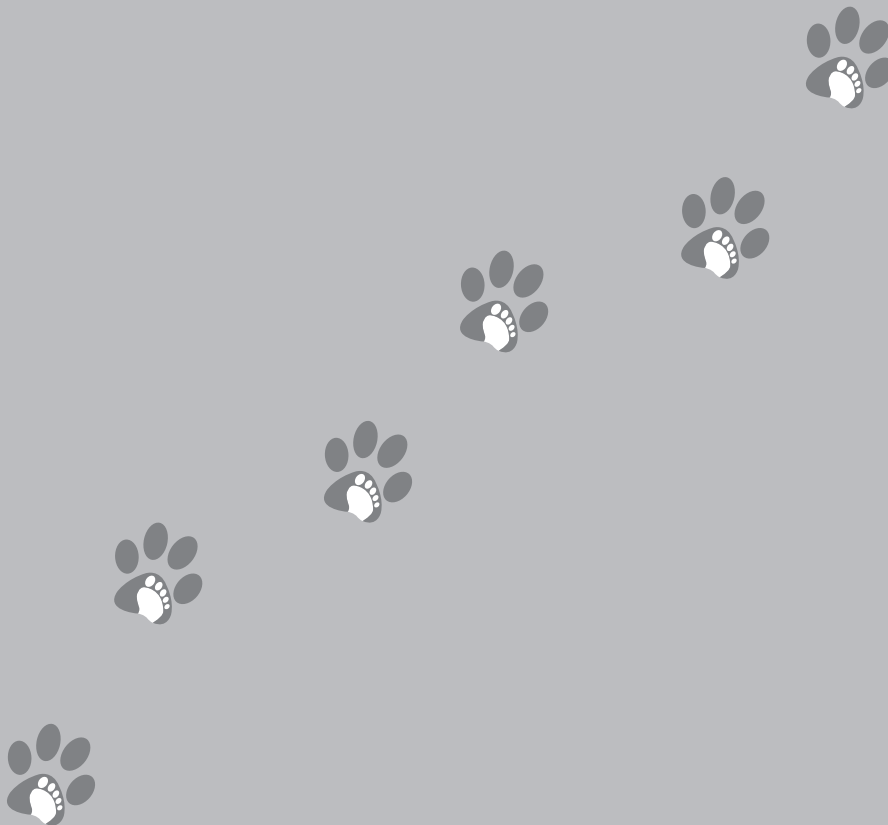




Unleash your potential



Aptech Limited

ANNUAL REPORT 2018-19

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Corporate information

Board of Directors

Rakesh Jhunjunwala
Chairman

Vijay Aggarwal
Director

Anil Pant
Managing Director & CEO

Anuj Kacker
Whole Time Director

Asit Koticha
Director

Madhu Jayakumar
Director

Madhusudan Kela
Director

Nikhil Dalal
Director

Ninad Karpe
Director

Rajiv Agarwal
Director

Ramesh S. Damani
Director

Utpal Sheth
Director

Ketan H. Shah
Company Secretary

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@aptech.ac.in

Statutory Auditors

M/s. Bansi S Mehta & Co
Chartered Accountants,
Merchant Chamber,
3rd Floor, 41, New Marine Lines
Mumbai - 400 020.

Bankers

HDFC Bank

Trade World, 'A' Wing, 2nd Floor,
Kamla Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.

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 - 400 093.

Union Bank of India

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

Registrar & Transfer Agents

M/s. Karvy Fintech Pvt Ltd
Karvy Selenium, Tower B, Plot 31-32, Gachibowli,
Financial District, Hyderabad - 500 032
Tel No : +91 40 6716 2222
FaxNo : +91 40 2342 0814
Email : einward.ris@karvy.com

DIRECTORS' REPORT

TO THE MEMBERS OF APTECH LIMITED

Your Directors are pleased to present their Nineteenth Annual Report on the business and operations of your Company and the Audited Financial Statement for the year ended March 31, 2019.

