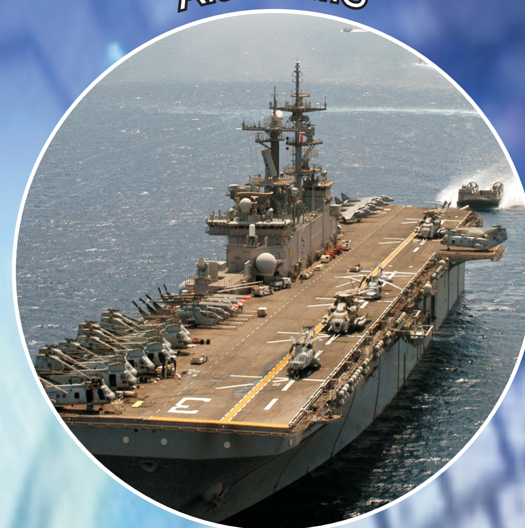
AFTEK®

DRIVEN BY CHANGE

Indigenous Technology At Work

Aftek BMS

Aftek BMS



Intelligent Transport Service (ITS)

Remote Infrastructure Management (RIM)

ANNUAL REPORT 2011-2012

FINANCIAL SNAPSHOT

(Rs. in crores)

	FY'12	FY'11	FY'10	FY'09	FY'08	FY'07	FY'06*	FY'05	FY'04	FY'03
Total Income	**165.20**	**170.15**	185.39	315.99	398.84	341.02	202.86	198.00	140.50	99.36
Export Sale	**119.09**	**151.05**	179.39	213.72	377.11	329.73	191.30	191.36	134.37	91.54
Total Expenses	**64.45**	**62.89**	95.43	140.22	282.53	232.49	121.67	119.18	77.94	51.93
Operating Profit	**100.75**	**107.26**	89.96	175.77	116.31	108.53	81.18	78.82	62.56	47.43
Profit Before Tax	**12.18**	**14.72**	2.95	119.48	83.63	92.82	67.83	60.80	47.72	42.70
Profit After Tax	**11.41**	**13.97**	0.28	116.73	80.94	90.52	67.39	59.80	47.31	40.08
Exceptional Items	-	-	-	(129.49)	-	-	-	-	-	-
EPS Rs.10 per share	-	-	-	-	-	-	-	-	-	53.06
EPS Rs.2 per share – Basic	**1.22**	**1.49**	0.03	(1.37)	8.66	10.44	8.25	7.73	6.31	10.61
EPS Rs.2 per share – Diluted	**1.22**	**1.49**	0.03	(1.37)	8.23	9.83	8.15	7.68	6.31	-
Networth	**450.49**	**592.22**	752.96	728.49	730.47	621.59	538.30	459.44	280.18	238.58
Fixed Assets	**259.16**	**363.39**	348.14	280.88	139.64	99.06	12.69	24.04	40.44	43.83
Net Current Assets	**128.80**	**200.02**	375.00	418.80	474.61	403.85	406.35	374.40	178.35	132.84
Dividend Per Share (%)	-	-	-	-	25.00	50.00	50.00	50.00	50.00	50.00
Share Capital	**18.70**	**18.70**	18.70	18.70	18.70	17.45	17.14	15.00	10.00	10.00
Reserve & Surplus	**425.43**	**432.42**	615.46	617.12	632.46	563.32	463.50	314.86	270.18	228.58

* For a period of nine months since the Company's financial year changed to end on 31.03.06

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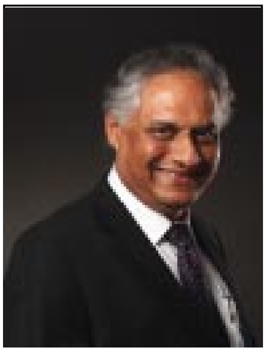
MESSAGE FROM THE CHAIRMAN & CEO



Dear Shareholders,

True to the caption of this Annual Report, “Indigenous Technology At Work”, in the past two and half years, your Company and its associates have almost tirelessly worked to create two heavyweight products for the Indian defence establishment – the Diesel Engine Management & Control System and the Battery Management System. These are import substitution products at far more affordable prices and have a global market. The naval establishment has an ambitious program to build several submarines - both conventional and nuclear - as well as surface ships. These products are critical import substitutions for our defence forces. Your Company, which has been highly innovative throughout its history has added one more feather in its cap and we are sure that in times to come it will make every stakeholder proud of this achievement. We have a long way to go but the hard work is behind us. The Company is now in the process of engaging itself with appropriate contractors and sub-contractors who have been assigned the work of building warships and submarines for the defence of our country.

Similarly, in the arena of transport, Aftek’s Intelligent Transport System solution is the only complete indigenous solution which conforms to the specifications as required by the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The other alternative of import of similar products would be far more expensive than Aftek’s with additional difficulty of adaptation to and integration with the Indian environment. Going ahead this vertical is showing great promise for long term business after our defence vertical.

Last but not the least is the product 'Remote Infrastructure Management' (RIM), which is slowly finding acceptance with the industry and is getting into a good position in the lower segment of the market.

The performance of your Company in the last year has not been very encouraging due to fall of business in overseas markets particularly western countries. It will also interest all our stakeholders to note that the Company, had in the past, leveraged debt through nationalised banks and through FCCBs. In the past two years herculean efforts have been put in to see that FCCB conversion at a low rate takes place thereby releasing a major chunk of outstanding debt and at the same time strong efforts are being made successfully in closing the debts raised through nationalised banks by liquidating some of the Company's assets and also conserving cash-flow. With this year Company should once again become a debt-free Company. We are hopeful that in the forthcoming year there will be better traction from our services business which has been traditionally very strong. Combining with the above, we definitely expect and look forward to a far greater and better performance in the forthcoming year.

Yours sincerely,

Ranjit Dhuru
CHAIRMAN & CEO

BOARD OF DIRECTORS

MR. RANJIT DHURU	CHAIRMAN & MANAGING DIRECTOR
MR.NITIN K. SHUKLA	WHOLE-TIME DIRECTOR
MR.MUKUL DALAL	WHOLE-TIME DIRECTOR
DR. S. S. S. P. RAO	NON-EXECUTIVE DIRECTOR
MR. V. J. MASUREKAR	NON-EXECUTIVE DIRECTOR
MR. MAHESH NAIK	NON-EXECUTIVE DIRECTOR
MR. SANDIP C. SAVE	NON-EXECUTIVE DIRECTOR

MANAGEMENT TEAM

MR. RANJIT DHURU	CEO
MR.NITIN K. SHUKLA	CFO
MR.MUKUL DALAL	ED-INTERNATIONAL SALES & MARKETING (SMART PRODUCTS)
MR. SANJAY CHOUDHARY	COO
MR. RAVINDRANATH MALEKAR	SR. VICE-PRESIDENT-SUPPORT
MR. AMIT RAJE	SR. VICE-PRESIDENT (ENGINEERING)

COMPANY SECRETARY
MR. C. G. DESHMUKH

REGISTERED OFFICE
"AFTEK HOUSE",
265, Veer Savarkar Marg,
Shivaji Park, Dadar,
Mumbai 400 028
Website : www.aftek.com

CORPORATE OFFICE
703-706, Makhija Chambers, 7th Floor,
196, Turner Road,
Opp H. P. Petrol Pump,
Bandra (West),
Mumbai – 400 050

SOFTWARE DEVELOPMENT CENTRE
Lokmat Bhavan,
34/A, Vadgaon Khurd
Sinhagad Road
Pune - 411 041

WORKS
Plot No. A/19/2
M.I.D.C., Chincholi,
Solapur 413 255

BANKERS

State Bank of Bikaner and Jaipur	The Hongkong and Shanghai Banking Corpn Ltd
Commercial Network Branch	Asha Mahal,
239, P.D'Mello Road, Near G.P.O.	46-B, Dr B G Deshmukh Road,
Mumbai 400 001	Mumbai 400 026

AUDITORS
M/s GMJ & Co
3rd & 4th Floor, Vaastu Darshan,
'B' Wing, Above Central Bank of India,
Azad Road, Andheri (E),
Mumbai 400 069

REGISTRAR & TRANSFER AGENT
M/s Bigshare Services Pvt Ltd
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East),
Mumbai 400 072

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of **Aftek Limited** will be held at 09.30 a.m. on Friday, the 28th September, 2012 at The Queenie Captain Auditorium, The NAB-Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 025 to transact the following business:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended March 31, 2012, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ranjit Dhuru, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr.S S S P Rao, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Mahesh Naik, who retires by rotation, and being eligible, offers himself for reappointment.
5. To consider, and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

   "**RESOLVED THAT** M/s GMJ & Co., Chartered Accountants [Registration No. 103429W], be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the said Auditors, plus reimbursement of service tax, out-of-pocket and travelling expenses actually incurred by them in connection with the Audit."

By Order of the Board of Directors

C G Deshmukh
Company Secretary

Registered Office:
"AFTEK HOUSE",
265, Veer Savarkar Marg,
Shivaji Park, Dadar,
Mumbai – 400 028

Dated : August 31, 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 22nd September, 2012 to Friday, the 28th September, 2012 (both days inclusive) for annual closing in compliance with clause 16 of the Listing Agreement executed with the Stock Exchanges.
3. Members holding shares in physical form are requested to notify immediately any change in their addresses with PIN Code to the Company's Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072, and in case they hold shares in demat form, this information should be passed on directly to their respective Depository Participants and not to the Company.

4. Pursuant to the provisions of Section 205A and Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund. Members should note that no claims can be made by the shareholders for the unclaimed dividends which are transferred to the credit of The Investor Education & Protection Fund. Therefore, members who have not yet encashed the dividend warrants for the year ended June 30, 2005 and/or subsequent dividend payments are requested to make their claims to the Company.
5. As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members in respect of shares held by them in physical form. Nomination Forms can be obtained from the Company's Share Registrar and Transfer Agent.
6. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the meeting.
7. Members who hold shares in electronic form are requested to bring their depository account number for easy identification and attendance at the meeting.
8. In order to receive copies of Annual Reports and other communication through e-mail, Members are requested to register/update their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form, with M/s Bigshare Services Pvt Ltd, the Company's Share Transfer Agent .
9. Members who are still holding the shares in physical form may consider surrendering the shares with the concerned Depository Participant since it is advantageous to hold the shares in demat form.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting, are contained in the Annexure hereto.

