



Aptech Limited

ANNUAL REPORT 2014-15

Content

1. Corporate Information
 2. Directors' Report
 16. Management Discussion & Analysis
 21. Corporate Governance
 32. Independent Auditors' Report on the Consolidated Financial Statements
 34. Consolidated Financial Statements
 59. Independent Auditors' Report on Standalone Financial Statements
 61. Standalone Financial Statements
 88. Notice
-

Corporate information

Board of Directors

Rakesh Jhunjhunwala

Chairman

C. Y. Pal

Vice Chairman

Ninad Karpe

Managing Director & CEO

Anuj Kacker

Whole Time Director

Asit Koticha

Director

Madhu Jayakumar

Director

Maheshwer Peri

Director

Rajiv Agarwal

Director

Ramesh S. Damani

Director

Utpal Sheth

Director

Vijay Aggarwal

Director

Yash Mahajan

Director

Company Secretary

Ketan H. Shah

Registered & Corporate Office

Aptech House, A - 65, M.I.D.C. Marol,
Andheri (East), Mumbai - 400 093.

Tel: +91 22 2827 2300 / 01

Fax: +91 22 2827 2399

Email: investors_relations@apttech.ac.in

Statutory Auditors

M/s. Khimji Kunverji & Company

Chartered Accountants,
Sunshine Tower, Level 19,
Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400 013.

Bankers

HDFC Bank Ltd,

Peninsula Business Park,
B Wing, 4th Floor,
Lower Parel, Mumbai 400 013.

Union Bank of India

Union Bank Bhavan, 239, 1st Floor,
Vidhan Bhavan Marg,
Nariman Point, Mumbai - 400 021.

Axis Bank

Ahura Centre, 28,
Mahakali Caves Road,
Andheri (E), Mumbai - 400 093.

Yes Bank

25th Floor, Tower 2,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Lower Parel (W), Mumbai - 400 013.

Registrar & Transfer Agents

Sharepro Services (India) Pvt. Ltd.
13 AB Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072.
Tel: +91 22 6772 0300 / 400
Fax: +91 22 2859 1568
Email: sharepro@shareproservices.com

DIRECTORS' REPORT

The Members of Aptech Limited

Your Directors are pleased to present their Fifteenth Annual Report on the business and operations of your Company and the Audited Financial Results for the year ended March 31, 2015.

SNAPSHOT OF FINANCIAL RESULTS

The financial results of the Company for the accounting year ended March 31, 2015 are presented below:

(₹ In lacs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Operating Revenue	10,042.09	10,738.33	17,048.65	18,170.65
Other Income	480.49	855.78	467.08	885.09
Total Revenue from Operation	10,522.58	11,594.11	17,515.73	19,055.74
Total Expenditure excluding Interest & Depreciation	7,917.63	8,172.73	14,590.37	14,670.60
Operating profit before Interest, Depreciation & Tax	2,124.45	2,565.60	2,458.28	3,500.05
Profit Before Exceptional Items, Depreciation & Tax	2,567.76	3,393.18	2,888.18	4,356.91
Profit / (Loss) Before Tax	1,990.79	2,899.11	1,910.79	3,558.68
Profit / (Loss) After Tax	1,648.79	2,339.11	1,568.30	2,981.38
Profit/(Loss) After Tax & share of Associates	1,648.79	2,339.11	1,564.73	2,975.94

OPERATIONS REVIEW

The core retail business of Aptech continued to grow in terms of top line in FY2014-15. Excluding the accrual revenue for MAAC, IT Training and Aptech Aviation brands, which was impacted because of change in MAAC accounting policy and own center exits, the overall Individual Training segment grew by 5.9%. Within the overall Individual Training segment, the domestic business witnessed a jump of 5.2% while the international business went up by 6.7%.

The Company continued to have zero debt and has cash balances of Rs. 3,788.53 lacs as on 31st March 2015.

In the last few years Aptech has improved its franchise model into a Career Education platform which can be leveraged to deploy additional new brands/products in the Career Education space. The Company is innovating to make this a differentiated platform so as to give a competitive edge to a new product right from the beginning. The new product to be launched would be Aptech Banking & Finance Academy in the first half of year FY2015-16 based on the groundwork done in current financial year. Digitization is one of the key pillars of this effort. Right from the initial investments into an online center ERP system and shift of marketing spend to online medium, Aptech has slowly and surely started to increase its digital footprint. With the launch of OnlineVarsity two years back for its retail brands, most of the courseware has now moved online and each year a greater percentage of students are experiencing Digital Aptech through this platform.