STATE OF AFFAIRS – SNAPSHOT OF FINANCIAL RESULTS

The financial results of the Company for the Accounting period ended March 31, 2019 are presented below:

(Rs. In lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Operating Revenue	14,078.02	15,913.97	20,855.15	22,914.23
Total Revenue	14,548.58	17,901.82	21,271.88	24,983.27
Total Expenditure	13,849.78	15,621.83	19,031.50	21,325.00
Net Profit before exceptional item and tax	698.80	723.84	2,240.38	2,102.12
Net Profit after exceptional item	698.80	2,279.99	2,240.38	3,658.27
Profit / (Loss) After Tax	519.83	1,905.77	1,822.11	3,287.23
Total Comprehensive Income	658.11	2,015.00	1,942.95	3,393.35

OPERATIONS REVIEW

The Company achieved considerable progress in FY 2018-19 by strengthening its position in as a 'Branded Lifecycle Learning Platform' and improving the quality of its revenue. It ended the year with a Profit Before Tax (before Exceptional Items) of Rs. 2,240 Lakhs, which amounted to a growth of 6.6% vis-à-vis the previous financial year. The FY 2018-19 EBIT was also higher by 6.7% over FY 2017-18 to Rs. 2,249 Lakhs, in spite of headline Revenue from Operations declining by 9% from Rs. 22,914 Lakhs in previous year to Rs. 20,855 Lakhs in FY 2018-19. This decline in revenue was primarily on account of a conscious decision to exit from low margin businesses and projects in the International Retail business and a temporary impact of strategic realignment on business traction for the Institutional segment. The Profit After Tax for FY 2018-19 was Rs. 1,822 Lakhs, which was lower than the previous year when the Company had recorded exceptional income from sale of properties. The balance sheet of the Company continued to be healthy with zero debt and Cash, Cash Equivalents, Short-term Investments & Financial Instruments amounting to Rs. 6,331 Lakhs as on March 31, 2019.

The Retail segment, on a like-to-like basis, after excluding the discontinued revenue streams from low margin businesses and projects revenue in the International Retail division, grew by 6.5%. Domestic Retail, the primary growth driver for the Company, continued growing at a healthy pace in FY 2018-19, i.e. 13.9% on a YOY basis. The revenue mix for the Retail segment moved from 65:35 in FY 2017-18 to 77:23 in FY 2018-19 in favour of Domestic Retail. Retail EBIT expanded by 14% from Rs. 4,673 Lakhs to Rs. 5,326 Lakhs with the EBIT margin for the segment going up to 37.8% from 32.1% in the preceding year. The Institutional segment ended FY 2018-19 with a top line of Rs. 6,762 Lakhs vis-à-vis Rs. 8,362 Lakhs logged in FY 2017-18. The strategic realignment implemented in the Assessment division of the Institutional segment started delivering results in the last quarter of FY 2018-19, however the full impact would be seen from the next financial year onwards. The Company continued to improve operational efficiencies at the corporate overhead expenses level and the ESOP expenses, which have been recognised under 'Employees Benefits Expenses' as 'Share Based payment to Employees', saw a net write back of Rs. 306 Lakhs on account of the lapsed/cancelled ESOPs that will not vest, as against an expense of Rs. 1,227 Lakhs in FY 2017-18.

Overall system-wide collection from students for the franchise business in Retail segment was Rs. 42,001 Lakhs in FY 2018-19 vs. Rs. 35,884 Lakhs in FY 2017-18, translating to a growth of 17.1%. Out of this total, system-wide collection for Domestic Retail was Rs. 29,910 Lakhs and for International Retail was Rs. 12,091 Lakhs with a YOY growth of 20.3% and 9.7% respectively. From April 2018 to March 2019, there was a net addition of 76 active centres in Domestic Retail and of 6 active centres in International Retail. This expansion was on the base of 574 active India centres and 121 active overseas centres in March 2018.

