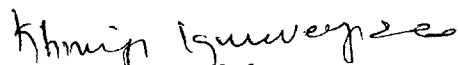




Auditor's Report

To the Board of Directors
Aptech Worldwide Corporation, USA

1. We refer to your letter dated April 30, 2009 requesting us to audit the accounts of Aptech Worldwide Corporation USA ("the Company), a wholly owned subsidiary of Aptech Limited incorporated in the State of California, United States of America, in accordance with the accounting policies described in Schedule 9 Part A1 to A9 ("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 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, 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. (a) *Accounts of the company have been prepared on a going concern basis, which is 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*
(b) *Bank Balances is subject to receipt of confirmation from the bank*
5. Subject to our comments referred to in Para 4 above, 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 statements 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 year 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

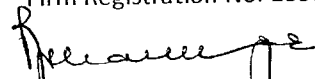


For and on behalf of

Khimji Kunverji & Co

Chartered Accountants

Firm Registration No. 105146W



R V Chaniyari

Partner (F-31083)

Mumbai,

Dated: May 31, 2010

APTECH WORLDWIDE CORPORATION - USA

BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT		AS AT	
		31ST MARCH 2010	31ST MARCH 2010	31ST DECEMBER 2008	31ST DECEMBER 2008
		RUPEES	RUPEES	RUPEES	RUPEES
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
SHARE CAPITAL	"1"	40,950,000		40,950,000	
			40,950,000		40,950,000
LOAN FUNDS					
UNSECURED LOANS	"2"		1,594,704		4,280,112
TOTAL FUNDS EMPLOYED			42,544,704		45,230,112
APPLICATION OF FUNDS					
FIXED ASSETS					
GROSS BLOCK	"3"	38,156,651		38,156,651	
LESS: ACCUMULATED DEPRECIATION & IMPAIRMENT		38,128,387		37,878,044	
NET BLOCK		28,264		278,607	
CAPITAL WORK IN PROCESS			28,264		278,607
CURRENT ASSETS, LOANS AND ADVANCES					
SUNDRY DEBTORS	"4"	126,823		666,478	
CASH AND BANK BALANCES		433,966		1,705,616	
LOANS AND ADVANCES		459,084		339,706	
		1,019,874		2,711,800	
LESS:					
CURRENT LIABILITIES AND PROVISIONS					
LIABILITIES	"5"	24,278,606		27,542,822	
PROVISIONS		59,115		59,115	
		24,337,721		27,601,937	
NET CURRENT ASSETS			(23,317,848)		(24,890,138)
PROFIT AND LOSS ACCOUNT					
TOTAL FUNDS UTILISED			65,834,288		69,841,643
			42,544,704		45,230,112
Significant Accounting Policies And Notes On Accounts	"13"		0		(0)

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

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

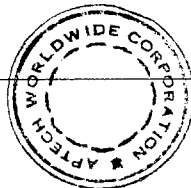
R.V. Chaniyari
R. V. Chaniyari
Partner
M No. : F 31083

Place : Mumbai
Date: 31st May 2010

For and on behalf of the board of Directors

Nilish Vani
Nilish Vani
Director

T.K. Ravishankar
T.K. Ravishankar
Director



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APTECH WORLDWIDE CORPORATION - USA

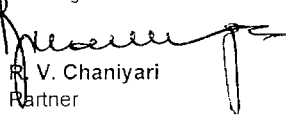
PROFIT AND LOSS ACCOUNT FOR THE FIFTEEN MONTHS ENDED 31ST MARCH 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	For the period from		For the year ended	
		01-Jan-2009	31-Mar-2010	31-Dec-2008	
INCOME					
INCOME FROM OPERATION	"6"	9,306,980		18,736,584	
OTHER INCOME	"7"			3,568,596	
			9,306,980		22,305,180
EXPENDITURE					
TRAINING & EXECUTION	"8"	-		10,855,891	
MARKETING & ADVERTISING EXPENSES	"9"	-		1,685,436	
SALARIES, EMPLOYEE BENEFITS	"10"	749		10,566,274	
ADMINISTRATION AND OTHER EXPENSES	"11"	4,909,397		5,198,778	
INTEREST AND FINANCE COSTS	"12"	134,499		110,075	
			5,044,645		28,416,454
Profit/(Loss) Before Depreciation / Amortisation			4,262,335		(6,111,274)
DEPRECIATION AND AMORTISATION		250,344		274,269	
Profit/(Loss) Before Tax			4,011,991		(6,385,543)
PROVISION FOR TAX		4,637			
Net Profit / (Loss) after Tax			4,007,354		(6,385,543)
DEFICIT BROUGHT FORWARD FROM PREVIOUS YEAR			(69,841,643)		(63,456,100)
BALANCE CARRIED TO BALANCE SHEET			(65,834,288)		(69,841,643)
Basic And Diluted Earnings Per Share (Refer Note 7 of Schedule 13)			4.45		(7.10)
Significant Accounting Policies And Notes On Accounts	"13"				