The other key element to Aptech's value proposition to the students going forward will be events and engagement activities to be conducted by Aptech at the brand level and franchise partner at the center level. With this approach in FY2014-15, the Company launched many new events such as 'Evolve' for IT Training, 'Kalakari' in Arena Animation, 'Panorama' for Aptech Aviation and MaacClick, MAAC Creative League, Masterclass and 100HRS in MAAC. The Organized Retail training partnership with the TRRAIN foundation has catapulted in FY2014-15 to total enrolments of 2,924 students as against 666 in FY2013-14.

In FY2014-15, the Company's strength of network of centers was 952 as on 31st March 2015. New center additions were 114 vs. 130 in the previous financial year. Gross additions in the international market were 37 as against 33 in FY2013-14. The Company entered into many newer markets during the year such as Bahrain, Mozambique, Libya, Zimbabwe, Kenya and Swaziland.

The Company for the 12th year in a row won the ICT Gold Medal for Highest Turnover (Category: Training) and Top ICT Training Cup from HCM Computer Association, Vietnam (2003 – 2014). Student film from a MAAC center in Mumbai won the Best Animation Award in Indian Cine Film Festival 2014 and 'The Resilient Bangalore Traffic Cop', a documentary made by MAAC students, won many accolades and award. Indian VFX and Animation Council (IVAC) endorsed MAAC courses. Some of the other recognitions included 'Microsoft –Wizard of Technology' award and certificate for 3 Aptech Trainers/ Faculties.

DIVIDEND

During the year under review, two Interim Dividends of ₹ 1.50 and ₹ 1.75 per equity share were paid to the shareholders as approved by the Board of Directors at its meetings held on 9th February 2015 and 29th April 2015 respectively. With this, the total dividend for the year ended 31st March 2015 is ₹3.25 per share (32.50%).

DIRECTORS

At the ensuing Annual General Meeting, Mr. Maheshwer Peri, Mr. Vijay Aggarwal and Mr. Ramesh Damani are proposed to be appointed as Independent Directors upto 31st March 2019. Mr. Rajiv Agarwal, Director of the Company, retiring by rotation and being eligible offers himself for re-appointment.

Mr. Walter Saldanha ceased to be Director of the Company with effect from 31st July 2014.

Keeping in view the legal requirements, the Board of Directors at its meeting held on 24th September 2014, appointed Ms. Madhu Jayakumar as an Independent Director for five years. Her appointment was approved by the shareholders at the last Annual General Meeting. At the time of appointing Ms. Madhu Jayakumar, a formal letter of appointment was given to her which has been posted on the Company's website on the link <http://www.aptech-worldwide.com/downloads/Letter-of-appointment-Madhu.pdf>. By way of introduction to the Company, a detailed Corporate presentation was given to her which is posted on the Company's website on the link <http://www.aptech-worldwide.com/pages/investor-relations/investorrelations.html>.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, during the year under review, the Board carried out the annual evaluation of its own performance. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance was distributed to each member of the Board and inputs were received.

The performance evaluation of the Independent Directors who will be appointed at the ensuing Annual General Meeting was carried out by the entire Board. The performance evaluation of Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on the Management Discussion and Analysis is attached as a part of the Annual Report.

CORPORATE GOVERNANCE

Effective corporate governance is necessary to retain the trust of stakeholders and to achieve business success. Corporate governance is about commitment to values and ethical business conduct. It is about how an organisation is managed. It includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. As shareholders across the globe evince keen interest in the practices and performance of companies, corporate governance has emerged at the centre stage of the way the corporate world functions. Corporate governance is vital to enable companies to compete globally in a sustained manner and let them flourish and grow.

A separate Report on Corporate Governance is attached and forms part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement:

- (i) That in the presentation of the annual accounts for the year ended March 31, 2015, applicable accounting standards have been followed and that there are no material departures;
- (ii) That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2015 and of the profit of the Company for the year ended on that date;
- (iii) That they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual accounts have been prepared on a going concern basis.
- (v) That internal financial controls followed by the Company are adequate and were operating effectively
- (vi) That the system to ensure compliance with the provisions of all applicable laws were adequate and operating effectively

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the stock exchanges and prepared with the Accounting Standards 21 issued by the Institute of Chartered Accountants of India.

SUBSIDIARY COMPANIES

Scheme of merger of Maya Entertainment Limited, wholly owned subsidiary with Avalon Aviation Academy Private Limited, another wholly owned subsidiary from appointed date 1st April 2013 was sanctioned by the Hon'ble Bombay High Court on 5th September, 2014 and the same became effective from 23rd September 2014 on filing of the Scheme with the Registrar of Companies. On and from effective date of the scheme, Maya Entertainment Limited ceased to exist. Name of Avalon Aviation Academy Private Limited, thereupon was changed to Maya Entertainment Limited effective 21st October 2014.