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 24TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Particulars	Mr. Ranjit Dhuru	Dr. S S S P Rao	Mr. Mahesh Naik
Date of Birth	04/06/1952	02/07/1942	01/02/1953
Date of Appointment	25/03/1986	27/03/2002	27/03/2002
Expertise in specific functional area	For the last 31 years, he has been working exclusively in the computer industry. He is conversant with the computer industry and market and has been instrumental in formulating the business strategy for the Company.	Holds Ph.D. (CSE) from Department of Computer Science & Engineering, IIT-Bombay. Prof. (Dr). Rao held the position of Head of Department of Computer Science & Engineering at IIT-Bombay from August 1985 to June 1991. Prof. Dr. Rao was on deputation to TIFR from IIT-Bombay to work on a defence research project from 1972 to 1975. He was also one of the Technical Members of the EC 1030 committee who visited Yeravan, State of Armenia, USSR from 1973 to 1974 to participate in the discussion of EC 1030 architecture. In addition, Prof. Dr. Rao also has to his credit, a number of publications/ conference papers in IT industry and is associated with various institutions, universities, government departments and committees in various capacities. After serving IIT-Bombay for forty years, Prof. Dr. Rao retired as professor from IIT-Bombay in 2005 and he worked as Chief Technology Officer, Xilinx India Development Centre, Hyderabad till March 31, 2008. Since April 1st, he is with CMC-Hyderabad as their Chief Advisor and Mentor. He is a permanent member of National Council of the National Information Technology Education, Research & Development Foundation. Dr. Rao was also Visiting Professor of Department of Electrical Engineering and Computer Science and Engineering, IIT-Hyderabad from 2009 to 2012. He has also authored a book on Microprocessors and Interfacing along with Prof. Douglas Hall which was published by Tata McGraw-Hill in 2012.	Has experience in the Information Technology industry for about three decades and has skills in several programming languages and applications. Currently he specializes in the field of Operating Systems, Data Compression, Information Retrieval and Encryption. Mr Naik also has extensive experience in large scale Demographic Survey, Data Collection and Result Presentation.
Qualification(s)	B. Com., LL.M.	Ph.D.(CSE) from IIT-Bombay	B.Sc. (Hons.) (Physics/ Maths) degree plus PG Diploma in Software Computing Technique (PGDST) conducted by NCSDCT (presently known as CDAC) and VJTI
List of outside public companies in which Directorship held as on 31st March, 2012	Nil	Nil	Nil
Chairman/Member of the Committees of the Board of the Companies on which he is a Director as on 31st March, 2012	Nil	Nil	Nil
Shareholding of Non-executive directors in the Company (No. of Shares)	NA	16,900 equity shares	27,000 equity shares
Relationship between the directors inter se	Nil	Nil	Nil

DIRECTORS' REPORT

To,
The Members of Aftek Limited,

Your Directors are pleased to present their 25th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL PERFORMANCE

Amount (Rs. in lacs)

PARTICULARS	31/03/2012	31/03/2011
Turnover	12,124	15,486
Profit Before Depreciation	10,074	10,726
Less:Depreciation	8,856	9,254
Profit Before Tax	1,218	1,472
Less : Provision for Taxation	76	75
Profit After Tax	1,142	1,397
Transfer to General Reserve	NIL	NIL

DIVIDEND

Considering the heavy investments and restructuring that your Company is undergoing and the efforts being made to augment cash flow as also looking at the financial performance your Directors have not considered it appropriate to recommend any dividend for the year.

BUSINESS REVIEW & FUTURE PROSPECTS

The industry continues to suffer under global slowdown. While your Company's performance for the year under review has been rather dismal, your Board attributes this largely to the continuing slowdown in the western world, low traction of new clients and business from the West which has traditionally been your Company's hunting ground. At the same time, the Company is very much encouraged by the fact that the development of new products in different verticals have received a very strong endorsement from Defence establishments particularly the Indian Navy, which has approved two major products created by your Company along with its associates. This certification and approval gives your Company a huge opportunity in the near, mid and long term periods to grow and scale up its business with the defence establishment. It is public knowledge that India's security concerns have made the Indian Government commit very large funds for the defence establishments and the Indian Navy is one of the large recipients of this allocation.

Your Company has received a large number of enquiries also about its Intelligent Transport System (ITS) since this product is the only one of its kind in India having end-to-end solutions. Your directors feel that this opportunity too is large enough to scale up operations in this vertical in the forthcoming years. Similarly, in the Remote Infrastructure Management (RIM) arena, Aftek VTS, Aftek Protocol Converters and other components of VTS are getting acceptance and enquiries far in excess of your Company's expectations. Therefore, your Directors feel that although there has been a downward trend of the topline for the last few years, the strategic investments made in these verticals whereby various products were created by your Company are steps in the right direction.

FINANCE

Due to global slow down the Company has been experiencing reduced business and slow rate of recovery of receivables giving rise to severe liquidity situation. Resultantly, the Company has not been able to repay its debts to the bankers in time leading to initiation of recovery processes by lenders. While part of the dues have been settled by liquidating the property of the Company, the process of arriving at one-time settlement with bankers is underway.

At an Extra-ordinary General Meeting held on 08th June, 2010, Members had approved by means of a special resolution, the proposal to utilize a sum of Rs.215 Crores (Rupees Two Hundred & Fifteen Crores only) standing to the credit of the Securities Premium Account of the Company by allocating and /or earmarking to adjust product development expenditure incurred and / or to be incurred, diminution in value of investments, if any, and loss arising on account of foreign exchange fluctuations. The Hon'ble High Court of Judicature at Bombay, vide Order dated 13th August, 2010 had sanctioned the aforesaid utilisation of Securities Premium Account and the same has been implemented from the second quarter of last year. While an amount of Rs 196.80 crores was so adjusted in 2010-2011, the balance amount of Rs 18.20 crores has been adjusted during the year under review.

As regards 1% Foreign Currency Convertible Bonds Due 2010 ("FCCBs") of USD 10,000 each, out of 3,450 FCCBs issued in 2005, a total number of 2570 FCCBs have already been converted into GDRs/equity shares and balance 880 numbers of FCCBs continue to remain outstanding as on 31st March, 2012. No conversion of FCCBs has taken place during the year under review. As informed earlier, the Company had initiated the process of re-setting the conversion price of the FCCBs as per the applicable norms. Approval of Reserve Bank of India for the same was received vide their letter No. FED/CO/ECBD/ 10308/03.02.775/11-12 dated October 31, 2011. The holders of the FCCBs vide their written resolution of 25th July, 2012 have consented, inter alia, to the revision of Conversion Price of Bonds from Rs 75.20 to Rs 13.76 and elongation of maturity period from 25th June, 2010 to 21st December, 2012 as well as waiver of events of defaults and interest payments. Accordingly, the Company has executed a Supplemental Trust Deed on 25th July, 2012 with Bank of New York Mellon, the Trustees, for giving effect to the aforesaid amendments. All the outstanding 880 numbers of FCCBs, if converted into GDRs/ equity shares at the revised conversion price of Rs 13.76 would result into issuance of additional 2,78,67,733 numbers of equity shares of Rs 02/-each.

DIRECTORATE

Mr Ranjit Dhuru, Dr S S S P Rao and Mr Mahesh Naik retire by rotation and are eligible for re-appointment. Attention of the members is invited to the relevant items in the Notice of the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

i. that in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. that the directors had selected such accounting policies and 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 at the end of the Financial Year ended 31st March, 2012 and of the profit of the Company for that period;

iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the directors had prepared the annual accounts for the year ended 31st March, 2012, on a 'going concern' basis.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the Public.

SUBSIDIARY COMPANIES

The Company's wholly-owned subsidiary, Mihir Properties Private Limited, has earned some rental income to support its statutory payments.

The product of Digihome Solutions Private Limited (DSPL) is undergoing a revision and due to general glut in the real estate sector the business for the year under review has been rather slack. However, the order book is very strong and as the pick up of the realty industry happens this year, with the new and better revised products the company should be doing much better. In our last annual report we had reported about possibility of takeover of DSPL by a well-known international company. We have to report that due to slow down the matter has been deferred. The said international company has however expressed its keenness to take participation in DSPL when things ease up by the third quarter next year. Accordingly, there is cautious optimism in respect of future of DSPL.

In accordance with the General Circulars No: 2 /2011 No: 51/12/2007-CL-III and No. 3/2011 No: 5/12/2007-CL-III dated 08th February 2011 and 21st February 2011, respectively, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Annual Accounts of the subsidiary companies will be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. The statement pursuant to Section 212 of the Companies Act, 1956 containing details of subsidiaries of the Company, forms part of the Annual Report.

AUDITORS

At the ensuing Annual General Meeting, Members will be required to appoint Auditors for the current year and fix their remuneration. M/s. GMJ & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A Certificate from the Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

As regards the observations in paragraphs (ix) and (xi) of the Annexure to the Report of the Auditors, these are due to adverse liquidity conditions.

PARTICULARS OF EMPLOYEES

Details of remuneration paid to employees, as required under Section 217(2A) of the Companies Act, 1956, are set out in a separate statement attached hereto as Annexure "A" and the same forms part of this Report.

CONSERVATION OF ENERGY ETC.

Your Company endeavors to ensure conversation of energy. However, as a software company, energy costs constitute a small portion of the total cost and there is not much scope for energy conservation. Form A as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable for software industry. The particulars of Technology Absorption are also not applicable. The Foreign Exchange Earnings and Outgo are as per Para Nos. 30 (d) and 30 (c) of the Notes to Accounts.

OTHER DISCLOSURES

The disclosures required to be made under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, together with a certificate obtained from the Statutory Auditors confirming compliance, is given in Annexure "B".

Pursuant to Clause 49 of the listing agreement entered into with the Stock Exchanges, the Management Discussion and Analysis, Corporate Governance Report and a Certificate obtained from Practising Company Secretary confirming compliance form part of the Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation of the continued co-operation, support and assistance given by shareholders, customers, vendors, bankers, service providers, suppliers and employees at all levels.

FOR AND ON BEHALF OF THE BOARD

RANJIT DHURU
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI
DATED : August 31, 2012

ANNEXURE "A" TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, and forming part of the Directors' Report for the year ended 31st March, 2012.

S N	Name	Designation	Qualification	Age (Years)	Date of Joining	Experience (Years)	Gross Remuneration (Rs.)	Previous Employment
1	Mr Ranjit Dhuru	Chairman & Managing Director	B.Com. LL.M.	60	25/03/1986	31	75,02,496	Self-employed

Notes:

1. Gross Remuneration received includes Basic Salary, Performance Bonus, House Rent Allowance, Medical Expenses, Leave Travel Allowance, Ex-gratia, Entertainment Allowance, and monetary value of Perquisites.
2. The above appointment is contractual.
3. The above employee is not a relative of any Director or Manager of the Company. There is no employee drawing salary in excess of that drawn by the Managing Director or Whole-time Director and holding, either by himself or along with spouse and dependent children, not less than two percent of the equity shares of the Company.