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

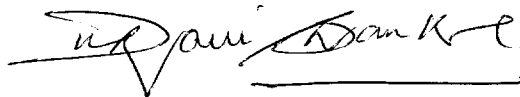
For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

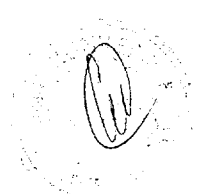
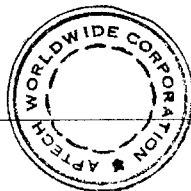

R. V. Chaniyari
Partner
M No. : F 31083

Place : Mumbai
Date: 31st May 2010

For and on behalf of the board of Directors


Nilesh Vani,
Director


T.K. Ravishankar
Director



PARTICULARS	For the period from 01-Jan-2009 to 31-Mar-2010		For the year ended 31-Dec-2008	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEM		4,011,991.30		(6,385,543.29)
Adjustments				
Depreciation and Amortisation	250,343.47		274,269.00	
Interest and Finance Costs	134,499.23		110,074.59	
		384,842.70		384,343.59
Operating Profit Before Working Capital Changes		4,396,834.00		(6,001,199.70)
Adjustments for :				
Decrease / (Increase) in trade and other receivables	539,654.87		14,601,173.27	
Decrease / (Increase) in loans and advances	(119,378.71)		(267,969.72)	
(Decrease) / Increase in other payables	(3,264,216.21)		(9,471,132.62)	
		(2,843,940.05)		4,862,070.93
Cash From / (used) in Operating Activities		1,552,893.95		(1,139,128.77)
Income Tax / Fringe Benefit Tax Paid (Net)	(4,637.00)			
		(4,637.00)		
Net Cash From / (used) in Operating Activities		1,548,256.95		(1,139,128.77)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Fixed Assets			193,142.76	
Net Cash used in Investing Activities				193,142.76
(C) CASH FROM FINANCING ACTIVITIES				
Proceeds from issue of Shares at Premium:				
Proceeds from Borrowings (Net)	(2,685,407.93)		(1,566,357.43)	
Interest / Bank charges paid	(134,499.23)		(110,074.59)	
		(2,819,907.16)		(1,676,432.02)
Net Cash from Financing Activities		(2,819,907.16)		(1,676,432.02)
Net (Decrease) / Increase in Cash & Cash equivalents		(1,271,650.21)		(2,622,418.03)
Cash & Cash equivalents at the beginning of the year		1,705,616.12		4,328,034.33
Cash & Cash equivalents at the end of the year		433,966.23		1,705,616.12
		(1,271,649.89)		(2,622,418.21)

Notes:

1. Cash and cash equivalence includes
a. cash
b. balance with banks

(0)

0

433,966

1,705,616

2. The previous years figures have been regrouped / rearranged to conform to the current year's presentation, wherever necessary

As per our report of even date

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

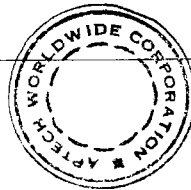
R. V. Chaniyari
R. V. Chaniyari
Partner
M No. : F 31083

For and on behalf of the board of Directors

Nitesh Vani
Nitesh Vani
Director

T.K. Radhakrishnan
T.K. Radhakrishnan
Director

Place : Mumbai
Date: 31st May 2010



Signature

Signature

APTECH WORLDWIDE CORPORATION - USA

SCHEDULES FORMING PART OF BALANCE SHEET

(Amount in Rs.)

PARTICULARS	AS AT 31ST MARCH 2010		AS AT 31ST DECEMBER 2008	
	RUPEES	RUPEES	RUPEES	RUPEES
SCHEDULE "1" - SHARE CAPITAL				
AUTHORISED CAPITAL 16,00,000 EQUITY SHARES OF RS. 10/- EACH		160,000,000		160,000,000
		160,000,000		160,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 900,000 EQUITY SHARES OF US\$ 1 EACH FULLY PAID UP (All Shares are held by the holding company Aptech Limited)		40,950,000		40,950,000
		40,950,000		40,950,000
SCHEDULE "2" - UNSECURED LOANS				
FROM HOLDING COMPANY				
FROM OTHER GROUP COMPANIES		1,594,704		4,280,112
		1,594,704		4,280,112
SCHEDULE "4" - CURRENT ASSETS, LOANS AND ADVANCES				
SUNDRY DEBTORS (unsecured, considered good except otherwise stated) DUE FOR PERIOD EXCEEDING SIX MONTHS OTHER DEBTS	126,823		666,478	
		126,823		666,478
CASH AND BANK BALANCES BALANCES WITH SCHEDULED BANKS IN CURRENT ACCOUNTS	433,966		1,705,616	
		433,966		1,705,616
LOANS AND ADVANCES (Unsecured, considered good except otherwise stated) LOAN TO HOLDING COMPANY ADVANCE PAYMENT OF INCOME TAX SECURITY DEPOSITS	387,348 71,736		267,970 71,736	
		459,084		339,706
		1,019,874		2,711,800
SCHEDULE "5" - CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES SUNDRY CREDITORS ADVANCES FROM CUSTOMERS OTHER LIABILITIES	11,225 23,715,420 551,962		26,989,685 553,138	
		24,278,606		27,542,822
PROVISIONS PROVISION FOR TAXATION	59,115		59,115	
		59,115		59,115
		24,337,721		27,601,937