A statement containing salient features of the financial statements of subsidiaries is also included in Form AOC-1 in this Annual Report giving following information in aggregate for each subsidiary including subsidiary of subsidiary:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend (k) percentage of shareholding.

ANNEXURE A TO DIRECTORS REPORT**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy giving overview of projects proposed to be undertaken can be viewed on the following link:

<http://www.aptech-worldwide.com/downloads/policy-on-csr.pdf>

2. The composition of the CSR Committee.

Mr. C. Y. Pal, Chairman of the CSR Committee (Independent Director)

Mr. Rajiv Agarwal, Director

Mr. Ninad Karpe, Managing Director & CEO

3. Average net profit of the company for last three financial years. ₹ 2219.07 lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). ₹ 44.38 lacs
5. Details of CSR spent during the financial year;
 - (a) Total amount to be spent for the financial year: ₹ 44.38 lacs
 - (b) Amount unspent, if any: ₹ 38.23 lacs
 - (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8	
Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1)Local area or other (2)Specify the State and district where projects or Programs was undertaken	Amount outlays (budgets) project or programs wise	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2)Over-heads:	Cumulative-expenditure upto to the reporting period	Amount spent through implementing agency	
1	Skill Development / knowledge building	Education	Maharashtra	-	-	-	Vedanta Foundation	3,80,000
							Antarang Foundation	21,338
							Aarambh	49,077
							Paragon (Muktangan)	53,335
							CII (Sponsorship)	1,11,250
	Total							6,15,000

6. Reasons for not spending the amount:

The Company has constituted a CSR committee and formulated CSR Policy as required under Section 135 of the Companies Act, 2013. CSR initiatives have been identified as also methodology for spending the same to ensure appropriate end use of funds so spent. The Company is in process of tying up with some more NGO's operating in the similar field as that of Company's identified CSR initiatives. Accordingly, till end of the financial year 2014-15, sum of Rs. 6.15 lacs have been spent on the said initiatives. The focused spending on these initiatives would happen from next financial year.

7. Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Sd/- Ninad Karpe (Managing Director & CEO)	Sd/- C. Y. Pal (Chairman of CSR Committee)	Sd/- Ketan H. Shah (Company Secretary)
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ANNEXURE B TO DIRECTORS REPORT**POLICY ON CORPORATE SOCIAL RESPONSIBILITY****Policy Statement**

Aptech Limited and its subsidiary companies recognizes the importance of skill development and realizes that the University education is not sufficient vis-à-vis the Industry's requirement of skilled manpower. In fact there is a huge gap between the aspirations and availability, as the actual growth rate in education has been 11.3% as compared to 37% required by Eleventh five year plan set by Govt. (Planning Commission). A recent report by the Confederation of Indian

Industry (CII) and the Boston Consulting Group (BCG) titled ‘India’s demographic dilemmas’ analyses that there is a large skill gap in the country which needs to be urgently addressed. The report projects that over the next five years, India will experience a paradox of nearly 90 million persons joining the workforce, but most will lack the requisite skills and the mindset for productive employment, or for generating incomes through self-employment. And Government have recognized approximately 500 million persons to be skilled.

Scope

This policy applies to all of Aptech Limited and its subsidiaries.

Objective

The objective of the policy is to:

- Provide vocational education to the underprivileged children and youth, including high school and higher education drop-outs which is ranging to almost 57% of school going children, across all pockets of India and help is bridging the gap between the skill required by the industry and skill available.
- Improve the knowledge of students between age group 11-16 and improve the employability of the youth population between age group of 18-35 years at large and hence positively impact the society.

Implementation

The process for implementation of CSR programmes will involve:-

Definition Underprivileged Household:

An individual whose annual household income is Rs 2.5 Lacs or less.

Programs

- Providing computer, animation and related literacy to underprivileged children and youth, including high school and higher education drop-outs at Aptech and MAAC Centers (Franchise center or at the facility provided by the NGO).
- In case the training is provided at the NGO’s facility then the faculty can be provided by Franchise center or by HR.
- Course Cost will be borne by Aptech Ltd and its subsidiary.