FOR AND ON BEHALF OF THE BOARD

RANJIT DHURU
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI
DATED : August 31 , 2012

ANNEXURE "B" TO THE DIRECTORS' REPORT

Information required to be disclosed under Securities And Exchange Board Of India (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 (as amended) as on 31st March, 2012

SR NO	PARTICULARS	AFTEK ESOP SCHEME 2004		
		Grants made in the year 2004-2005	Grants made in the year 2006-2007	Grants made in the year 2007-2008
A	Options Granted	640,990	50,000	224,788
B	The pricing formula	Price determined on discounting by 20%, the average of weekly high and low of the closing prices for the Company's equity shares on the Bombay Stock Exchange ('BSE') during the 26 weeks ' period prior to Grant Date or the closing price for the Company's shares on the BSE on Grant Date, whichever is lower.		
	Exercise Price	Grant Date : August 25, 2004 - Rs 56.00 per share* Grant Date : October 28, 2004 - Rs 70.00 per share**	Grant Date : July 31, 2006 - Rs 51.90 per share	Grant Date : March 24, 2008 - Rs 34.15 per share
C	Options Vested	543,944	25,000	78,544
D	Options Exercised	351,318	Nil	Nil
E	Total Number of shares arising as a result of Exercise of Options	351,318	Nil	Nil
F	Options Lapsed	289,672	50,000	224,788
G	Variation of terms of Options	Nil	Nil	Nil
H	Money realised by exercise of Options	9,536,446	Nil	Nil
I	Total number of Options in force	Nil	Nil	Nil
J	Employee-wise details of Options granted to :-			
	i) Senior Managerial Personnel :			
	Mr Mahesh Vaidya	59,490	-	-
	Mr Sunil Desai	57,205	-	-
	Dr S S S P Rao	25,000	-	-
	Mr Shrikant Inamdar	25,000	-	-
	Mr V J Masurekar	25,000	-	-
	Mr Mahesh Naik	25,000	-	-
	Mr D R Kulkarni	-	50,000	-
	ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year	Nil	Nil	Nil

	iii) Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant		Nil	Nil	Nil
K	Diluted Earnings Per Share (EPS) (as on 31st March 2012) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20		Rs 1.22		
L	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS		The Company has calculated the employee compensation cost using the fair value of the stock options		
M	(i) Weighted average exercise price of Options (ii) Weighted average fair value of Options		Rs 52.02 Rs 41.61		
N	Method and significant assumptions used to estimate the fair value of Options		Method The fair value of Options has been computed under Black and Scholes Method. Significant Assumptions (Weighted) a) Exercise Price : Rs 52.02 b) Expected life of Option : 3.21 yrs c) Stock Price : Rs 69.39 d) Expected Volatility : 77.06% e) Expected Dividend yield : 1.22% f) Risk free rate of return : 6.47%		

* Exercise price revised to Rs 26 for grant date 25/08/2004 on account of bonus issue of equity shares

** Exercise price revised to Rs 40 for grant date 28/10/2004 on account of bonus issue of equity shares

AUDITORS' CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEME

We have examined the books of accounts and other relevant records of Aftek Limited (the 'Company') and based on the information and explanations given to us, certify that, in our opinion, the Company has implemented the Employee Stock Option Scheme in accordance with SEBI (Employee Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 and the resolutions of the Company passed in General Meeting held on 29 December 2000.

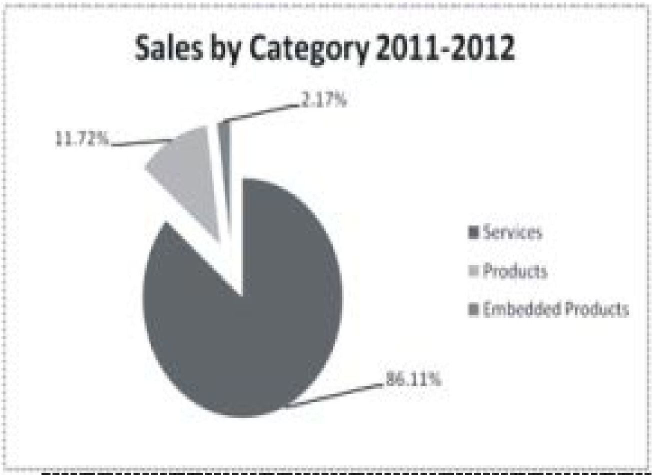
For **GMJ & Co.**
CHARTERED ACCOUNTANTS
(FRN No.- 103429W)
Sd/-
(HARIDAS BHAT)
PARTNER (M.No. 39070)
Place: Mumbai Dated: August 31, 2012

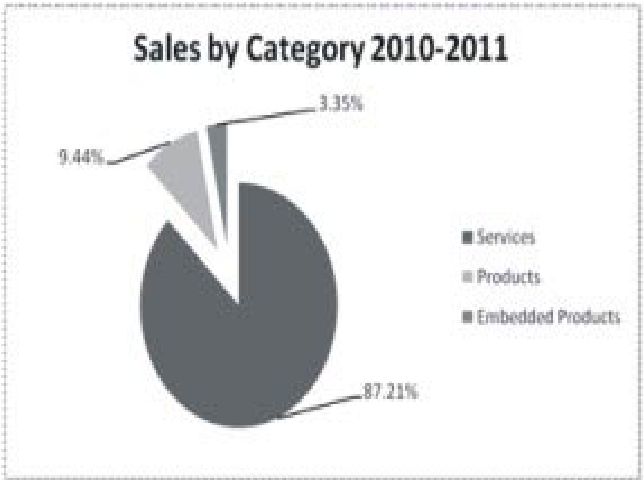
MANAGEMENT DISCUSSION AND ANALYSIS

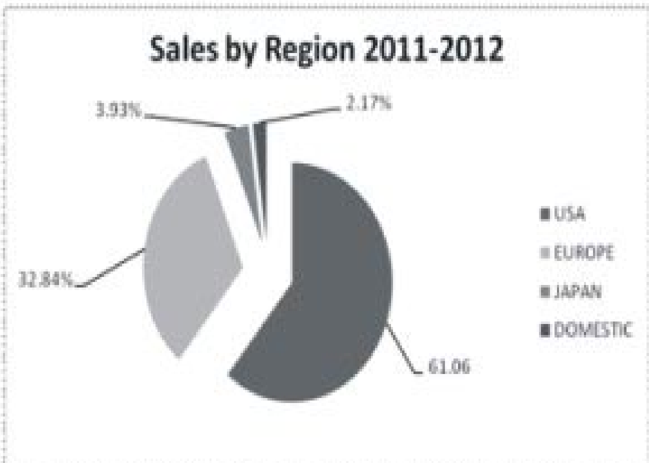
Industry & Business Outlook, financial and operational performance :

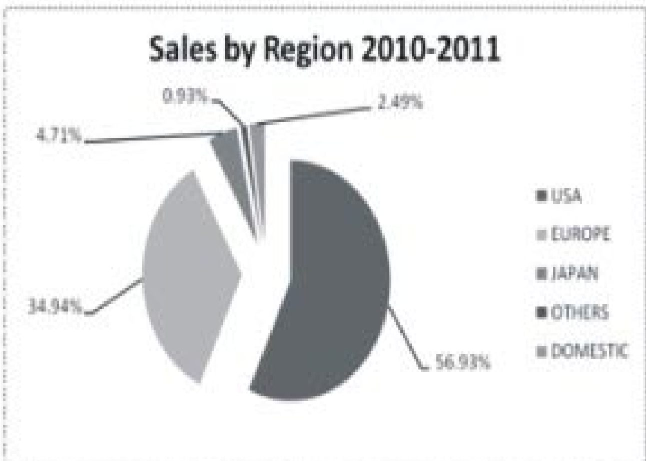
Considering the type of business your Company does, i.e. leveraging technology to deliver products and solutions to clients who are in the mid size and small segment of the industry, it is largely dependent on the economic well being of the geographical area which is being addressed. Your Company's major markets have always been USA, Europe and Japan. USA being the largest, has been reeling under economic upheaval. The products and solution developments of mid-size and small businesses are largely financed through financial institutions and VC funding. Since 2008, this segment of funding is under heavy strain and as a consequence, the sales funnel has been significantly affected. The position is not yet fully stabilised but there are hopes of improvement as increasing numbers of enquiries have kept coming to your Company. However, the ratio of conversion from enquiries to orders has not been showing a very good rate. Under the circumstances a situation has arisen where the projects which were to be completed within a given time frame have got delayed due to paucity of funding and the receivables of your Company against many clients have beeng mounting creating severe strain on the cash flows. The management is, however, hopeful of getting the situation under control in the coming years.

The good news is that the product development done for the Indian markets in three vertical segments namely Defence, Integrated Transport System (ITS) and Remote Infrastructure Management (RIM) are now not only complete but have full certification and orders have started flowing in for these verticals. Looking at the strong traction of defence requirements, the Company is optimistic that it would succeed in bagging larger and bigger engagements for the products developed by it.







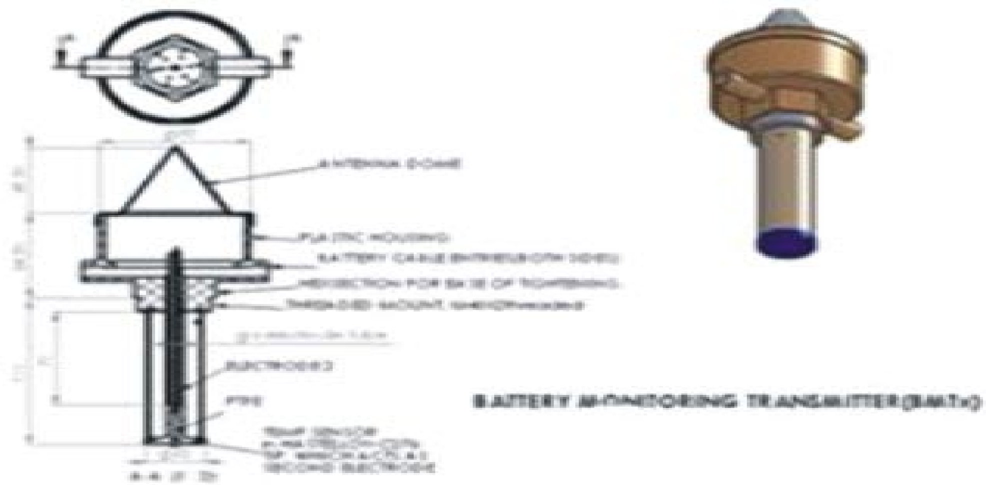


Strategy and Opportunities : Insight Into Aftek Verticals : Indigenous Technology At Work

Wireless Sensor Development (Peripheral Device) For Defense Battery Monitoring System By Amit Raje, Sr Vice-President (Engineering)

A peripheral device (PD) is used inside the battery pit to measure the temperature and voltage of the Battery Cells with high accuracy. Currently the PDs have RS485 connectivity over which they send the acquired data to the RS485 master device, the converter board (CB). This creates a big wiring network of PDs. To remove this clumsy wiring new wireless design architecture for the PD is planned. In this architecture all the PDs will be wireless and they will send the acquired data to a wireless gateway (DCD). This wireless gateway over RS485 or Ethernet sends the data to the monitoring system inside BMS.