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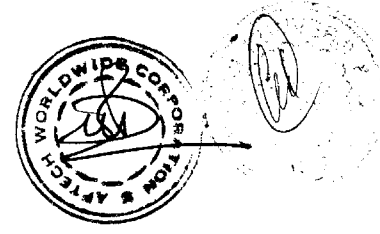
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APTECH WORLDWIDE CORPORATION - USA

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	
SCHEDULE "6" - INCOME FROM OPERATIONS				
INCOME FROM SALE OF SOFTWARE/CONTENT		-		18,736,584
INCOME FROM OTHER OPERATIONS		9,306,980		
		9,306,980		18,736,584
SCHEDULE "7" - OTHER INCOME				
LIABILITIES/ADVANCES NO LONGER REQUIRED WRITTEN BACK		-		1,585,395
ESOP EXPENSE WRITTEN BACK		-		1,044,189
FOREIGN EXCHANGE GAIN		-		939,011
		-		3,568,596
SCHEDULE "8" - TRAINING AND EXECUTION				
SOFTWARE DEVELOPMENT CHARGES		-		9,778,486
OTHER PROJECT/DEVELOPMENT EXPENSES		-		1,077,405
		-		10,855,891
SCHEDULE "9" - MARKETING & ADVERTISEMENT EXPENSES				
MARKETING EXPENSES		-		239,160
SEMINAR & CONF EXPENSES		-		1,446,276
		-		1,685,436
SCHEDULE "10" - SALARIES AND EMPLOYEE BENEFITS (payments to and provision for employees)				
SALARY AND OTHER ALLOWANCES		-		10,366,128
STAFF WELFARE EXPENSES		749		200,147
		749		10,566,274
SCHEDULE "11" - ADMINISTRATION AND OTHER EXPENSES				
RENT		-		282,353
RATES AND TAXES		-		-
TRAVELLING AND CONVEYANCE EXPENSES		369		892,769
ELECTRICITY CHARGES		-		-
COMMUNICATION CHARGES		17,006		213,958
REPAIRS & MAINTENANCE		-		-
- COMPUTERS		-		-
- OTHERS		-	7,432	7,432
AUDIT FEES		80,997		70,000
INSURANCE		-		355
LEGAL & PROFESSIONAL FEES		167,484		1,729,467
LOSS ON SALE OF FIXED ASSETS		-		155,706
BAD DEBTS WRITTEN OFF		-		351,383
DISCOUNT - OTHERS		-		1,196,369
MISCELLANEOUS EXPENSES		2,656		298,986
FOREIGN EXCHANGE LOSS		4,640,886		-
		4,909,397		5,198,778
SCHEDULE "12" - INTEREST AND FINANCE COSTS				
BANK CHARGES AND COMMISSION		108,532		110,075
		134,499		110,075

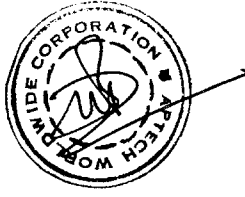


APTECH WORLDWIDE CORPORATION
SCHEDULES FORMING PART OF BALANCE SHEET
SCHEDULE "3" - FIXED ASSETS

(Rupees)

P A R T I C U L A R S	GROSS BLOCK		DEPRECIATION AND AMORTISATION		IMPAIRMENT		NET BLOCK	
	AS AT 01-01-2009	ADDITIONS DEDUCTIONS/ ADJUSTMENTS	AS AT 01-01-2009	FOR THE YEAR	AS AT 01-01-2009	FOR THE YEAR	AS AT 31-03-2010	AS AT 31-12-2008
PLANT AND MACHINERY	408,284	-	274,322	105,999	-	-	28,263	133,962
<u>Intangible Assets</u>								
COMPUTER SOFTWARE	456,555	-	311,910	144,645	-	-	0	144,645
COURSEWARE	37,291,812	-	12,951,853	-	24,339,959	-	-	-
T O T A L	38,156,651	-	13,538,085	250,344	24,339,959	-	28,264	278,607
T O T A L (PREVIOUS YEAR)	36,389,891	233,240	13,303,913	274,270	24,339,959	-	24,339,959	278,607

