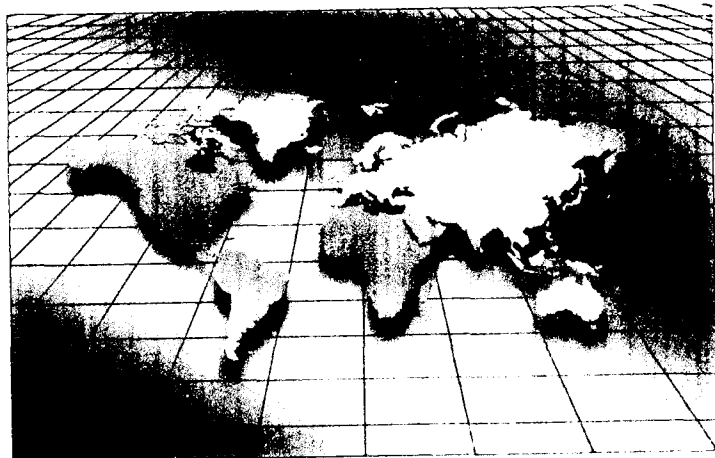


1998 ANNUAL REPORT

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

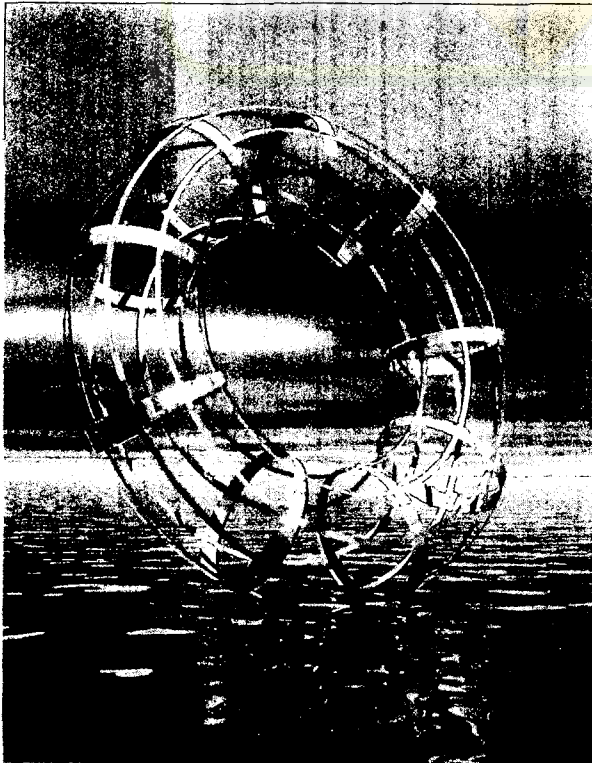


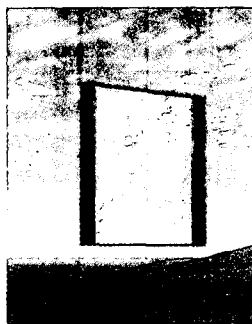
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*S*oftware has become the
lubricant, if not the
flywheel, of our economy...
In these times, it's the
nearest thing we have to
real magic.

-Fortune





In 1998, Aptech emerged as the world's leading network of computer training centres.

In 1998, Aptech ceased to be just a computer education company.

REPORT ON THE CHANGES IN THE BUSINESS

After having been India's premier computer education provider for the last decade, Aptech now expects to enter the second phase in its corporate history.

In 1998, the company embarked on leveraging its existing strengths and graduating into the value-added technology areas of software export, ERP and knowledge management. This extension to Aptech's business profile is expected to aggressively add value to its topline and shareholder value over the foreseeable future.

WHY THIS CHANGE WAS NECESSARY

The world has seen more technology changes in the last decade of this century than in the previous decades combined. The changes in the last couple of years have been particularly sweeping. These have either begun to touch our

lives in a significant manner - or will do so over the next few years. The business implications of these momentous changes - only barely foreseen in their entirety by most - promise to change the fortunes of companies that are able to clearly visualise this growth and position themselves with strengths to harness the emerging environment.

THE WORLD AROUND US IS CHANGING

The world around us is changing with a sweep and speed that makes this an interesting time to be alive - for individuals and organisations. Just consider :

- Computer hardware systems are being overhauled the world over with quicker and newer software, creating a huge business opportunity.
- Corporations are being restructured with an aggressive use of information technology

that is creating for them an edge in a fiercely competitive world.

- An increasing number of organisations is beginning to realise that the key to sustained excellence lies in creating systems to manage resident knowledge.
- Students are discovering that it is simpler and more effective to search the World Wide Web than go through books in a library.
- Conventional business dealings marked by physical and paper presence are being replaced by transacting through the Net.
- Classroom training conducted by instructors is being replaced by packaged technology available through the Internet, videos and CDs. Result : increased speed, flexibility and convenience.