The major change in this architecture compared to the previous architecture of BMS is that each PD will monitor a single battery for voltage, temperature and other parameters while sitting on top of that battery. The wireless system will work over a carrier frequency of 2.4GHz. Wireless PD and Wireless Gateway will communicate with each other over a RF link with a carrier frequency of 2.4GHz. These will talk with the help of a communication stack. Both the devices will support low power operation and will automatically enter stand-by mode when they are idle.



WIRELESS NETWORKING Data Concentration Device

- A Wireless Network Interface is made by a Master device DCD. DCD has a built in transceiver and a USB/RS485 interface to the PC. The DCD acts as a Master device and broadcasts a query which is received by all Wireless PD associated with it. The association is based on MAC Address and PD network ID.
- The query is then answered by the relevant PD .
- DCD utility thus continuously monitors status of each battery and all the relevant parameters and Status such as normal, Hi/Lo alarms can be seen on the screen.
- It will also be possible to initiate calibration and alarm levels of each device and for each of the three parameters, whenever necessary.
- Calibration and Set-up modes are protected by a password for authorized use only.
- The device is easily configurable with existing BMS cable layouts at the battery pit.

Aftek Protocol Convertors For Ship Building

By Dr Rajendra Datar – Advisor

Various equipments or systems such as Diesel Gensets, Uninterrrupted Power Supply, Air Conditioning units, Energy Supply and Distribution Systems require support for diverse set of protocols like modbus, CAN bus, BACnet, Lonworks etc. for their control and monitoring.

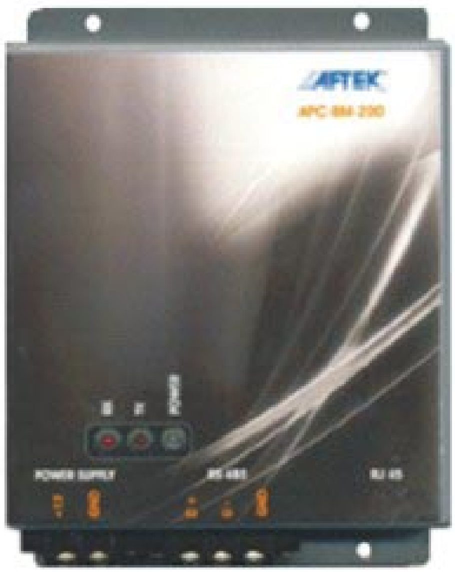
Integrating these devices inside a ship for centralized management and control is a bigger challenge.

Aftek's protocol converters help to seamlessly integrate these devices and systems in the ship infrastructure supporting any of the above protocols and overcome interoperability bottleneck.

There are several protocol converter models available as shown below to support the requirement.

APC Ethernet to serial

APC Modbus / BACNET



APC Modbus / Bacnet

APC Lonworks.

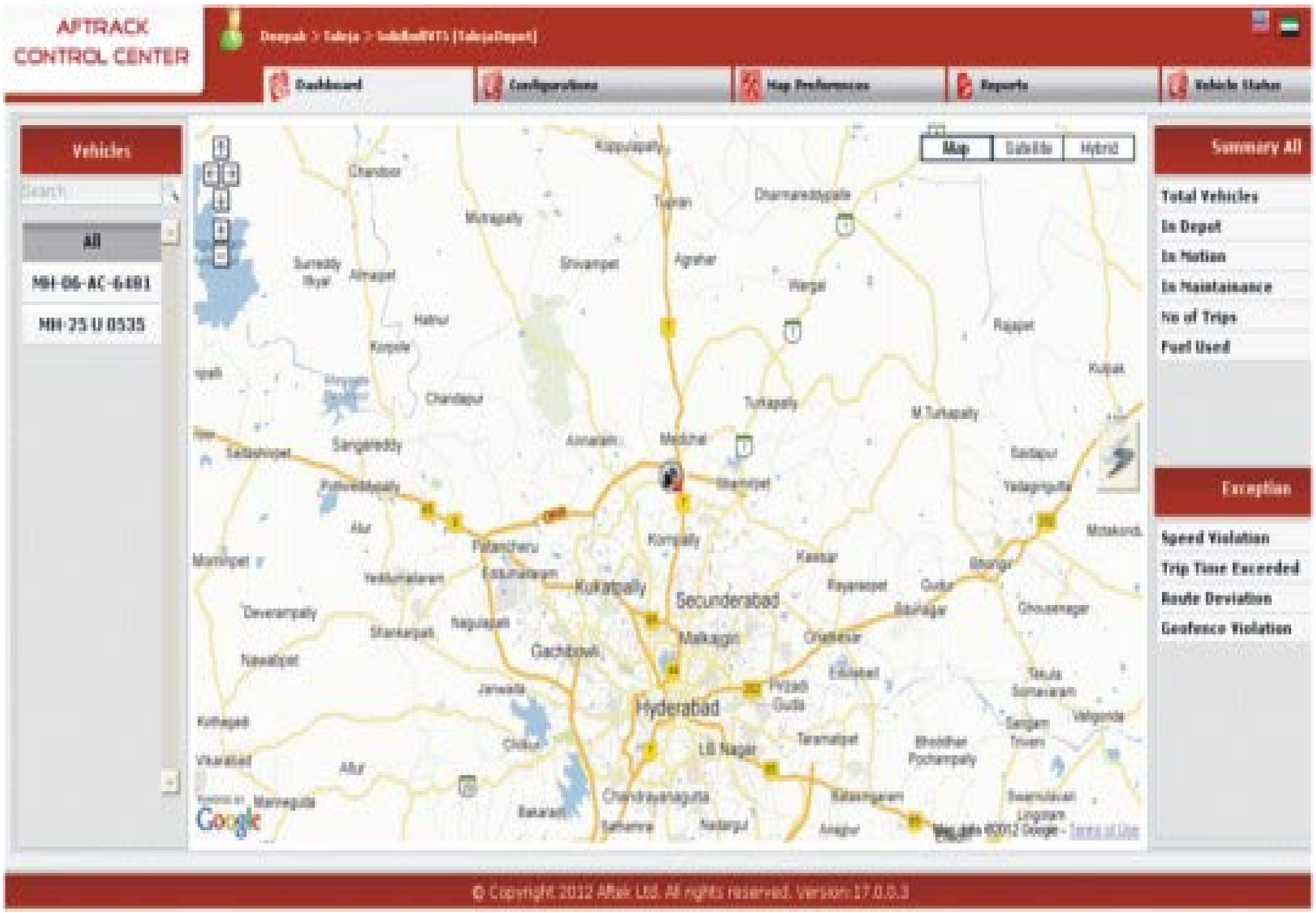
GPS-Based Vehicle Tracking System By Jayant Wagh (Project Manager)

The necessity of Vehicle Tracking Systems is increasing day by day due to two reasons - first to know the current location of the vehicle and secondly, for efficient / optimized fleet planning. Fleet owners would also like to solve problems such as vehicle theft, scheduled route deviation, fuel theft, misuse of amenities installed in the vehicle such as AC, Music system among others.

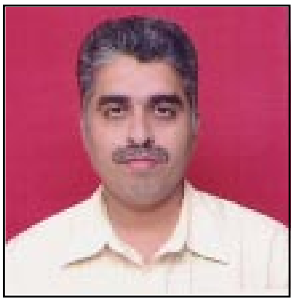
Recently school-bus operators have also been demanding such systems to provide additional security and information to students' parents over SMS such as whether the bus has reached or left from the school and so on. The system also helps to optimize current fleet utilization.

The GPS based device (VTS) as well as AVLS (Automatic Vehicle Location System) portal framework has been developed by Aftek to cater to customized client needs across several verticals like food and fuel logistics, Public Transportation systems, Concrete mixing and mining ore transport, personal trackers and many more.

AVLS integration with AFTEK's Remote Infrastructure Monitoring (RIM) framework would enable monitoring mobile Diesel Generators, battery racks mounted on vehicles. Similarly ambulances carrying patients can be monitored with live critical data like blood pressure/pulse rate/heart beats etc.



This portal easily hooks up to the Intelligent Transport System (ITS) to serve as a Bus Tracking System (BTS). The system is also capable of providing required interfaces for Online Reservation System (ORS) which is again an integral part of ITS.



ITS – Intelligent Transport Solution- By Sanjeev Shirsikar, PM (Project Manager)

The urban population is growing exponentially and this growth is only expected to rise in coming years. Transporting millions of commuting residents to their offices and back to their homes daily is increasingly becoming a challenge for the transport providers and planners. Modern cities must not only meet current but also provide for future transportation needs.

An answer for this growing challenge is web-based Aftek ITS.

The Intelligent Transport Solution (ITS) offers seamless integration of various IT services and devices such as Driver Console Unit, Vehicle Tracking Unit, Integrated Device Controller, Electronic Ticket Issuing Machine, CCTV camera, LED displays inside bus and bus stops, announcement systems etc involved in entire transport infrastructure, so as to enable efficient and improved operations.

This solution is designed to manage vehicle fleet, human resources, routes, schedules, duties and fares to improve safety aspects along with efficient operations, reducing transportation time, fuel consumption and vehicle wear and tear. Thus, ITS facilitates boosting revenue generation and in turn profitability as well as comprehensive Management Information Systems with a single click of the mouse. Passengers, very important stakeholders of the system are highly benefited with improved and in-time services and information at their fingertip which, in turn, results in a higher turnout , ultimately boosting profitability.

With more than 20 years of proven expertise in the field of Hardware, BSP, Embedded solutions, and more, Aftek now offers various IT transportation services under a complete transportation framework, known as Aftek Transportation Framework (ATF). Aftek has experience in building end-to-end, public bus transportation management and bus tracking solutions to enable seamless exchange of information between all the concerned business entities.

Aftek has recently launched a Driver Console Unit, also known as Vehicle Mounted Terminal (VMT) or Integrated Device Controller (IDC), to be used in public transport vehicles. Useful information such as bus timings and announcement can be automatically initiated based on vehicle location. It also functions as an entertainment and revenue generating model, with its ability to broadcast multimedia advertisements, movies, songs and so on a separate cabin mounted TV/LCD screen.

