



Report Junction
The elements
of
success.



The elements of success.

Innovation, technological empowerment, and

research & development

- the elements that make a perfect

combination for global success.

Aptech, ever alert to the changing needs of the

IT education and training sector,

reaps the benefits of all these qualities.

Qualities that are kernel to Aptech's success.



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Board of Directors

KALPATHI S. SURESH

Chairman

K. S. AGHORAM

Vice-Chairman

PRAMOD KHERA

Managing Director

K. S. GANESH

Director

D. V. NARASINGARAO

Director

R. NAGARAJAN

Director

N. SESHADRI KUMAR

Director

C. Y. PAL

Director

AUDITORS

M/s. Deloitte Haskins & Sells (uptil April 20, 2005)

M/s. CNGSN & Associates (w.e.f. May 28, 2005)

COMPANY SECRETARY

Sree Vidhya Raju

BANKERS

Union Bank of India

Corporation Bank

REGISTERED OFFICE

Elite Auto House, 54 - A,

Sir M. VasANJI Road,

Andheri (East), Mumbai - 400 093

Tel. : 91 22 5691 9624 - 26

Fax : 91 22 5692 2434

Website : www.aptech-worldwide.com

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

REGISTRAR & TRANSFER AGENTS

Sharepro Services (India) Private Limited

Unit : Aptech Limited

3rd Floor, Satam Estate,

Cardinal Gracious Road,

Above Bank of Baroda, Chakala,

Andheri (East), Mumbai - 400 099

Tel. : 91 22 2821 51 68 / 69

Fax : 91 22 2837 56 46

Notice

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of Aptech Limited will be held on Thursday, 30th day of June, 2005 at 10.30 a.m. at All India Plastics Manufacturers' Association (AIPMA), AIPMA House, A-52, Street No. 1, M.I.D.C., Andheri (East), Mumbai – 400 093, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended December 31, 2004 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kalpathi S. Ganesh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. D. V. Narasingarao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business

5. Cancellation of the Preferential Issue of shares to SSI Limited :

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution :

"RESOLVED THAT, the Special Resolution passed at the Fourth Annual General Meeting of the Company held on June 25, 2004 in respect of the offer, issue and allotment of 16,75,000 equity shares of face value Rs. 10/- each at a price of Rs. 61/- per share, on preferential basis to SSI Limited, the Promoters of the Company, in partial discharge of the consideration for acquisition of the IT Education and Training Business of SSI Limited, be and is hereby cancelled.

RESOLVED FURTHER THAT, in terms of the powers conferred on the Board of Directors vide the aforesaid Special Resolution, Circular resolution No. 19 passed by the Board of Directors on August 4, 2004, for cancellation of the aforesaid preferential issue of shares to SSI Limited, consequent withdrawal of the applications by the Company to The Stock Exchange, Mumbai and The National Stock Exchange of India Ltd. filed for in-principle approval and listing approval for the proposed allotment of the said equity shares to SSI Limited followed by release of necessary communication to the Corporate Communications Department of the aforesaid Stock Exchange(s) to the said effect by the Company, be and are hereby ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid cancellation of the issue of equity shares by the Company, all such acts, deeds, matters and things, including existing and future acts performed by the Board of Directors, including settling any question, difficulties or doubts that may arise in this regard as it may in its absolute discretion deem fit and proper, be and are hereby ratified."

6. Revision in the terms of Remuneration of the Managing Director :

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution :

"RESOLVED THAT, in partial modification of the resolutions passed at the Annual General Meetings of the Company held on September 30, 2002 and June 25, 2004 and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, (hereinafter referred to as "the said Act"), the consent of the Company be and is hereby accorded to the revision in the terms of remuneration payable to Mr. Pramod Khera, Managing Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) , with effect from October 1, 2004, for the remainder of the tenure of his contract, i.e., upto December 27, 2006, on the terms and conditions as set out in the explanatory statement and the supplementary agreement to be entered into between the Company and Mr. Pramod Khera, a draft whereof is placed before this meeting, with authority to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions in the said supplementary agreement.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Pramod Khera by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not

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received, the remuneration payable to Mr. Pramod Khera shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."

Notes :

- a) The Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos. 5 and 6 and the relevant details in respect of Item Nos. 2 and 3 pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) Members/Proxies are requested to bring their copies of the Annual Report together with the duly filled in attendance slip at the meeting.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from May 31, 2005 to June 10, 2005 (both days inclusive).
- e) As per the provisions of the Companies Act, 1956, facility for making nomination is available to the individual Members in respect of the shares held by them. The nominee shall be a person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name and address of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual Members such as bodies corporate, kartas of Hindu undivided families, partnership firms, societies, trusts and holders of Power of Attorney. The necessary Form No. 2B is enclosed in this Annual Report for the use of the Members.
- f) Members are requested to note that trading in the shares of the Company is permitted only in dematerialised form.
- g) Members holding shares in the dematerialised mode are requested to intimate changes, if any, in their addresses alongwith pincode to their Depository Participant (DP).
- h) Members holding shares in physical form are requested to intimate to the Company's Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Private Limited, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400 099 the following :
 - (i) change in their address, if any, alongwith the pin code.
 - (ii) request for consolidation of shareholdings into one account if share certificate(s) are held in multiple accounts or joint accounts in identical order of names.
- i) Members are requested to quote their folio numbers (for shares held in physical form)/Member IDs (for shares held in electronic form) in all their correspondence.
- j) Appointment/Re-appointment of Directors :

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment are annexed to the Explanatory Statement furnished below.
- k) A certificate from the Auditors of the Company will be placed before the Members of the Company at the ensuing Annual General Meeting confirming that the implementation of the Employee Stock Option Scheme was in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended and in accordance with the resolution passed by the Members at the Extraordinary General Meeting of the Company held on February 13, 2004.

