

AFTEK LIMITED

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

Unaudited Financial Results for the Second Quarter ended on 30-09-2008

(Rs. In Lacs)

Particulars	3 months ended		6 months ended		Previous Year
	30-09-2008	30-09-2007	30-09-2008	30-09-2007	Ended on
	(Unaudited)		(Unaudited)		3/31/2008
					(Audited)
1. (a) Net Sales/Income from Operations	6,060.04	9,374.83	15,176.93	18,035.23	39,254.45
(b) Other Operating Income	-	-	-	-	-
2. Expenditure					
a. (Increase)/decrease in stock in trade	(4.50)	(1.31)	(3.85)	(2.56)	(0.83)
b. Consumption of raw materials	25.47	40.37	44.70	36.02	90.15
c. Purchase of traded goods	-	-	-	18.39	244.27
d. Employees cost	468.52	521.68	1,037.31	958.38	2,278.89
e. Depreciation and amortisation	1,288.72	768.75	2,563.66	1,563.75	3,169.62
f. Software development expenses	2,776.52	4,673.24	7,747.13	9,528.43	21,528.42
g. Other expenditure	194.24	279.17	447.61	530.19	2,677.91
h. Total Expenditure	4,748.98	6,281.90	11,836.57	12,632.60	29,988.43
3. Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	1,311.06	3,092.93	3,340.36	5,402.63	9,266.02
4. Other Income	3,121.92	(414.15)	5,931.81	(373.54)	(804.71)
5. Profit before Interest and Exceptional Items (3+4)	4,432.98	2,678.78	9,272.17	5,029.09	8,461.31
6. Interest	-	78.93	88.20	92.20	98.63
7. Profit after Interest but before Exceptional Items (5-6)	4,432.98	2,599.85	9,183.97	4,936.89	8,362.68
8. Exceptional items	-	-	-	-	-
9. Profit from Ordinary Activities before tax (7+8)	4,432.98	2,599.85	9,183.97	4,936.89	8,362.68
10. Tax expenses	37.62	26.52	65.46	53.04	268.66
11. Net Profit from Ordinary Activities after tax (9-10)	4,395.36	2,573.33	9,118.51	4,883.85	8,094.02
12. Extraordinary items (Net of tax expenses)	-	-	-	-	-
13. Net Profit for the period (11-12)	4,395.36	2,573.33	9,118.51	4,883.85	8,094.02
14. Paid-up equity share capital (Face Value of Rs. 2/- per share)	1,870.55	1,746.04	1,870.55	1,746.04	1,869.71
15. Reserves (excluding Revaluation Reserve) (as per last audited balance sheet)					63,245.70
16. Earnings Per Share					
(a) Basic - (in Rs.)	4.70	2.95	9.75	5.59	8.66
(b) Diluted - (in Rs.)	4.46	2.79	9.25	5.30	8.23
17. Public Shareholding					
- No of shares	77,660,812	77,382,692	77,660,812	77,382,692	77,465,610
- Percentage of shareholding	83.04	88.64	83.04	88.64	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 October 31, 2008 and are subject to Limited Review by the Auditors.
- The Company, during the three month and six month ended September 30, 2008, has allotted 42,047 equity shares of Rs 2 each, fully paid up, on exercise of stock options by employees, in accordance with the Company's stock option scheme.
- Total Net Income for the Second Quarter ended September 30, 2008 constitute (1) Rs. 5,626.85 Lacs pertaining to Software Business (Export), (2) Rs. 45.78 Lacs pertaining to Software Driven Products and Rs. 387.41 Lacs pertaining to Software Products (Export)
- 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.
- Other Income for the three month and six month period ended September 30, 2008 included foreign exchange gain of Rs 2,956.70 Lacs and Rs 5,652.73 Lacs, respectively (Previous period: net foreign exchange loss of Rs 613.16 Lacs and Rs 680.70 Lacs, respectively).
- The auditors had qualified their report on financial statements for the year ended March 31, 2008 in respect of non provision of old outstanding loans and advances of Rs 1,381.39 Lacs, and non provision in respect of investment of Rs 10,020.92 Lacs in Arexara Information Technologies GmbH (Arexara GmbH) and outstanding loan receivable of Rs 2,928.53 Lacs from Arexara GmbH. In respect of receivables, the management is taking appropriate steps for recovery of these dues and with regards to investments, management believes that there is no permanent diminution in value of investment. Consequently, no provision is considered necessary at this stage.

7. 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
8. The auditors had qualified the limited review report on the unaudited financial results for the quarter ended June 30, 2008 in respect of short provision for doubtful debts of Rs 460.10 Lacs and income tax expense of Rs. 125 Lacs and non capitalisation of interest of Rs 310.76 Lacs. All these amounts have now been appropriately accounted / adjusted.
9. The Company operates in a single business segment of sale of software services.
10. Status of investor complaints for the quarter ended September 30, 2008.
Complaints outstanding on July 1, 2008 - Nil
Total received during the quarter ended September 30, 2008 - 8
Total disposed off during the quarter ended September 30, 2008 - 8
Outstanding as on September 30, 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: October 31, 2008.

Ranjit M Dhuru
Chairman & Managing Director

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