ATF offers various IT services and devices for the complete deployment of ITS. The services are well integrated with the Electronic Ticketing Machine (ETM) and Vehicle Tracking System (VTS) developed in-house. It also enables seamless integration with third party devices such as PIS LED boards, LCDs, on-board annunciation system and so on. Additionally, ATF offers centralized or back-end system for reporting and processing of revenues and other forms of data along with vehicle diagnostics.

Internal control systems and their adequacy :

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

Risks, concerns & threats

Risk is a part and parcel of any organisation and your Company is proactive in identifying, assessing, eliminating or mitigating risk. Your Company has shifted its focus from western world to domestic market by relying on its strength to create products and solutions for different verticals. Obsolescence of technology is a constant risk for any technology company which is being mitigated by constantly investing into product road-map and newer technologies in the specialization areas of the Company. IT industry being very competitive, your Company constantly endeavors to remain abreast of the developments taking place in the market. Further, any future changes in tax benefits and government policies may affect the Company's business which may necessitate the Company to re-align its business strategy. In order to ensure optimum utilisation of its work-force and avoiding benching of staff, the Company has realigned its policy towards human resources in line with changing business scenario and the business strategy of the Company.

Forward looking statement

Some of the statements in this Annual Report are forward-looking statements. These statements carry information about our future plans, growth, revenues, profits, strategies, performance etc. Information contained in these statements is subject to perceived circumstances, risks and uncertainties which can result from various factors within or outside our control like currency fluctuations, domestic and international law changes, market conditions, economic swings, our ability to retain and attract clients, business and employees, competitive scenario, political conditions etc. We do not undertake to update these statements and information contained therein as and when the perceived circumstances, risks and uncertainties change.

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on corporate code of governance

The Company has always aimed to protect the interest of its shareholders, creditors, and employees. The management of the Company believes that the importance of the corporate code of governance lies in its contribution both to business prosperity and accountability.

A. BOARD OF DIRECTORS

(i) Composition of the Board and changes since the date of last Annual General Meeting

The Board of Directors of the Company comprises of 7 Directors with an optimum combination of Executive and Non-executive and independent directors. Since the Company has an executive chairman, more than 50% of the Board of Directors are independent directors.

There has been no change in the composition of the Board of Directors of the Company since the last Annual General Meeting. The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting.

(ii) Number of Board Meetings:

The Board of Directors met 5 times during the year under review. The meetings of the Board of Directors were held on various dates as follows : 13.05.2011, 12.08.2011, 31.08.2011, 11.11.2011 and 14.02.2012. The maximum interval between two Board Meetings was 94 days.

(iii) Directors' attendance and directorships held as on 31/03/2012

Name of Director	Category	No. of Board Meetings Attended	Attendance at AGM held on 29.09.2011	Directorship of other Company(ies)	No. of other Committees	
					Membership	Chairmanship
Mr Ranjit Dhuru	CMD	5	Yes	3	NIL	NIL
Mr V J Masurekar	NE	5	Yes	3	NIL	NIL
Dr S S S P Rao	NE	3	No	0	NIL	NIL
Mr Mahesh Naik	NE	5	Yes	0	NIL	NIL
Mr Sandip Save	NE	1	Yes	1	NIL	NIL
Mr Nitin Shukla	ED	5	Yes	3	NIL	NIL
Mr Mukul Dalal	ED	4	Yes	2	NIL	NIL

(CMD : Chairman & Managing Director / ED : Executive Director / NE : Non-executive Director)

NOTE :

None of the Directors is a member of more than 10 committees or acts as Chairman of more than five committees across all companies in which he is a director.

Necessary information as mentioned in Annexure IA to Clause 49 of the Listing Agreements was placed before the Board from time to time for its consideration.

B. COMMITTEES OF THE BOARD

i) AUDIT COMMITTEE:

The Audit Committee comprises of 4 directors, namely, Mr V J Masurekar, Mr Mahesh Naik, Mr Sandip Save, being Independent Non-executive Directors, and Mr Ranjit Dhuru, CMD. Mr V J Masurekar acts as the Chairman of the Committee. Mr. C.G. Deshmukh, Company Secretary of the Company, functions as the Secretary of the Audit Committee. During the year under review, 5 meetings of the Audit Committee were held. The attendance of members thereat was as follows:

Director	No. of Meetings Attended
Mr. V J Masurekar	5
Mr. Mahesh Naik	5
Mr. Sandip Save	1
Mr. Ranjit Dhuru	5

The terms of reference of the Audit Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) SHAREHOLDERS' GRIEVANCE COMMITTEE

The Share Transfer-cum-Investors' Grievance Committee consists of 3 directors, majority of them being Non-executive Directors. Mr. V J Masurekar is the Non-executive Director and Chairman of the Committee. Mr C G Deshmukh, Company Secretary, has been designated as the Compliance Officer. No complaints were pending at the beginning of the year and the Company received 11 complaints during the year under review from the shareholders and 10 complaints were disposed off to their satisfaction. No share transfers were pending as on 31st March, 2012.

C. REMUNERATION OF DIRECTORS :

Remuneration Policy :

Subject to the approval of the Board and of the Company in the general meeting and such other approvals as may be necessary, the Managing/Whole-time Directors are paid remuneration as per the Agreements entered into between them and the Company. The remuneration structure of the Managing/Whole-time Directors comprises salary, allowances and gratuity.

Non-executive Directors are paid sitting fees / commission. The amount of commission is etermined on the basis of the Company's performance and regulatory provisions.

Details of Remuneration of Directors as on 31.03.2012:

(Amount in Rs)

Name	Salary	Allowances	Commission/Incentive	Sitting Fees
Mr Ranjit Dhuru	30,00,000	45,02,496	-	-
Mr Nitin Shukla	12,36,000	17,57,472	-	-
Mr Mukul Dalal	7,86,000	21,93,002	-	-
DR S S S P Rao	-	-	-	60,000
Mr V J Masurekar	-	-	-	2,00,000
Mr Mahesh Naik	-	-	-	2,00,000
Mr Sandip Save	-	-	50,000	-

Note : Monthly salary comprising : Basic/HRA/Ex-gratia/LTA/Medical/Entertainment etc.

* Notice period for termination of appointment of Chairman & Managing Director and other Whole-time Directors is three months on either side.
* No severance pay is payable on termination of appointment.

The details of shares/convertible instruments held by Non-Executive Directors as on 31-03-2012 are as under:

Name	No of Shares Held	Stock Options Granted@	Warrants
Dr S S S P Rao	16,900	25,000	-NIL-
Mr V J Masurekar	25,000	25,000	-NIL-
Mr Mahesh Naik	27,000	25,000	-NIL-
Mr Sandip Save	11,19,744	-NIL-	-NIL-

@ Stock Options granted on 25.08.2004, at an exercise price of Rs 56/-, later revised to Rs 26/- on account of Bonus Issue, with a vesting period of one year from the date of grant and exercise period of two years from vesting. All the stock options were excercised.

D. SUBSIDIARY COMPANIES

The Company does not have a material non-listed Indian subsidiary whose turnover or net worth (i e paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding Accounting Year.

Copies of the minutes of the Board Meetings of the subsidiary companies are periodically placed at the Board Meeting of the listed Holding Company.

E. NON-MANDATORY REQUIREMENTS

The Status of Compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement is provided below :

1. **Non-Executive Chairman's Office**

   A Non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

   The Chairman of the Company is an Executive Chairman and hence, this provision is not applicable.

2. **Remuneration Committee**

   The board may set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

   The Company does not have a Remuneration Committee. Subject to the approval of the Board and of the Company, in the General Meeting and such other approvals as may be necessary, the Managing/Whole-time Directors are paid remuneration as per the Agreements entered into between them and the Company.

3. **Shareholder Rights**

   A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders.

   Presently, this information is being made available through press releases/website of the Company and announcements to the Stock Exchanges.

4. **Audit qualifications**

   Company may move towards a regime of unqualified financial statements.

   The Company endeavours to move towards a regime of unqualified financial statements.

5. **Training of Board Members**

   A company may train its Board members in the business model of the company as well as the risk profile of the business parameters of the Company, their responsibilities as directors, and the best ways to discharge them.

   The Board Members possess rich experience in their respective fields of specialization and have been on the Board for a considerable period of time. The Directors keep themselves abreast of the developments in the Organisation and in the industry.

6. **Mechanism for evaluating Non-executive Board Members**

   The performance evaluation of Non-executive directors could be done by a peer group comprising the entire Board of Directors, excluding the director being evaluated; and Peer Group evaluation could be the mechanism to determine whether to extend / continue the terms of appointment of Non-executive directors.

   The Non-executive Directors have been inducted on the Board after mutual consultations by other members of the Board and have been found to be contributing significantly to the affairs of the Company.

7. **Whistle Blower Policy**

The company may establish a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organization.

The Company encourages an Open-door policy, where employees have free access from the level of the immediate reporting authority upto that of the CEO, to report any unethical behaviour, or non-adherence to the Company's Code of Conduct.

F. GENERAL BODY MEETINGS:

Details of Annual General Meetings held during the last three years:

Meeting	Location	Date	Time
Annual General Meetings	The Queenie Captain Auditorium, The NAB-Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 025	September 29, 2011 September 29, 2010 September 30, 2009*	10.30 a.m. 10.30 a.m. 10.30 a.m.

* The 22nd Annual General Meeting of the Company was held on 30th September, 2009, which was adjourned and the Adjourned Meeting was held on 30th December, 2009 at 10.30 a.m. at the same place.

No Special Resolutions were passed at Annual General Meetings during the last three years.

No resolution is now proposed to be passed through postal ballot.

G. DISCLOSURES:

a) There was no transaction with any of the related parties that was in conflict with the interest of the Company.

b) The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority on matters related to capital markets during the last three years. There are no penalties or strictures imposed on the Company by any of the aforesaid authorities relating to the above.

c) In the preparation of financial statements, the Company has followed the Accounting Standards issued by ICAI.

The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

H. MEANS OF COMMUNICATION

1. The quarterly financial results of the Company are published in Free Press Journal newspaper in English and Navshakti in Marathi.
2. A Report on Management Discussion and Analysis forms part of the Annual Report.
3. The Company has its own website (www.aftek.com) and all the vital information relating to the Company (such as quarterly/half-yearly results, press releases, presentations to analysts, shareholding pattern etc) and its products are displayed on the website.
4. The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which, in its opinion, are material and of relevance to the shareholders and through Press Releases.

