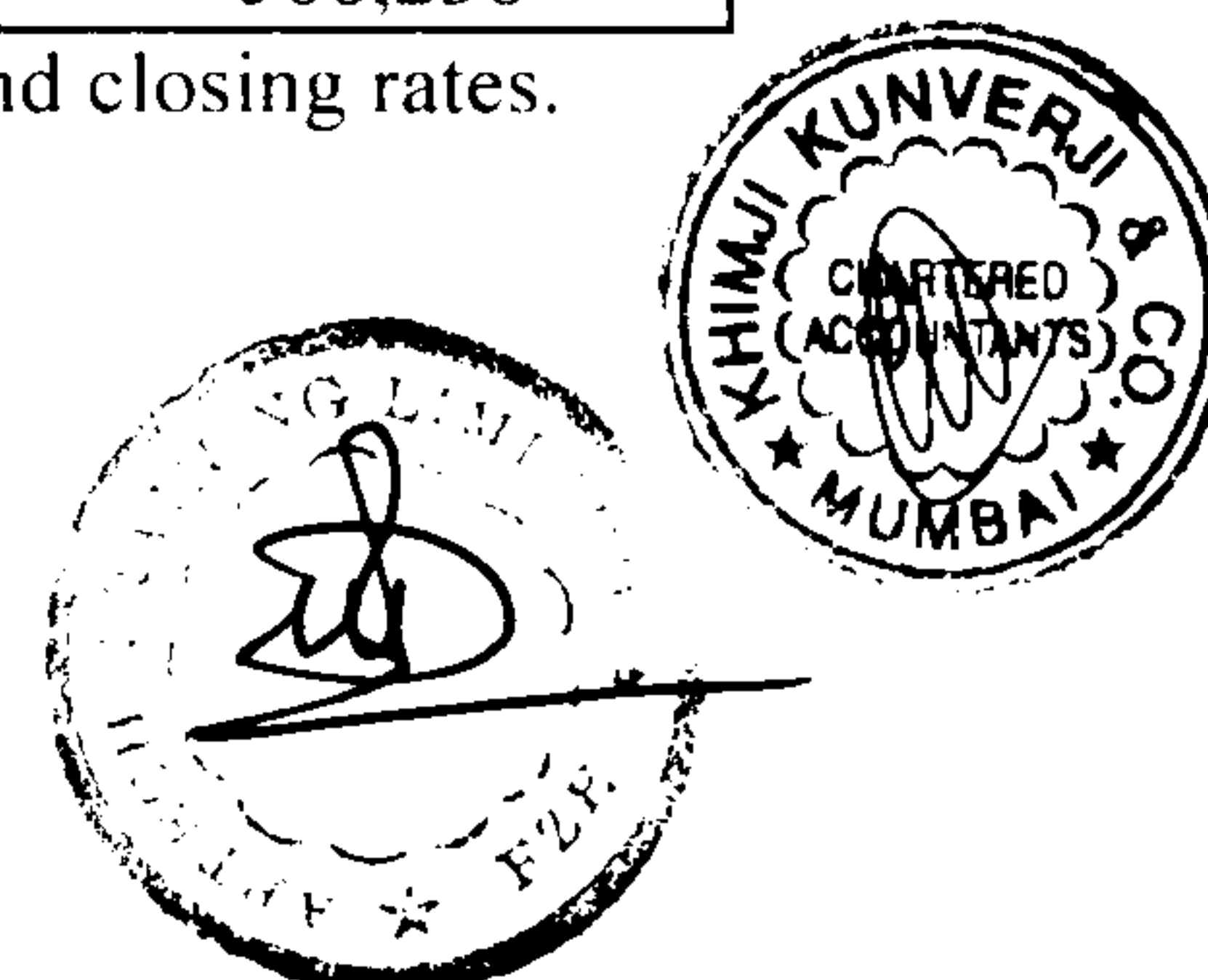
### 3) Payment to Auditors:

Particulars	Year	
	2010	2008
For Audit	156,068	234,800
For Certification	30,000	30,000
Reimbursement of Service tax	9,923	8,652
<b>Total</b>	<b>195,991</b>	<b>273,452</b>

### 4) Earnings per share:

	2010	2008
Profit after tax attributable to Equity Shareholders	28,313,460	21,024,724
Weighted average number of equity shares Outstanding during the year/period		
Basic & Diluted	37	37
Nominal value of equity shares (Rupees)	1,224,970	1,354,239
Basic & Diluted EPS (Rupees)	765,228	568,236

Note : The nominal value of shares AED 100,000 is translated at the year end closing rates.



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**APTECH TRAINING LIMITED –F.Z.E**

5) As the company falls in the Tax Free Zone in U.A.E., no tax liability is provided in the books.