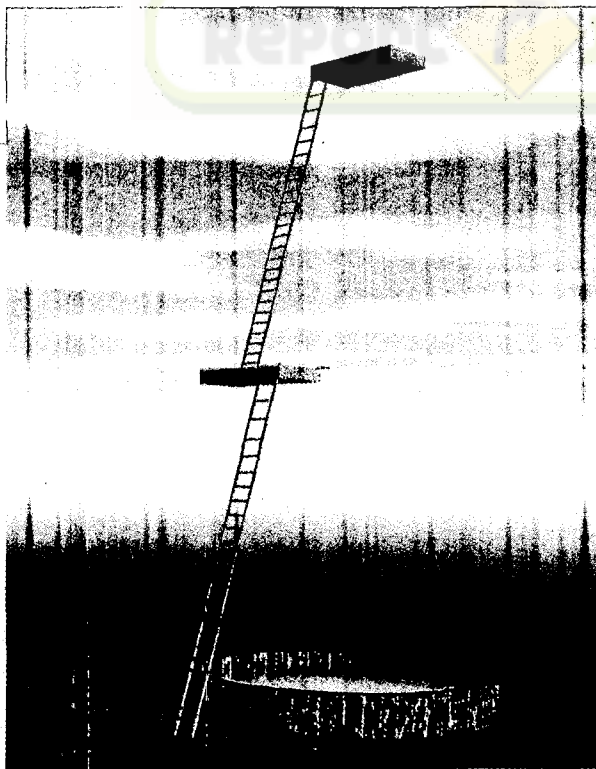
This overwhelming evidence of change has been the biggest reason behind the reinvention of Aptech. The new Aptech is going to be this kind of company:

- An exporter of software working with quality clients over the long-term to deliver sophisticated and value-added solutions.
- Marrying its long experience in

management consulting with IT expertise to emerge as a comprehensive provider of ERP solutions, helping companies emerge competitive the world over.

- Forging alliances and partnerships with global technology leaders like IBM and Microsoft with an eye to building world-class capabilities. Focus : delivering knowledge management solutions to schools, colleges, communities, governments and corporations in India and abroad.
- Launching the first comprehensive e-commerce training course in India. This course has the power to provide leading edge business-to-business and business-to-consumer e-business solutions to companies the world over.
- Using Aptech Online and its Aptech Multimodal Education Delivery Architecture (AMEDA) to enable effective learning outside the classroom. This has been done by combining the best of video, CD-ROM and Net capabilities in 18 countries.
- Strengthening our brand differentiation initiatives in instructor-led training to create robust networks in ASSET International and ARENA Multimedia.

What will the
re-invented Aptech
achieve?



One, it will energise corporate growth. The old war horse of computer education will now have young tigers (new businesses) to drive the topline. From a turnover of Rs. 278.50 crores in 1998, our new business mix will help Aptech achieve its vision of a Rs. 1000 crore global billing by the year 2002.

Two, we will use common technology skills uncommonly well. Aptech believes that the future for the Indian software industry lies not merely in mastering the technology but in the ability to front-end the technology towards unique and value-adding business applications.

Three, the new businesses will create new learning and growth opportunities for our people leading to greater excitement and better career growth. This will help us attract and retain intellectual capital.

Four, we will be aggressively climbing the value chain. From instructor-led training to online training to crossware software solutions to knowledge networks to e-commerce oriented ERP solutions. Result : higher profits and a stronger EVA.

Five, our new business mix will deliver higher returns for our stakeholders - shareholders, members (we do not use the word employees),

business partners (we prefer not to call them franchisees), suppliers and society.

Six, our education and new businesses will make Aptech a visible and respected brand in 40 countries by the turn of the century. This will make Aptech India's first true multinational.

The re-invention of Aptech wasn't just desirable. It was necessary. To make growth sustainable. Enhance quality in its earnings. And accelerate the delivery of value to its shareholders.

One supposes that the poet Robert Frost perhaps had Aptech in mind when he wrote : 'I have miles to go before I sleep.' So for 1999, our agenda includes establishing the superiority of the distinctive Aptech quality in instructor-led and technology-based training.

In addition to spreading our knowledge management and enterprise services to a number of new customers in India and abroad.

Our optimism derives from the energy, commitment and creativity of the Aptech teams. In addition to the leadership of our management team. No task is going to be too difficult. No challenge too daunting.

We shall achieve!