I. OTHER INFORMATION

i) **Code of Conduct :**

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company, www.aftek.com. The declaration of the Chairman and Managing Director is given below :

To the Shareholders of Aftek Limited

Sub : Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Ranjit Dhuru
Chairman & Managing Director

Mumbai, August 31, 2012

ii) **Insider Trading :**

The Company has a Code of Conduct for prevention of Insider Trading in the securities of the Company, which inter alia prohibits dealing in securities of the Company by Insiders while in possession of unpublished price sensitive information.

J. GENERAL SHAREHOLDER INFORMATION

1. AGM : Date, Time and Venue/Book Closure/Dividend Payment Date

Day & Date	Friday, September 28, 2012
Venue	The Queenie Captain Auditorium, The NAB-Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 025
Time	09.30 a.m.
Book Closure Dates	Saturday, the 22nd September, 2012 to Friday, the 28th September, 2012 (both days inclusive)
Dividend Payment Date	The Board, at its meeting held on August 31, 2012, has not recommended any dividend on the equity shares of the Company for the year ended March 31, 2012.

2. FINANCIAL CALENDAR

Financial Year 2012-2013	
Quarter ending 30th June, 2012	July / August 2012
Quarter ending 30th September, 2012	October / November 2012
Quarter ending 31st December, 2012	January / February 2013
Quarter ending 31st March, 2013	April / May 2013

3. LISTING OF SECURITIES ON STOCK EXCHANGES (WITH STOCK CODE)

SECURITY	NAME & ADDRESS OF STOCK EXCHANGE	SECURITY CODE	ISIN
Equity Shares	Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	530707	INE796A01023
	National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	AFTEK	INE796A01023
Global Depository Receipts	Luxembourg Stock Exchange Société de la Bourse de Luxembourg, 11, av de la Porte-Neuve, L-2227 Luxembourg	Common Code : 016077470 CUSIP: 00831M106	US00831M1062

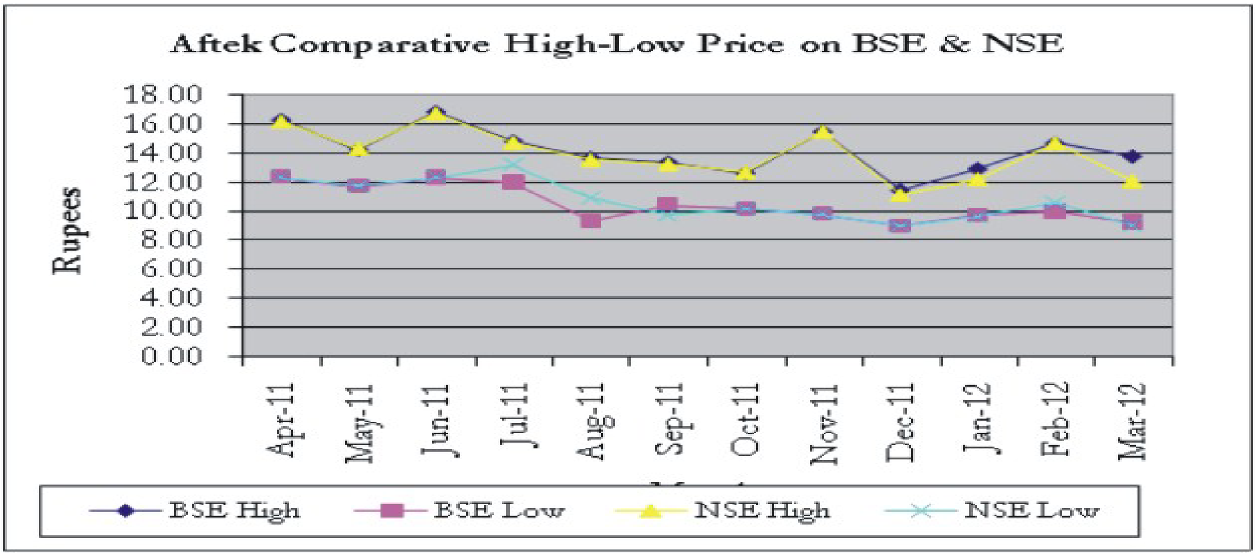
4. Market Price Data :

Monthly High and Low quotations of Shares traded on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd during the Financial Year ended 31st March, 2012

(Source : BSE and NSE websites)

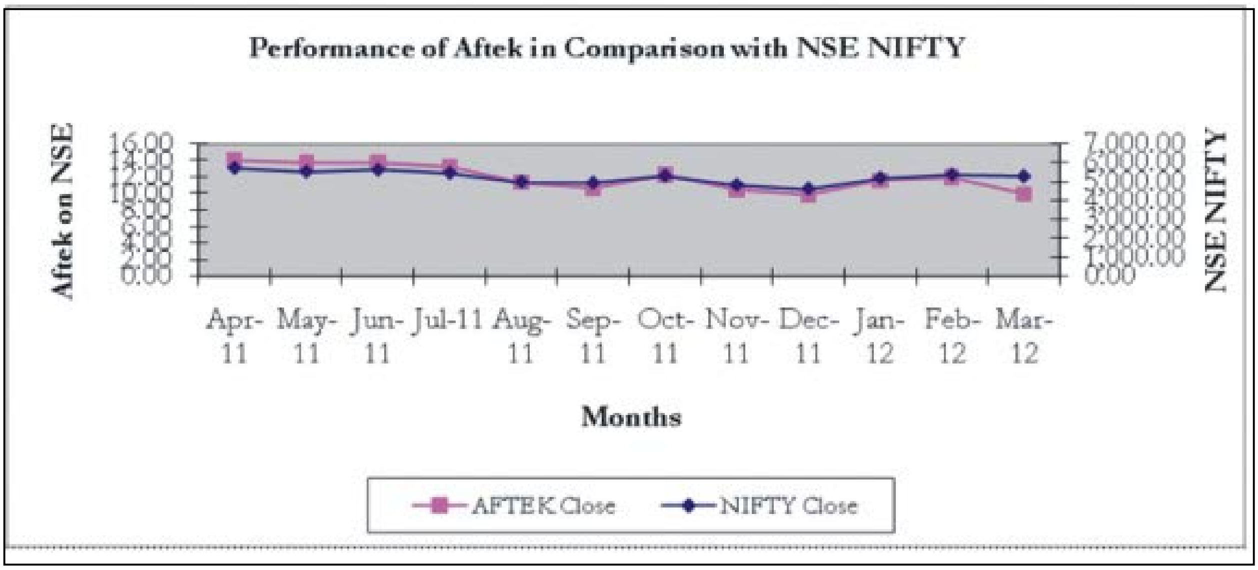
(in Rs.)

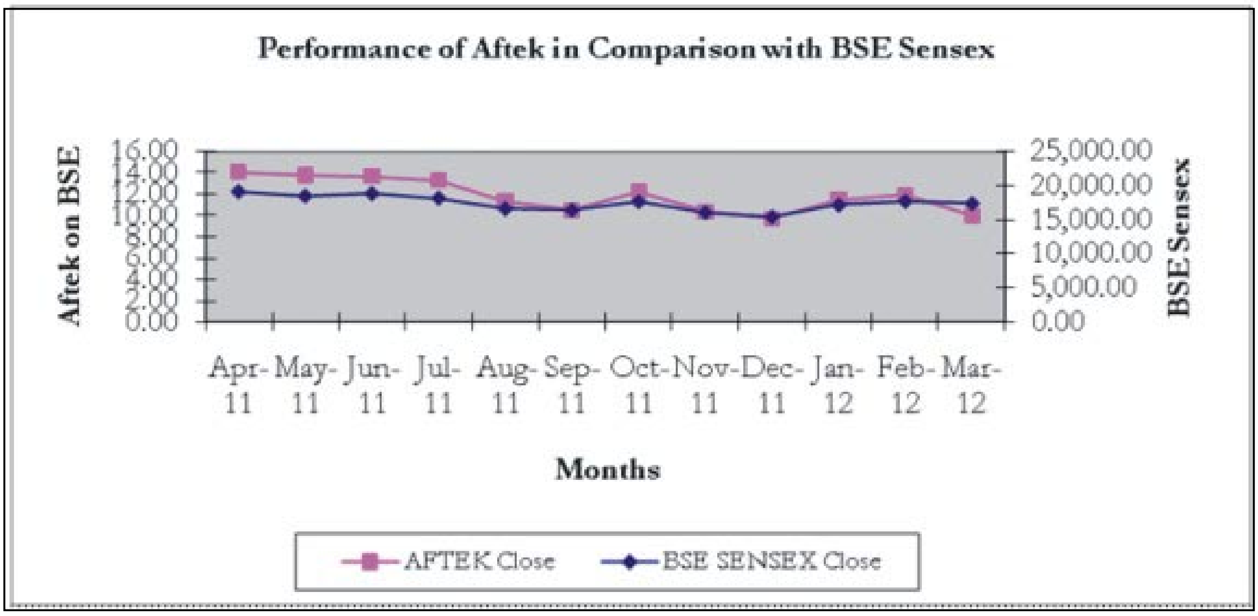
Months	BSE High	BSE Low	NSE High	NSE Low
Apr-11	16.30	12.35	16.20	12.35
May-11	14.27	11.75	14.35	11.75
Jun-11	16.85	12.30	16.75	12.35
Jul-11	14.85	12.00	14.75	13.20
Aug-11	13.70	9.30	13.55	10.90
Sep-11	13.40	10.43	13.25	9.70
Oct-11	12.65	10.16	12.70	10.15
Nov-11	15.50	9.80	15.50	9.80
Dec-11	11.50	9.00	11.15	9.00
Jan-12	12.95	9.75	12.25	9.65
Feb-12	14.71	10.00	14.70	10.60
Mar-12	13.80	9.25	12.10	9.05



5. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX, CRISIL INDEX, ETC.

(Source : BSE and NSE websites)





6. Registrar & Transfer Agent :

M/s Bigshare Services Pvt Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072; Tel : 91-22-40430200 Fax : 91-22-2847 5207

7. Share Transfer System : The Company's shares are required to be compulsorily traded on the stock exchanges in dematerialized mode. In case of shares held in physical form, Share Transfer Deeds are processed by the Share Transfer Agents and Share Transfer Register is sent to the Company for approval. The Committee for Share Transfers comprising of Directors considers and approves the same. Thereafter, necessary endorsements on the Share Certificates are done and Share Certificates are dispatched to the transferees.