(Signature)



(Signature)

SCHEDULE: 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF 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

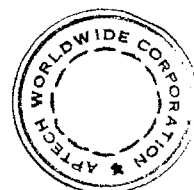
Depreciation on fixed assets is provided on Straight-Line Method at the rates and in the manner specified in the Schedule XIV of the Indian Companies Act, 1956, except for

- a. 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
- b. 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



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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 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. Employee Stock Option Plan (ESOP)

The stock options granted by the Holding Company are accounted for as per the accounting treatment prescribed by Employee Stock option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to Profit & Loss Account on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortized portion. The employee stock option outstanding account, net of any unamortised deferred employee compensation, is shown separately as part of Reserves.

9. Provisions, Contingent Liabilities & Contingent Assets:

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Department appeals in respect of cases won by the Company are also considered as Contingent Liabilities.

Provisions are recognised when there is 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 determined based on best estimate required to settle the obligation at the Balance Sheet date.



B. Notes forming part of the accounts

1. Considering the recession and downslide 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. Current period figures are 15 months as against previous period figure of 12 month & hence are strictly non comparable .
3. The accounts of the company are prepared on a going concern basis, which is dependent on the availability of future profitability and continued finance
4. Based on the resolution for Employee Stock option as approved by the shareholder of Holding Company, the holding company has granted 60,000 numbers of stock options on May 4, 2007 to eligible employees of the Company comprising of 9,000, 12,000, 15,000 and 24,000 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.

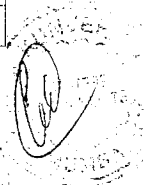
During the year 9,000 options were exercisable against which 5,175 were exercised and the balance have been lapsed. Rs. 1,044,190 being the ESOP compensation cost has been written back and shown as an income in the schedule '7'of "Other Income"

5. 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)

6. Payment to Auditors:

Particulars	(Rupees)	
	2009 - 10	2008
Audit Fees	80,997	70,000
Total	80,997	70000



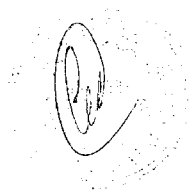
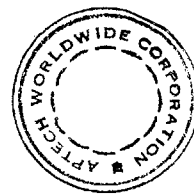
7. Earnings per share :

	2009 - 10	2008
Profit / (Loss) after tax attributable to Equity Shareholders	4,007,354	(6,385,543)
Weighted average number of equity shares Outstanding during the year/period		
Basic & Diluted	900,000	900,000
Basic & Diluted EPS (Rupees)	4.45	(7.10)

8. Related Party Transactions:

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

Aptech Limited
 Aptech Software Limited
 Synergetic Information Technology Services India Pvt. Ltd. (Ceased to be Fellow Subsidiary since 1st October, 2008)
 Attest Testing Services Ltd.
 Aptech Training Limited FZE, Dubai
 Aptech (WOS) Bangladesh Limited
 AGL SM SDN.BHD-MALAYSIA
 Aptech Manpower Services Limited.
 Aptech Investments Enhancers Ltd
 Aptech Ventures Ltd, Mauritius
 Aptech Global Investment Ltd, Mauritius

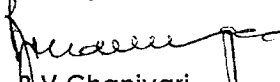


Nature of Transactions	Holding Company	Fellow Subsidiaries
Income	-	9,259,080
<i>(Previous year)</i>	-	-
Receiving of Services and Reimbursement of expenses		
<i>(Previous year)</i>	(1,656,350)	(9,778,485.78)
Finance (Including loans and equity, Contributions in cash or in kind)		
Loans Taken		
Balance as at January 1	267,970	4,280,112
<i>(Previous year)</i>	(5,846,469)	
Fresh Loans During the year	16,772,410	12,896,302
<i>(Previous year)</i>	(950,685.67)	(-)
Repaid/ Adjusted during the year	17,427,728	15,581,709
<i>(Previous year)</i>	(7,065,125)	121,777
Balance as at March 31,2010	387,348	15,94,705
<i>(Previous year)</i>	(267,970)	4,280,112
Creditors Balance as on March, 2010	-	Nil
<i>(Previous year)</i>	(-)	26,738,958

9. Since Company operates presently under single segment of licensing software, no separate disclosures are required under AS 17 on segment reporting.

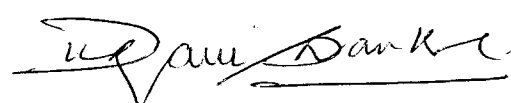
10. The figures for the previous accounting year have been regrouped / rearranged wherever necessary to correspond with the figures of the current year.

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


R. V. Chaniyari
Partner (F-31083)

For and on behalf of the Board of Directors


Nitesh Vani
Director


T K Ravishankar
Director

Place : Mumbai
Date :31st May 2010