By Order of the Board of Directors,

Sree Vidhya Raju
Company Secretary

Place : Chennai
Date : March 31, 2005

Registered Office :
Elite Auto House, 54A,
Sir M. Vasanji Road,
Andheri (East), Mumbai - 400 093.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

As the Members are aware, the Company had acquired the IT Training and Education business of SSI Limited effective from April 1, 2003 for a consideration of Rs. 28.65 Crores pursuant to the Business Purchase Agreement dated June 18, 2003 entered into between the Company and SSI Limited.

At the last Annual General Meeting of the Company held on June 25, 2004, the Members had approved the proposed issue and allotment of 16,75,000 equity shares of face value Rs. 10/- each at a price of Rs. 61/- per share, being the price determined in accordance with the SEBI DIP Guidelines, on a preferential basis to SSI Limited towards part discharge of the said business consideration.

As per the subsequent discussions between SSI Limited and the Company, it was decided to call off the aforesaid preferential issue of equity shares. In view of the mutual decision taken, the Board of Directors had passed a circular resolution on August 4, 2004 for cancellation of the aforesaid preferential issue of shares to SSI Limited and consequent withdrawal of the applications made to the Stock Exchange, Mumbai and the National Stock Exchange of India Ltd. which were filed for grant of in-principle approval and listing approval for the proposed allotment of the said equity shares to SSI Limited.

Accordingly, the applications made by the Company to the Stock Exchange, Mumbai and the National Stock Exchange of India Ltd. were withdrawn and necessary communication were issued to the Corporate Communications Department of the aforesaid Stock Exchange(s) for the information of the public at large.

The consideration for the acquisition of the IT Training and Education Business of SSI Limited, by the Company was funded by sums aggregating to Rs. 16.16 crores in cash, towards part satisfaction of the business consideration. In respect of the balance consideration of Rs. 12.49 crores, the parties had mutually agreed to treat the same as a loan from SSI Limited to the Company at an interest, on a diminishing scale, @ 10.75% p.a., accruable with effect from January 1, 2005. Accordingly, the parties had executed a Loan agreement on February 10, 2005 on the terms and conditions stipulated therein. Thereafter, the Company has paid Rs. 6 crores towards partial disbursement of the said loan and therefore, the balance loan to be discharged amounts to Rs. 6.49 crores.

The special resolution set out at Item No. 5 of the accompanying notice seeks the approval of the Members for cancellation of the proposed preferential issue of shares and for ratifying the action taken by the Board of Directors in relation to withdrawal of the applications filed with the Exchanges.

The Directors have recommended the said special resolution at Item No. 5 for approval of the Members.

The copies of the relevant resolution of the Board/Company and the Loan Agreement referred to herein are available for inspection by the Members at the Registered Office of the Company during working hours on any working day till the date of this Annual General Meeting.

Mr. Kalpathi S. Suresh, Mr. Kalpathi S. Aghoram, Mr. Kalpathi S. Ganesh and Mr. D. V. Narasingarao being Directors of SSI Limited may be deemed to be concerned or interested in the special resolution at Item No. 5 of the Notice. Save as aforesaid, none of the other Directors may be deemed to be concerned or interested in the said special resolution.

Item No. 6

At the Annual General Meeting of the Company held on September 30, 2002, the Members had approved the appointment of Mr. Pramod Khera as the Managing Director of the Company with effect from December 28, 2001 for a period of five years on the terms and conditions as set forth in the explanatory statement accompanying the Notice convening the said Meeting.

The terms of remuneration payable to Mr. Pramod Khera was revised with retrospective effect from April 1, 2004 in accordance with the approval accorded by the Members at the last Annual General Meeting held on June 25, 2004.

Taking into consideration Mr. Khera's commendable contribution and unstinted efforts towards the Company's growth, the Board of Directors at their meeting held on October 30, 2004 had approved a further revision in the terms of remuneration payable to him with effect from October 1, 2004, in the following manner:

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An increment in the salary of not more than 10% over the previous total remuneration, as may be decided by the Board or any Committee thereof, payable with effect from October 1, 2004.

All other terms and conditions of the remuneration of Mr. Pramod Khera remain unchanged.

This Explanatory Statement together with the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

The Directors recommend the resolution set out at Item No. 6 for approval of the Members.

The copies of the relevant resolutions passed by the Board of Directors/Members as well as the draft Supplementary Agreement to be entered into by the Company with Mr. Pramod Khera are available for inspection by the Members at the Registered Office of the Company during working hours on any working day till the date of this Annual General Meeting.

