

## AFTEK LIMITED

"Aftek House", 265, Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai - 400 028.

Unaudited Financial Results for the Third Quarter ended on 31-12-2008

(Rs. In Lacs)

Particulars	3 months ended		9 months ended		Previous Year
	31-12-2008	31-12-2007	31-12-2008	31-12-2007	Ended on
	(Unaudited)		(Unaudited)		31/03/2008
					(Audited)
1. (a) Net Sales/Income from Operations	4,125.47	9,810.80	19,302.40	27,846.03	39,254.45
(b) Other Operating Income	-	-	-	-	-
2. Expenditure					
a. (Increase)/decrease in stock in trade	0.40	0.98	(3.45)	(1.58)	(0.83)
b. Consumption of raw materials	61.75	32.18	106.45	68.20	90.15
c. Purchase of traded goods	-	10.33	-	10.33	244.27
d. Employees cost	442.86	535.28	1,480.17	1,493.66	2,278.89
e. Depreciation and amortisation	1,289.15	638.87	3,852.81	2,202.62	3,169.62
f. Software development expenses	1,621.52	5,482.75	9,368.65	15,011.18	21,528.42
g. Other expenditure	187.10	327.74	634.71	876.32	2,677.91
<b>h. Total Expenditure</b>	<b>3,602.78</b>	<b>7,028.13</b>	<b>15,439.34</b>	<b>19,660.73</b>	<b>29,988.43</b>
3. <b>Profit from Operations before Other Income, Interest and Exceptional Items (1-2)</b>	<b>522.69</b>	<b>2,782.67</b>	<b>3,863.06</b>	<b>8,185.30</b>	<b>9,266.02</b>
4. Other Income	1,364.68	(27.54)	7,296.49	(493.28)	(804.71)
5. <b>Profit before Interest and Exceptional Items (3+4)</b>	<b>1,887.37</b>	<b>2,755.13</b>	<b>11,159.55</b>	<b>7,692.02</b>	<b>8,461.31</b>
6. Interest	120.96	-	209.16	-	98.63
7. <b>Profit after Interest but before Exceptional Items (5-6)</b>	<b>1,766.41</b>	<b>2,755.13</b>	<b>10,950.39</b>	<b>7,692.02</b>	<b>8,362.68</b>
8. Exceptional items	(13,015.87)	-	(13,015.87)	-	-
9. <b>Profit from Ordinary Activities before tax (7+8)</b>	<b>(11,249.46)</b>	<b>2,755.13</b>	<b>(2,065.48)</b>	<b>7,692.02</b>	<b>8,362.68</b>
10. Tax expenses	22.51	27.13	87.97	80.17	268.66
11. <b>Net Profit from Ordinary Activities after tax (9-10)</b>	<b>(11,271.97)</b>	<b>2,728.00</b>	<b>(2,153.45)</b>	<b>7,611.85</b>	<b>8,094.02</b>
12. Extraordinary items (Net of tax expenses)	-	-	-	-	-
13. <b>Net Profit for the period (11-12)</b>	<b>(11,271.97)</b>	<b>2,728.00</b>	<b>(2,153.45)</b>	<b>7,611.85</b>	<b>8,094.02</b>
14. Paid-up equity share capital (Face Value of Rs. 2/- per share)	1,870.62	1,869.62	1,870.62	1,869.62	1,869.71
15. Reserves (excluding Revaluation Reserve) (as per last audited balance sheet)					63,245.70
16. Earnings (loss) Per Share					
(a) Basic - (in Rs.)	(12.05)	2.92	(2.30)	8.14	8.66
(b) Diluted - (in Rs.)	(12.04)	2.76	(2.30)	7.70	8.23
17. Public Shareholding					
- No of shares	77,797,481	77,419,595	77,797,481	77,419,595	77,465,610
- Percentage of shareholding	83.18	82.82	83.18	82.82	82.86

### NOTES:

- The above results after being reviewed by the Audit Committee, were approved at the meeting of the Board of Directors held on January 30, 2009 and are subject to Limited Review by the Auditors.
- The Company, during the three month and nine month ended December 31, 2008, has allotted 3,230 and 45,277 equity shares of Rs 2 each, fully paid up, on exercise of stock options by employees, in accordance with the Company's stock option schemes.
- Total Net sales for the three month ended December 31, 2008 constitute (1) Rs. 3,623.89 Lacs pertaining to Software Business (Export), (2) Rs. 148.37 Lacs pertaining to Software Driven Products and Rs. 353.21 Lacs pertaining to Software Products (Export)
- Other Income for the three month and nine month ended December 31, 2008 included foreign exchange gain of Rs 1,247.82 Lacs and Rs 6,900.55 Lacs, respectively (Previous period: net foreign exchange loss of Rs 122.68 Lacs and Rs 803.38 Lacs, respectively).
- The auditors had qualified their report on financial statements for the year ended March 31, 2008 and for the quarter, in respect of non-provision of investment of Rs.10,020.92 lacs in Arexera Information Technologies GmbH (Arexera GmbH), a wholly-owned subsidiary company and outstanding loan receivable of Rs.2,928.53 lacs from Arexera GmbH. The net worth of Arexera GmbH is eroded, however, it has Intellectual Property Rights. Due to poor financial performance and cash-flow issues some of the employees served Arexera GmbH with a notice for liquidation, which ultimately led to appointment of liquidator for closure. Considering the realizable value of the residual assets of Arexera GmbH, management has made provision for diminution in value of investment and for possible loss against outstanding loans and accounts receivables. The same has been disclosed as an exceptional item. Arexera Information Technologies AG, another wholly-owned subsidiary of the Company, has entered into an agreement with the liquidator to acquire all rights of Arexera GmbH and to protect the interest of the Company.
- As part of credit risk management, significant part of software testing work is now directly contracted and paid by the customer. This has reduced the net sales and software development expenses.

7. The auditors had qualified their report on financial statements for the year ended March 31, 2008 and for the quarter in respect of non provision of old outstanding loans and advances of Rs 1,381.39 Lacs. In respect of receivables, the management is taking appropriate steps recovery of these dues. Consequently, no provision is considered necessary at this stage
8. The auditors had qualified their report on financial statements for the year ended March 31, 2008 for non compliance with the provisions of section 297 and 295 of the Companies Act, 1956 (the Act). Subsequent to year end, the Company has obtained a legal opinion and has been advised that the provisions of section 297 and 295 of the Act, are not applicable to the transactions
9. The Company operates in a single business segment of sale of software services.
10. Status of investor complaints for the quarter ended December 31, 2008.  
Complaints outstanding on October 1, 2008 - Nil  
Total received during the quarter ended December 31, 2008 - 20  
Total disposed off during the quarter ended December 31, 2008 - 20  
Outstanding as on December 31, 2008 - Nil
11. Figures for the previous periods have been regrouped/reclassified to conform to the figures of the current periods.

For and on behalf of the Board of Directors

Place : Mumbai.  
Dated: January 30, 2009.

Ranjit Dhuru  
Chairman & Managing Director

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Website:<http://www.aftek.com>

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