BOARD OF DIRECTORS



*Left to Right are : Atul K. Nishar, Ganesh Natarajan,
Pramod Kherra, Harshad Shah
and Dr. K. K. Anand*

Atul K. Nishar
Chairman

Ganesh Natarajan
Managing Director

Dr. Alka Nishar
Director

Dr. K. K. Anand
Director

Pramod Kherra
Executive Director

Harshad Shah
Executive Director

REGISTERED OFFICE:

Elite Auto House, 54-A, Sir M. VasANJI Road,
Andheri (E), Mumbai - 400 093.
Tel : 91 22 8213180, 91 22 8389831
Fax : 91 22 8389828
Website : www.aptech-worldwide.com

BANKERS:

Andhra Bank
Punjab National Bank

REGISTRARS & TRANSFER AGENTS:

Sharepro Services
Unit : Aptech Limited,
3rd Floor, Satam Estate,
Cardinal Gracious Road, Andheri (East),
Mumbai 400 099
Tel : 8329828, 8348218
Fax : 8375646

AUDITORS:

M/s. Mahendra Kumbhat & Associates
Chartered Accountants

Sharepro Services
Unit : Aptech Limited,
912, Raheja Centre,
Free Press Journal Road,
Nariman Point, Mumbai 400 021
Tel : 2881568-69, 2844668
Fax : 2825484

**MANAGEMENT COUNCIL**

Ganesh Natarajan	Chief Executive Officer
Pramod Khera	Head - Education & Training
Pradeep Sharma	Head - North Zone - Education
Pratap Pradhan	Head - West Zone - Education
K Ramesh	Head - South & East Zone - Education
Harshad Shah	Head - Management Services
Ullhas Pagey	Head - Corporate HR & OD
Mohan Korgaonkar	Head - Software Solutions
Aruna Jayanthi	Head - Knowledge Management
Kishansinh Gohil	Head - Corporate & Professional Education
Jyotirmoy Dasgupta	Head - Enterprise Solutions Group
R Krishnan	Head - Retail Education
C K Sharma	Head - Corporate Centre
G T Koteswara Rao	Head - ERP Competence Centres
Chandan Chatterjee	Head - Strategic Planning & Quality
L R Rai	Head - Academics Administration
Renu Khurana	Chief Information Officer
Harish Joshy	Head - Technology based Training
Mala Gandhi	Head - Investor Relations & Finance
Anubha Parekh	Head - Human Resource Development
A Bayross	Head - Network Support
Iqbal Fazal	Head - Resourcing
Roma Balwani	Head - Public Relations
Zenobia Mukadam	Head - Corporate Alliances

INDIA LOCATION HEADS

A V Gopalakrishnan	North - Enterprise Solutions
Alok Baraya	West Bengal and N.E. States
S Gopalakrishnan	Orissa and Bihar
Nilesh Vani	Mumbai
Suveer Kalra	Maharashtra & MP
Rajesh Talati	Gujarat
V Balasubramanian	Karnataka & Goa
Mantha Balasubramanian	Andhra Pradesh
V Rajaraman	Tamil Nadu
V Sukumar	Kerala
Priti Parekh	South - Enterprise Solutions

OVERSEAS EDUCATION SUPPORT ORGANISATIONS

Bob Levine	USA - Knowledge Management Services
Joe Dragone	USA - Education Services
Atur Hemchandra	USA - Software Consultancy Services
Sunil Surya	UK and Europe
Ganesh Radhakrishnan	Australia
Uday Tembulkar	South - East Asia
Vinod Vishwanathan	Gulf - Software Services
S Ravisankar	Gulf - Education
L M Rajeev	Kenya
Tarun Mitra	Bangladesh



DIRECTORS' REPORT

TO

THE MEMBERS OF APTECH LIMITED

Your Directors have pleasure in presenting the Sixth Annual Report on the business and operations of your Company and the Audited Financial Results for the year ended 31st December, 1998.

FINANCIAL HIGHLIGHTS FOR 1998 :

The year 1998 witnessed an impressive overall performance of your Company.

The Total Income of your Company as at the end of the year stood at Rs.278.50 Crores as against Rs.202.20 Crores in the previous year; an increase of 37.73 %.

The Net Profit of the Company for the current financial year rose by 63.49% to Rs.33.72 Crores from Rs.20.63 Crores in the previous year.

FOR THE YEAR ENDED

	1998	1997
Gross Income	278.50	202.20
Profit before Depreciation & Tax	49.75	31.83
Less : Depreciation	8.04	5.07
Profit before Taxation	41.71	26.76
Less : Provision for Taxation	7.99	6.13
Net Profit after Tax	33.72	20.63
Add : Balance b/f from previous year	9.58	5.54
Balance available for appropriation	43.30	26.17
Appropriation		
Transfer to General Reserve	15.58	10.00
Transfer to Debenture Redemption Reserve	11.00	4.75
Proposed Dividend	2.38	1.67
Tax on Dividend	0.24	0.17
Balance c/f to Balance Sheet	14.10	9.58

DIVIDEND :

Your Directors have pleasure in recommending dividend @ Rs. 3/- (Rupees Three only) per share on 55,84,812 Equity Shares of Rs.10/- (Rupees Ten only) each and pro-rata dividend at the same rate on 55,84,812 Bonus Equity Shares of Rs.10/- (Rupees Ten only) each allotted on 31st July, 1998.