Performance in the Retail segment was achieved on the back of Company's consistent and committed strategic thrust to strengthen its position as the 'Branded Lifecycle Learning Platform' of choice. This was achieved through pursuit of 'Employment Driven Enrolment' and its mission to eliminate unemployment, primarily in the domestic market, and enhanced value proposition with advanced courses and pathway to world-class international qualifications through alliances. Some of the major initiatives on these fronts were:

1. Launching high value premium courses and expanding course basket to address more sub-segments within each vertical. Objective is to maintain industry relevance as a source for skilled resources from a quality, coverage and number perspective.
2. Leveraging technology to improve quality of learning outcomes and student experience such as use of Augmented Reality, by employing latest pedagogy of video-assisted classrooms, online Master Class by international experts, and many more with the objective to provide holistic and experiential learning.

3. Providing a common online platform Creosouls that would bring its three main stakeholders, viz. student, franchisee and recruiter, together and help them showcase student work, jobs, events, competitions, courses, etc. to the entire community.
4. Partnering with recruiters to incorporate specific skills or training modules in the course so as to ensure job-ready candidates. Also, by entering into specific Hire & Train agreements.
5. Enhancing the share of voice through increased marketing intensity and comprehensive marketing strategy across all mediums. Use of Mr. Rahul Dravid as the brand ambassador for Aptech Learning and Arena Animation was the biggest example of increased focus on marketing.
6. Increasing use of mobile and digital technologies in marketing and counselling process, for e.g. use of Virtual Reality kits, online tools etc. in counselling and use of voice bots, AR and VR on websites.
7. Using events as a key thrust for student engagement and industry connect to increase excitement around the brand by giving a platform for experience, interaction and expression that would also lead to higher amount of content for social and traditional media. This is also a key element of the revenue model for most brands.
8. Continuing to focus on faster expansion of all brands, especially new brands that have widened the Company's lifecycle coverage at both ends, i.e. 'before job' and 'after job'.
9. Continued rationalization and restructuring of network by weeding out non-performing and defaulting franchisees to ensure minimizing potential business loss and improving quality.

The Company had put into motion a plan to re-energize the Assessment & Testing division during the year because of the impact of operational setbacks in previous year. This included a new strategy to focus on specific segments of exams where probability of extraneous factors affecting delivery and customer relationship were negligible. It was also found prudent to spread the risk by focusing to acquire a larger base of customers without too much dependence on a single client, and to rationalize the fixed investments in line with the existing revenue base. New tool for Digitisation of Records was also launched in the market to capture a larger share of customer's wallet.

The Company has continued to focus on improving the quality and robustness of its business processes, and as a testament the Company was certified by CMMI® Institute at Capability Maturity Level 3 for its Enterprise Business group and also received the prestigious Golden Peacock National Training Award 2019. Trust and recognition enjoyed by its star brands was visible from the 'Brand of the Decade' award in the Education Space that was conferred by Brand Advertising Research and Consulting Asia and Herald Global in May 2018 to 'Aptech' and 'Arena'. Similarly, in the international arena, Aptech Vietnam received the Top ICT award in the Training category for the 16th year in row.

DIVIDEND

An Interim Dividend of Rs. 3.50 per equity share was paid to the shareholders as approved by the Board of Directors at its meetings held on 21st May, 2019. The Directors have considered it financially prudent to re-invest profits into the business of the Company and therefore do not intend to recommend final dividend.

DIRECTORS

During the year 2018-19, the Directors met four times on 30th May, 2018, 26th July, 2018, 25th October, 2018 and 11th February, 2019.

Mr. Rajiv Agarwal, Non Executive Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mrs. Madhu Jayakumar whose first term of five years will get over on 23rd September 2019 and who meets with the criteria of independence, is eligible for re-appointment for the second term of five years.

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, during the year under review, the Board carried out the annual evaluation of its own performance. A structured questionnaire covering various aspects of functioning of the Board, Committees and Directors 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.