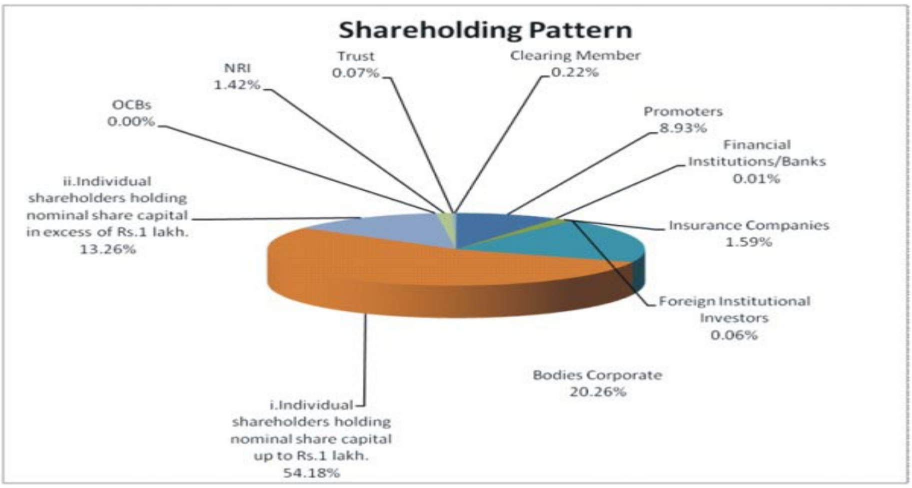
8. **Distribution of Shareholding**

Distribution of Shareholding as on 31st March, 2012

Range (In Rs)		No of Shareholders	% of Total Holders	Total Holding	% of Total Capital
1	5000	60,564	2,65,96,535	93.81%	28.44%
5001	10000	2,160	81,08,597	3.35%	8.67%
10001	20000	949	70,65,971	1.47%	7.55%
20001	30000	273	34,90,938	0.42%	3.73%
30001	40000	150	27,02,292	0.23%	2.89%
40001	50000	103	23,82,566	0.16%	2.55%
50001	100000	186	66,87,173	0.29%	7.15%
100001	99999999	175	3,64,96,717	0.27%	39.02%
Total		**64,560**	**9,35,30,789**	**100%**	**100%**

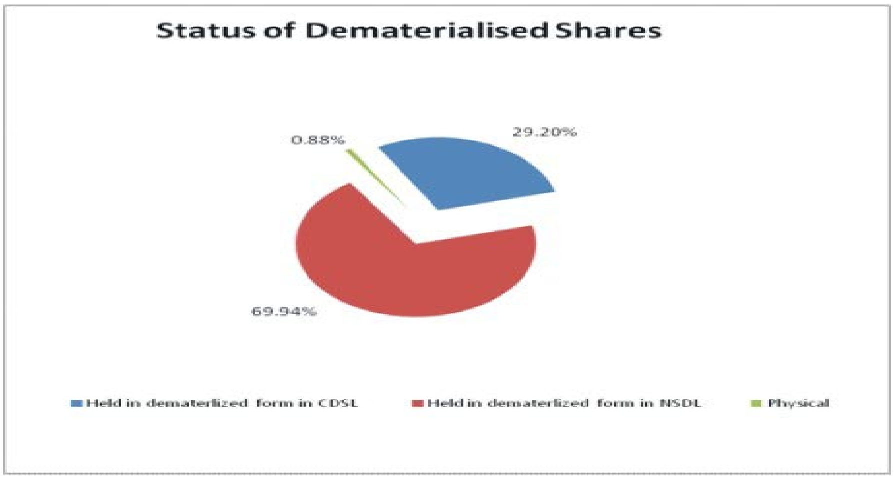
Distribution of Shareholding as on 31st March, 2012

Category	Number of shares held	% of Paid-up Capital
Promoters	8349551	8.93
Financial Institutions/Banks	9800	0.01
Insurance Companies	1485376	1.59
Foreign Institutional Investors	51575	0.06
Bodies Corporate	18950285	20.26
i. Individual shareholders holding nominal share capital up to Rs.1 lakh.	50672477	54.18
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	12401292	13.26
OCBs	750	0.00
NRI	1326988	1.42
Trust	64750	0.07
Clearing Member	217945	0.22
TOTAL	**93530789**	**100.00**



9. Dematerialisation of Shares and Liquidity

As on March 31, 2012, 99.15 % of Company's total paid-up capital, representing 92734752 numbers of equity shares were held in dematerialised form and the balance 0.85 %, representing 796037 shares were held in physical form.



10. Outstanding GDRs/Warrants/Convertible Instruments, Conversion Date and Likely Impact on Equity

a) Outstanding Global Depository Receipts (GDRs) :

The Company had issued 13,33,100 GDRs on 07th February, 2003 at a price of US$ 11.25, per GDR with each GDR representing 3 equity shares of Rs.10/- each. These GDRs are listed on Luxembourg Stock Exchange.

Pursuant to Special Resolution passed at the Annual General Meeting held on 29th December, 2003, equity shares of Rs.10/- each were sub-divided into smaller denomination of Rs.02/- for which Company had fixed 29th January, 2004 as the Record Date. Corresponding increase was made to the number of GDRs from one to five in order to maintain the GDR to Equity proportion of 1: 3.

Further, pursuant to the Special Resolution passed at the Annual General Meeting held on 28th December, 2004, Bonus Shares in the proportion of one equity share for every two equity shares held on the Record Date of 28th January, 2005 were allotted on 31st January, 2005 resulting in increase in the number of GDRs.

No GDRs were outstanding as at 31st March, 2012.

880 numbers of 1% Foreign Currency Convertible Bonds ("FCCBs") as detailed below at para b) were outstanding as on 31st March 2012. At the option of the Bondholders, the FCCBs are convertible into GDRs or equity shares. In the event all 880 FCCBs are converted into GDRs, it would result into issuance of 92,89,244 numbers of GDRs representing 2,78,67,733 equity shares.

b) Outstanding FCCBs :

The Company had raised US$ 34.5 millions through an issue of 3000 numbers of 1% Foreign Currency Convertible Bonds Due 2010 of US$ 10,000 each ("FCCBs") in June 2005 followed by 450 numbers of additional FCCBs in July 2005 on account of exercise of green shoe option of 15%. 880 numbers of FCCBs were outstanding as on 31st March 2012. At the behest of the majority bondholders, the Company initiated the process of re-setting the conversion price of the FCCBs in line with the applicable pricing guidelines .

Approval of Reserve Bank of India for the same was received vide their letter No. FED/CO/ECBD/10308/03.02.775/ 11-12 dated October 31, 2011. The holders of the FCCBs vide their written resolution of 25th July, 2012 have consented, inter alia, to the revision of Conversion Price of Bonds from Rs 75.20 to Rs 13.76 and elongation of maturity period from 25th June, 2010 to 21st December, 2012 as well as waiver of events of defaults and interest payments. Accordingly, the Company has executed a Supplemental Trust Deed on 25th July, 2012 with Bank of New York Mellon, the Trustees for giving effect to the aforesaid amendments.

Further, all the outstanding 880 numbers of FCCBs, if converted into GDRs/equity shares at the existing conversion price of Rs 13.76 would result into issuance of additional 2,78,67,733 numbers of equity shares of Rs 02/-each.

c) Outstanding Stock Options :

The Company has granted 915778 numbers of stock options to employees and directors, as per details given in Annexure "B" to the Directors' Report. Each stock option represents one equity share of Rs 02/- and no vested stock options were outstanding as on 31st March 2012.

11. Plant Locations

Software Centre - I

Lokmat Bhavan,
34/A, Vadgaon Khurd
Sinhagad Road,
Pune 411 041

Works

A/19/2, MIDC, Chincholi,
Solapur - 413 255

12. Address for Correspondence

AFTEK LIMITED
703-706, Makhija Chambers, 7th Floor,
196, Turner Road,
Opp H. P. Petrol Pump,
Bandra (West),
Mumbai – 400 050

Shareholders' correspondence should be directed to the Company's Registrar and Transfer Agent, whose address is given below:

Registrar & Transfer Agent :

M/s Bigshare Services Pvt Ltd,
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East),
Mumbai 400 072.
Tel : 91-22-4043 0200
Fax : 91-22-2847 5207

Investor Grievances

The Company has designated an exclusive e-mail id viz. investor-relations@aftek.com for redressal of investor grievances.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
AFTEK LIMITED

We have examined the compliance of the conditions of Corporate Governance by **AFTEK LIMITED** ("the Company") for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For GMJ & ASSOCIATES
COMPANY SECRETARIES

Sd/-
(P. MAHESHWARI)
PARTNER
C.P. NO. 1432

PLACE : MUMBAI
DATE : 31st AUGUST, 2012.

AUDITORS' REPORT

To
The Members of **AFTEK LIMITED**

1. We have audited the attached Balance Sheet of **AFTEK LIMITED** as at 31st March 2012 and also the annexed Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto (collectively referred as 'financial statements'). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by manufacturing and other Companies (Auditor's Report) order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in annexure a statement on the matters specifies in paragraph 4 & 5 of the said order.
4. Without qualifying our opinion, we draw attention to Note No 34, wherein as explained the Liability if any of the pending assessment under Income Tax, Sales tax (including interest, if any) are not ascertained.
5. Further to our comments in the annexure referred to in paragraph (1) above; we state that:
   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examinations of those books;
   iii) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;
   iv) In our opinion, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
   v) On the basis of written representation received from the directors of the company as on 31st March, 2012 and taken on record by the board of directors, we report that none of the director is prima facie disqualified as on 31st March, 2012 from being appointed as director of the company in terms of clause (g) of sub section (1) of the section 274 of the Companies Act, 1956.
   vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts given the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
      a) The Balance Sheet, of the state of affairs of the company as at 31st March 2012;
      b) The Profit and Loss account of the Profit for the year ended on that date; and
      c) The Cash Flow Statement, of the cash flows for the year ended on that date.

For GMJ & CO
CHARTERED ACCOUNTANTS (FRN No. – 103429W)

(HARIDAS BHAT)
PARTNER (M. No. 39070)

Mumbai, August 31, 2012

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in Paragraph (3) of Audit Report to the members of **AFTEK LIMITED** on the Accounts of the year ended on 31st March, 2012.

As required by the Manufacturing and Other Companies (Auditors Report) Order, 2003 issued by the Company Law Board in terms of Sec. 227 (4A) of the Companies Act, 1956, as we considered appropriate and the information and explanations given to us during the course of our audit we report that:

(i) In respect of fixed assets:

(a) the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information;

(b) As explained to us the fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies between the book records and physical inventory have been noticed.

(c) A substantial part of fixed assets have not been disposed off during the year.

(ii) In respect of Inventories:

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;

(b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory and as explained to us there were no material discrepancies were noticed on physical verification, and the same have been properly dealt with in the books of account.

(iii) In respect of loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.

(a) The company has granted unsecured loan to one party covered under section 301 of the Companies Act during the year. Maximum amount outstanding during the year was ₹ 119 Lacs and the year end balance was ₹ 119 Lacs.

(b) In our opinion, the rate of interest and other terms and conditions of such a loan are prima facie not prejudicial to the interest of the company.