Execution

- Engaging NGOs which are working in area of skill development.
- HR will provide course details, fee details and centre location details to the NGOs.
- The student list has to be attested by NGO confirming that the household are the underprivileged household.
- Operations to create separate fee for CSR
- HR to send list to logistics for books issuance and ensures that the book is delivered at franchise centre
- Names of students to be entered in “Aptrack” under CSR fee plan.
- Student will complete the course and attendance to be marked by center in Aptrack.
- Test to be administered and certificates to be issued
- Post completion of the course center to send invoice in NGO’s name on center’s letter head
- NGO’s invoice to be validated by HR with the documents (attendance sheet and course completion record)
- Based on invoice raised by center, Aptech to issue cheque in favour of NGO.
- NGO issues the cheque in favour of center
- The execution of the activity will be responsibility of HR.

Monitoring

Monthly reports to be generated which will include the amount spent on individual student and administering post training test to ascertain the proficiency students have acquired.

Constitution of CSR Committee

1. Mr. C. Y. Pal, Chairman of the Committee
2. Mr. Ninad Karpe
3. Mr. Rajiv Agarwal

Responsibility

HR will be responsible for the execution, implementation and monitoring of the CSR activity.

Approval Authority

Approval authority of the CSR policy will be the Board of Directors.

Policy Prepared By: Shourya K Chakravarty, EVP - HR	Policy Approved By: CSR Committee
Version: 2	Date : 1 st April 2015

ANNEXURE C TO DIRECTORS REPORT

Form No. MR-3
 Secretarial Audit Report
 [Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment
 and Remuneration Personnel) Rules, 2014]
 Secretarial Audit Report
 For The Financial Year Ended 31st March, 2015

To,
 The Members,
 Aptech Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aptech Limited (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period the Company had not gone through any specific events having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Mumbai
 Date: 23rd April 2015

For SG and Associates,
 Suhas Ganpule,
 Proprietor,
 Membership No: 12122
 C. P No: 5722

ANNEXURE D TO DIRECTORS REPORT

Remuneration Policy

Human Resource in any organization is considered as one of the invaluable assets. With a view to harmonise the aspirations of human resources consistent with the goals and objectives of the Company and in terms of the provisions of the Companies Act, 2013 and rules made thereunder, the listing agreement as amended from time to time, this policy on remuneration has been formulated by the Nomination and Remuneration Committee ("Committee") and approved by the Board of Directors.

Objectives of the Policy are:

- To determine remuneration based on the Company’s size and financial position and trends and practises on remuneration prevailing in the market
- To provide reward linked directly to the effort, performance, dedication and achievement
- To retain, motivate and promote talent and to ensure long term sustainability of talented employees and create competitive advantage.

Managing Director / Whole time Director

1. The remuneration to Managing and Whole-time Directors will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to the consent of the shareholders of the Company and Central Government, wherever required.
2. The remuneration to be paid to Managing and Whole-time Directors shall be in accordance with the percentage / slabs / conditions laid down in the Companies Act, 2013, and the rules / schedule made thereunder.
3. Annual increments to the existing remuneration structure shall be determined by the Committee which should be within the limits as prescribed under the Companies Act, 2013 and recommended to the Board for approval.
4. The break-up of the pay scale and quantum of perquisites including, employer’s contribution to PF, pension scheme, medical expenses, club fees etc. may be fixed by the Committee.
5. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing and Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
6. If Managing or Whole-time Director draws or receives any sum in excess of the limits prescribed under the Companies Act, 2013, the Company shall not waive recovery of such sum paid in excess unless permitted by the Central Government.

Non- Executive / Independent Director:

1. Non- Executive / Independent Director may receive sitting fees for attending meetings of Board or Committee thereof. Sitting fee for each meeting shall be of such amount as may be approved by the Board within the permissible limit laid down under the Companies Act, 2013 and rules made there under.
2. Commission may be paid to Non-Executive / Independent Directors within the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013 subject to approval of the shareholders.
3. The Board shall approve distribution of Commission amongst the NEDs / IDs.
4. An Independent Director shall not be entitled to any stock option of the Company.

Remuneration of Chief Financial Officer, Company Secretary and other employees

CTC of Chief Financial Officer and Company Secretary will be determined by the Committee and recommended to the Board for approval. Overall annual increment for all employees of the company will be decided by the Committee.

ANNEXURE E TO DIRECTORS REPORT

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L72900MH2000PLC123841
Registration Date	25 th January, 2000
Name of the Company	Aptech Limited
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered Office and contact details	Aptech House, A -65, M.I.D.C., Marol, Andheri(E), Mumbai – 400093
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Name :- M/s. Sharepro Services (India) Private Limited
	Address :- 13/AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane Saki Naka, Andheri East, Mumbai - 400 072
	Contact Person :- Mrs. Indira Karkera
	Tel. No. :- 91-22-67720300/400