Except Mr. Pramod Khera, none of the other Directors are in any way concerned or interested in the said resolution.

By Order of the Board of Directors,

Sree Vidhya Raju
Company Secretary

Place : Chennai
Date : March 31, 2005

Registered Office :
Elite Auto House, 54A,
Sir M. VasANJI Road,
Andheri (East), Mumbai - 400 093.



Addendum to the Notice

Addendum to the Notice of the Fifth Annual General Meeting of Aptech Limited to be held on Thursday, 30th day of June, 2005 at 10.30 a.m. at All India Plastics Manufacturers' Association (AIPMA), AIPMA House, A-52, Street No. 1, M.I.D.C., Andheri (East), Mumbai – 400 093.

7. Appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution :

"RESOLVED THAT Messrs. CNGSN & Associates, Chartered Accountants, Chennai be and are hereby appointed as the Statutory Auditors of the Company, in place of the outgoing Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on a remuneration as may be mutually agreed upon between the Board of Directors and Messrs. CNGSN & Associates, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of accounts of the Company."

8. Modification in the particulars stated in the Explanatory Statement attached to the Notice dated January 5, 2004, convening the Extraordinary General Meeting of the Company on February 13, 2004 with respect to the Employee Stock Option Scheme (ESOS) for employees of the Company.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution :

"RESOLVED THAT, in partial modification of the Special Resolution passed by the Members at the Extraordinary General Meeting of the Company held on February 13, 2004 and in accordance with the directions of the Stock Exchange, Mumbai and the National Stock Exchange of India Limited, the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), the provisions of the Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the ESOP Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines for the time being in force] and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), consent of the Company be and is hereby accorded to modify certain disclosures in the salient features of the Employee Stock Option Scheme (ESOS) made applicable to the employees of the Company and set forth in the Explanatory Statement attached to the Notice dated January 5, 2004 convening the said Extraordinary General Meeting of the Company on February 13, 2004, which disclosures be modified in the following manner and the modified disclosures be deemed to be a part of the said Original Notice and Explanatory Statement dated January 5, 2004.

Maximum period within which the Options shall be vested

Unless otherwise specified in the Employee Stock Option Scheme framed by the Company, all Options granted on any date shall vest in the following manner :

- 30% of the Options shall vest on the expiry of 12 months from the Award Date.
- 35% of the Options shall vest on the expiry of 24 months from the Award Date.
- 35% of the Options shall vest on the expiry of 36 months from the Award Date.

Exercise Period and the Process of Exercise

The Options, upon vesting, have to be exercised in the specified months as stipulated in the Employee Stock Option Scheme, within a period of one year from the respective vesting dates.

The Options will lapse if not exercised within the specified exercise period.

The Options will be exercisable by the Employee by delivery of a written application (hereinafter called "exercise notice") in such form as prescribed by the Company, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the

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aggregate Exercise Price as to all Exercised Shares. The Options shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

All other terms in relation to the exercise of the options stated in the Scheme framed by the Company will be applicable to the Optionees unless amended otherwise.

9. Modification in the particulars stated in the Explanatory Statement attached to the Notice dated January 5, 2004, convening the Extraordinary General Meeting of the Company on February 13, 2004 with respect to the Employee Stock Option Scheme (ESOS) for employees of Subsidiary Companies.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT in partial modification of the Special Resolution passed by the Members at the Extraordinary General Meeting of the Company held on February 13, 2004 and in accordance with the directions of the Stock Exchange, Mumbai and the National Stock Exchange of India Limited, the modified disclosures of the Employee Stock Option Scheme proposed under Item No.8 of the Notice above, be made applicable to the benefit of such person(s) who are in permanent employment of the subsidiary company(ies) whether Indian subsidiaries or foreign subsidiaries (including the Directors of the subsidiary company(ies), whether working in India or out of India, except the Promoter Directors)."

10. Revision in the terms of Remuneration of the Managing Director :

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT, in partial modification of the Resolution No. 8, passed at the Annual General Meeting of the Company held on September 30, 2002; Resolution No. 8 passed in the Annual General Meeting of the Company held on June 25, 2004; Resolution No. 6 put forth for the approval of the Members at the ensuing Annual General Meeting and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), (hereinafter referred to as "the said Act") the consent of the Company be and is hereby accorded to the revision in the scale of remuneration payable to Mr. Pramod Khera, Managing Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with effect from April 1, 2005, and/or July 1, 2005, as the case may be, for the remainder of the tenure of his contract, i.e upto December 27, 2006, on the terms and conditions as set out in the Explanatory Statement and the Supplementary Agreement to be entered into between the Company and Mr. Pramod Khera, a draft whereof is placed before this meeting, with authority to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions in the said Supplementary Agreement.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Pramod Khera by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to Mr. Pramod Khera shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."

By Order of the Board of Directors,

Sree Vidhya Raju
Company Secretary

Place : Mumbai
Date : May 30, 2005

Registered Office :
Elite Auto House, 54A,
Sir M. Vasanji Road,
Andheri (East), Mumbai - 400 093.