EMPLOYEE STOCK OPTIONS

The Members of the Company at its Annual General Meeting held on 27th September, 2016 had approved the Aptech Employee Stock Option Scheme 2016 ("the Scheme"), to create offer and grant upto 44,32,620 Employee Stock Options to all eligible employees, directors (excluding promoter directors) of the Company and employees of its subsidiaries with a view to attract and retain key talents working with the Company and its Subsidiary Company (ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. All the plans are administered by the Nomination & Remuneration Committee of the Board. Disclosures as required under the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on Company's Website on the link: <https://www.aptech-worldwide.com/downloads/news-and-notification/DISCLOSUREASREQUIREDUNDERSEBIESOP-Aptech-31.03.2019.pdf>

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the annual return for FY 2018-19 is available on Company's website on the link : www.aptech-worldwide.com

APTECH LIMITED

PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS

Loan, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and the SEBI (LODR), 2015 the Company has formulated a Policy on Related Party Transactions and the same is uploaded on the Company's website: https://www.aptech-worldwide.com/downloads/InvestorPolicy/Aptech_RPTPolicy2019.pdf Details of Related Party Transactions are given in AOC-2 as **Annexure-IV**.

SUBSIDIARIES

As on 31st March 2019, the Company had 7 subsidiaries and 1 joint venture. Pursuant to Rule 5 of the Companies (Accounts) Rules, 2014, **Form AOC-1** is attached to the financial statements of the Company. The said Form also highlights performance of the said entities and their contribution to the overall performance of the Company during the year ended 31st March 2019.

NOMINATION AND REMUNERATION POLICY

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of the Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations.

The Nomination and Remuneration Policy can be accessed on the website of the Company <https://www.aptech-worldwide.com/downloads/aptech-policy/Remuneration-Policy.pdf>

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. With a view to enlarge the scope of CSR activities, the Company revised the CSR Policy to enable providing skill development to underprivileged children and youth besides the existing activities. The revised policy also facilitates education by providing financial assistance to the NGOs which are working in the field of development of children and youth through education. The revised policy has been uploaded on the website of the Company <https://www.aptech-worldwide.com/downloads/policy-on-csr.pdf>

The Disclosure with respect to CSR activities forming part of this report is given in **Annexure-I**.

DEPOSITS

The Company does not accept any deposits from public.

INSURANCE

The Company has taken insurance cover for its assets to the extent required.

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 that :

- (i) in the presentation of the annual accounts for the year ended March 31, 2019, applicable accounting standards have been followed and that there are no material departures;
- (ii) 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, 2019 and of the profit of the Company for the year ended on that date;
- (iii) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) internal financial controls followed by the Company are adequate and were operating effectively
- (vi) the system to ensure compliance with the provisions of all applicable laws were adequate and operating effectively

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**Conservation of Energy**

Adequate measures are taken to conserve energy although the Company's operations are low energy intensive.

Technology Absorption

Your Company continues to use the latest technologies for improving the productivity and quality of its services.

Research & Development

Technological obsolescence is certain. We encourage continuous innovation and research and development for measuring future challenges and opportunities.

DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) are given in **Annexure-III**.

PARTICULARS OF EMPLOYEES

Particulars of employees as required to be disclosed in terms of Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, shall be made available to any shareholder on a specific request made by him in writing before the date of the Annual General Meeting and such particulars shall be made available by the Company within three days from the date of receipt of such request from shareholder. In case the request is received after the Annual General Meeting such particulars shall be made available to the shareholder within seven days from the date of receipt of such request.