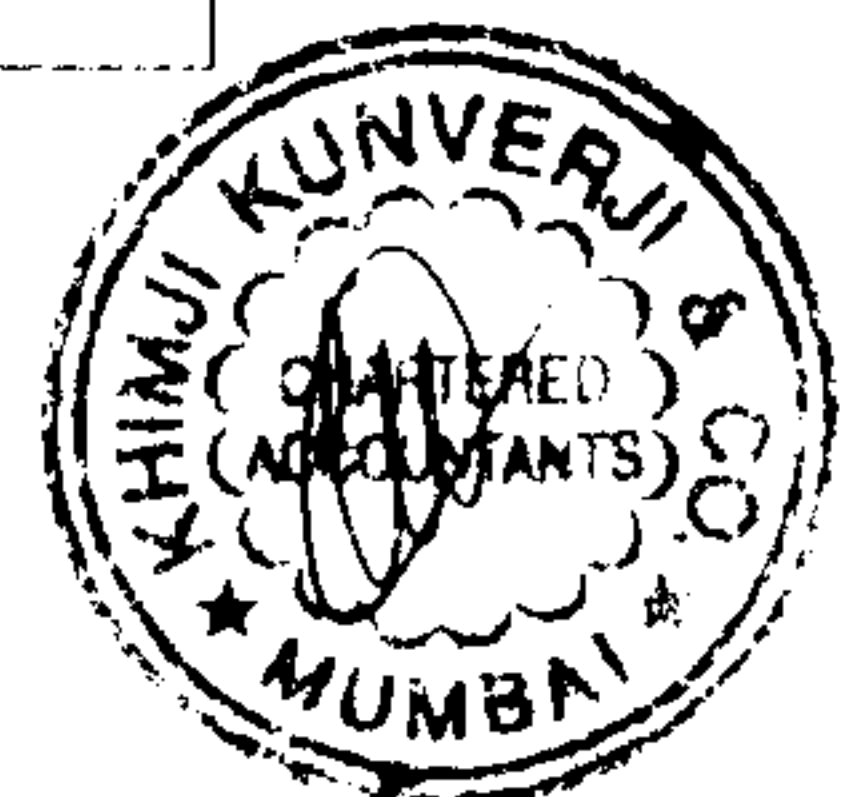
**6) Related Party Transactions:**

**i. Names of related parties and description of relation:**

- |                       |  |
|-----------------------|--|
| a. Holding Company    | Aptech Limited   |
| b. Subsidiary Company | Aptech Ventures Limited (Cease to be Subsidiary w.e.f. 10th August 2009)   |
| c. Fellow Subsidiary  | Aptech Global Investments<br>Aptech Investment Enhancers Limited<br>Aptech Bangladesh (WOS) Limited<br>Aptech Software Limited<br>Attest Testing Services Limited<br>Avalon Aviation Services Limited<br>Aptech Manpower Services Limited<br>Aptech Worldwide Corporation Limited USA<br>AGLSM Sdn Bhd |

Transactions with related parties :

<b>Nature of Transactions</b>	<b>Holding Company</b>	<b>Subsidiaries</b>	<b>Fellow Subsidiary</b>
<b>Income</b>	-		
(Previous Year)	(-)		
<b>Expenses</b>	3,278,925		9,259,080
(Previous Year)	(2,161,240)		-
<b>Receiving of Services and Reimbursement of expenses</b> (including Management Contracts including for deputation of employees)	1,997,627		
(Previous Year)	(957,029)		
<b>Loans Taken</b>			
Balance as at January 1,2009			
(Previous year)	(6,82,692)		
Fresh Loans During the year			
(Previous year)	(6,192,714)		
Repaid/ Adjusted during the year			
(Previous year)	(6,875,406)		
Balance as at March 31, 2010			
(Previous year)	(-)		
<b>Loans Given</b>			
Balance as at January 1,2009	3,759,480	325,089	540,241



*Handwritten initials/signature*

**APTECH TRAINING LIMITED –F.Z.E**

Balance as at January 1,2009	3,759,480	325,089	540,241
<i>(Previous year)</i>	-	(311,148)	(467,570)
Fresh Loans During the year	11,685,162	6,435,612	
<i>(Previous year)</i>	(3,759,480)	(23,978)	(72,671)
Repaid/ Adjusted during the year	22,493,552		-
<i>(Previous year)</i>	-	(10,030)	-
Balance as at March 31, 2010	7,048,910	6,760,701	540,241
<i>(Previous year)</i>	(3,759,480)	(325,089)	(540,241)


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

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

  
**R V Chaniyari**

Partner  
Membership No.F 31083  
Place: Mumbai  
Date:31<sup>st</sup> May 2010-06-17

For and on behalf of the Board of Directors



**T K Ravishankar**  
Director



**Anuj Kacker**  
Director