PREVENTION OF SEXUAL HARASSMENT MECHANISM:

During the year under review, the Company has not received any complaint from the employees related to sexual harassment. The Company has in place prevention of sexual harassment policy which is available on the Company's website i.e. www.aptech-worldwide.com

Further, your Company has complied with provisions relating to constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

STATUTORY AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s Bansi S. Mehta & Co (ICAI Firm Registration No. 100991W) were appointed as the Statutory Auditors from the conclusion of the seventeenth Annual General Meeting held on 31st July, 2017 till conclusion of the Twenty Second Annual General Meeting subject to ratification of their appointment at every AGM, if required under the law. There are no qualifications, reservations or adverse remarks in their Audit Report.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company has appointed M/s. S G & Associates, Practicing Company Secretaries to undertake its Secretarial Audit. Pursuant to regulation 24A of SEBI (Listing Obligations & Disclosure Requirement) Amendment Regulation, 2018, Secretarial audit report of Maya Entertainment Limited is also annexed to Board Report along with the Secretarial Audit Report of the Company collectively as **Annexure-II**. There are no qualifications, reservations or adverse remarks in their Audit Report.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the shareholders, Bankers, Financial Institutions, Government authorities, esteemed corporate clients, customers and other business associates. Your Directors recognise and appreciate the hard work and efforts put in by all the employees of the Company and their contribution to the growth of the Company in a very challenging environment.

For and on behalf of the Board of Directors

Sd/-

Vijay Aggarwal

Director

DIN: 00515412

Sd/-

Anil Pant

Managing Director & CEO

DIN: 07565631

Place: Mumbai

Date: 24th June, 2019

Annexure to Directors Report

1. Report on CSR is given in Annexure- I
2. Secretarial Audit Report is given in Annexure – II
3. Details of remuneration is given in Annexure - III
4. Details of related party transaction is given in Annexure –IV

ANNEXURE - I 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

Mrs. Madhu Jayakumar, Chairperson of the CSR Committee (Independent Director)

Mr. Rajiv Agarwal, Director

Mr. Anil Pant, Managing Director & CEO

3. Average net profit of the Company for last three financial years: Rs.1472.56 lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). Rs. 29.45 lakhs
5. Details of CSR Amount spent during the financial year:

- (a) Total amount to be spent for the financial year: 19.88 lakhs
- (b) Amount unspent, if any: 9.57 lakhs
- (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 up to the reporting period	Amount spent through implementing agency (amounts mentioned in INR Lakhs)
1.	CSR Activity	Education	Mumbai, Maharashtra	-	-	-	1. Y4D Foundation – 16.63 Lakhs 2. Research and Extension Association for Conservation Horticulture and Agro -Forestry(REACHA) - 3.25 Lakhs Total Spent – 19.88 Lakhs

6. **Reasons for not spending the amount:** As required under the Companies Act, 2013, the Company was required to contribute Rs. 29.45 lakhs during the financial year 2018-19. However, the Company could contribute only Rs. 19.88 lakhs during the said financial year. The tie-up with the NGOs couldn't gather momentum as was expected and therefore Rs.9.57 lakhs remained unspent.
7. Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
Anil Pant
(Managing Director & CEO)

Sd/-
Madhu Jayakumar
(Chairperson of CSR Committee)

Sd/-
Ketan H. Shah
(Company Secretary)

ANNEXURE - II 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, 2019

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, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There is no External Commercial Borrowing in the Company; and
- (v) 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - 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, 2018;
 - g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015.

We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

- The Information Technology Act, 2000
- Indian Copyright Act, 1957
- The Patents Act, 1970
- The FEMA Act, 1999
- The Trademark Act, 2017

The Company has generally complied with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

APTECH LIMITED

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

(i) Secretarial Standards with regard to meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretary of India.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.
The below are the changes in Directors during the year:
Mr. Nikhil Piyush Dalal was appointed as Non- Executive Independent Additional Director of the company w.e.f. 30th May, 2018.
Mr. Ramesh Damani & Mr. Vijay Aggarwal have been re-appointed as Independent Directors for the second term of further period of five years on 30th May, 2018.
Mr. Madhusudhan Kela and Mr. Nikhil Dalal were regularized as Director in the AGM held on 26th July, 2018.
- 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.
- All the Decisions of the Board and Committees thereof were carried out with requisite majority.

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.

For S G & Associates,

Sd/-
Suhas Ganpule,
Proprietor,
Membership No: 12122
C. P No: 5722

Date: 2nd May, 2019

Place: Mumbai