(c) The loans are repayable on demand. As Informed, the company has not demanded repayment of any such loans during the year, thus there is no default on the part of the party to whom the money is lent. The payment of interest where applicable has been regular.

(d) There is no amount overdue in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of Act.

(e) The company has taken unsecured loan from four parties covered in the register maintained under section 301 of the Companies Act during the year. Maximum amount outstanding during the year was ₹ 684 Lacs and the year end balance was ₹ 683.5 Lacs.

(f) The rate of interest and other terms and conditions of unsecured loan taken by the company are prima facie not prejudicial to the interest of the company.

(g) The loans are repayable on demand. As Informed, the party has not demanded repayment of any such loans during the year, thus there is no default on the part of the company. Payment interest where applicable are regular.

(iv) In our opinion and according to the information and explanations given to us, *having regard to the explanation that the Intellectual Property Rights purchased are of special nature and suitable alternative source do not exist for obtaining comparable quotation,* there exist an adequate internal control system commensurate with its size and nature of its business with regards to purchase of inventory and fixed assets and with regards to the sale of goods and service. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In respect of transactions covered under section 301 of the Companies Act 1956,

(a) In our opinion and according to the information and explanations given to us the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section have been so entered;

(b) In our opinion and according to the information and explanations given to us transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time with regard to transactions exceeding the value of five lakh rupees in respect of each party and in any financial year.

(vi) The company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules frames there under.

(vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business

(viii) The Central Govt. has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act.

(ix) In respect of statutory dues:

(a) *According to the information and explanations given to us the company is not regular in depositing undisputed statutory dues excluding Investor Education and Protection Fund, which has been paid in time, Employees State Insurance, Wealth Tax, Service Tax Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. Undisputed provident fund dues are not regularly deposited with the appropriate authorities. In respect of income tax, Sales-tax, the Company is not regular in depositing those dues with the appropriate authorities and there have been significant delays in a large number of cases.* Undisputed amounts payable in respect of above mentioned taxes which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name Of The Statute	***Nature of Dues***	***Amount (₹ in Lacs)***	***Period to which Amount relates***	***Date of Payment***
Income tax Act,1961	Deduction of Tax At Source-Salary	44.82	April, 2011 to January,2012	Not Paid
	Deduction of Tax at Source-Rent	23.45	April, 2010 to January,2012	Not Paid
	Deduction of Tax at Source-Payment to Contractor	0.70	April, 2010 to January,2012	Not Paid
	Deduction of Tax at Source-Commission or Brokerage	1.40	April, 2010 to January,2012	Not Paid
	Deduction of Tax at Source-Advertising	0.11	April, 2010 to January,2012	Not Paid
	Deduction of Tax at Source-Professional or Technical Services	21.25	April, 2010 to January,2012	Not Paid
	Deduction of Tax at Source-Interest	0.54	March,2011 to January,2012	Not Paid
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund Contribution	73.14	April, 2010 to January,2012	Not Paid
Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1952	Profession Tax	3.18	September, 2010 to January,2012	Not Paid
Maharashtra Value Added Tax Act, 2002	Sales Tax	3.67	March,2011 to December, 2011	Not Paid
Central Sales Tax Act, 1956	Central Sales Tax	10.22	September, 2010 to December, 2011	Not Paid

Name Of The Statute	*Nature of Dues*	*Amount (₹ in Lacs)*	*Period to which Amount relates*	*Date of Payment*
Income Tax Act 1961	Tax on Regular Assessments U/s143(3)	30.52	2008-09	Not Paid

(x) The company has no accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and has not incurred cash losses in the immediately preceding financial year;

(xi) According to the information and explanations given to us the company has defaulted in repayment of dues to a banks the details of the same as on 31st March, 2012 are as mentioned below.

Sr.No	Name of the Bank	Type of Loan	Period to which Amount relates	Defaulted Principal (₹ in Lacs)	Defaulted Interest (₹ in Lacs)
I	Bank of India - Jersey Channel Islands	Term Loan	April, 2011 to March, 2012	3075.31	92.78
II	State Bank of Bikaner & Jaipur	Term Loan	April, 2011 to March, 2012	4000.00	520.72
III	State Bank of Bikaner & Jaipur	Cash Credit A/c	April, 2011 to March, 2012	-	193.68

(xii) According to the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;

(xiii) The provisions of any special statute applicable to chit fund are not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.

(xv) The company has given guarantee for loans taken by Subsidiary from a bank, According to the information and explanations given to us the terms and conditions whereof are prima facie not prejudicial to the interest of the company.

(xvi) In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were obtained;

(xvii) In our opinion and according to the information and explanations given to us the funds raised on short-term basis have not been used for long term investment.

(xviii) According to the information and explanations given to us the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us the company has not issued secured debentures during the year.

(xx) According to the information and explanations given to us the company has not raised money by public issues during the year.

(xxi) In our opinion and according to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year.

For GMJ & CO.
CHARTERED ACCOUNTANTS (FRN No. 103429W)

(HARIDAS BHAT)
PARTNER (M. No. 39070)

Mumbai, August 31, 2012

Balance Sheet as at March 31, 2012

(₹ in Lacs)

	Note	As at March 31, 2012	As at March 31, 2011
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	**1,870.62**	1,870.62
Reserves and Surplus	3	**42,543.26**	43,241.76
		44,413.88	45,112.38
Non-Current Liabilities			
Long-Term Borrowings	4	-	11,294.39
Deferred Tax Liabilities (Net)	5	**482.78**	482.78
Other Long-Term Liablities	6	**106.30**	106.30
Long-Term Provisions	7	**46.62**	48.61
		635.70	11,932.08
Current Liabilities			
Short-Term Borrowings	8	**2,605.87**	2,108.90
Trade Payables	9	**17.77**	54.87
Other Current Liabilities	10	**14,788.94**	2,391.54
Short-Term Provisions	11	**228.02**	201.47
		17,640.60	4,756.78
Total		**62,690.18**	61,801.24
Assets			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		**452.03**	1,413.37
Intangible Assets		**13,508.98**	14,480.38
Capital Work-in-Progress		**2,831.19**	2,831.19
Intangible Assets Under Development		**9,124.49**	6,019.35
		25,916.69	24,744.29
Non-Current Investments	13	**2,424.05**	2,881.26
Long-Term Loans and Advances	14	**21,410.31**	13,325.47
Other Non-Current Assets	15	**58.72**	25.46
		49,809.77	40,976.48
Current Assets			
Inventories	16	**119.71**	108.62
Trade Receivables	17	**12,640.40**	13,575.41
Cash and Bank Balances	18	**74.03**	7,086.48
Short-Term Loans and Advances	19	**44.88**	53.60
Other Current Assets	20	**1.39**	0.65
		12,880.41	20,824.76
Total		**62,690.18**	61,801.24

The accompanying Notes ("1" to "43") are an integral part of these Financial Statements.

As per our report of even date.
For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board of Directors

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012.

Statement of Profit and Loss for the year ended March 31, 2012

(₹ in Lacs except per share data)

	Note	Year Ended March 31, 2012	Year Ended March 31, 2011
Revenue from Operations	21	**12,124.07**	15,485.98
Other Income	22	**4,396.28**	1,528.75
Total Revenue		**16,520.35**	17,014.73
Expenses			
Cost of Materials Consumed & Software Development Expenses	23	**871.14**	3,478.47
Changes in Inventories of Finished Goods,Work-in-Progress	24	**1.89**	(15.25)
Employee Benefits Expense	25	**434.85**	891.57
Finance Costs	26	**1,065.16**	941.77
Depreciation and Amortisation Expense	27	**8,856.75**	9,253.87
Other Expenses	28	**4,072.48**	992.46
Product Development Expenditure, diminution in value of investments and loss arising on account of foreign exchange fluctuations.(Refer Note:-43)		**1,820.13**	19,679.87
Less: Transfer from Securities Premium Account		**(1,820.13)**	(19,679.87)
Total Expenses		**15,302.27**	15,542.89
Profit Before Tax		**1,218.08**	1,471.84
Tax Expense			
Income Tax:			
Current Year		**246.25**	359.30
Earlier Years		-	(40.62)
Minimum Alternate Tax Credit		**(169.78)**	(306.90)
Deferred Tax Credit		-	63.00
Profit for the Year		**1,141.61**	1,397.06
Earnings Per Equity Share [Nominal Value Per Share: Rs. 2 (Previous Year: Rs. 2)]			
Basic and Diluted	29	**1.22**	1.49

The accompanying Notes (“1” to “43”) are an integral part of these Financial Statements.

As per our report of even date.
For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

For and on behalf of the Board of Directors

Haridas Bhat
Partner
Membership No. 039070

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012

Place: Mumbai
Date: 31st August, 2012.

Cash Flow Statement for the year ended March 31, 2012

(₹ in Lacs)

			Year ended March 31, 2012		Year ended March 31, 2011
A.	**Cash flow from operating activities**				
	Net profit before tax		**1,218.08**		1,471.84
	Adjustments for:				
	Depreciation	**8,856.75**		9,253.87	
	Profit on sale of tangible assets (net)	**(633.62)**		(0.89)	
	Interest income	**(13.02)**		(275.35)	
	Dividend from mutual fund investment	-		(0.57)	
	Finance costs	**1,065.16**		941.77	
	Liabilities no Longer Required Written Back	**(28.81)**			
	Provision for Gratuity and Leave Encashment	**12.67**		3.08	
	Provision for bad and doubtful debts (net)	-		333.97	
	Unrealised foreign exchange (gain)/ loss	**(844.97)**	**8,414.16**	(299.35)	9,956.53
	Operating profit before working capital changes		**9,632.24**		11,428.37
	Changes in working capital:				
	Increase / (Decrease) in trade payables	**(37.10)**		572.32	
	Increase / (Decrease) in short-term provisions	**16.59**		-	
	Increase / (Decrease) in long-term provisions	**10.68**		-	
	Increase / (Decrease) in other current liabilities	**325.33**		-	
	(Increase) / Decrease in trade receivables	**2,334.35**		773.15	
	(Increase) / Decrease in inventories	**(11.09)**		(9.78)	
	(Increase) / Decrease in short-term loans and advances	**8.72**		-	
	(Increase) / Decrease in long-term loans and advances	**813.59**		-	
	(Increase) / Decrease in other current assets	**(13.76)**		-	
	(Increase) / Decrease in other non-current assets	**(33.26)**			
	Adj for Trade and other Receivables	**3,109.64**		773.15	
	Adj for Inventories	**(11.09)**		(9.78)	
	Adj for Trade and other Payables	**315.50**		572.32	
			3,414.05		1,335.69
	Operating profit after working capital changes		**13,046.29**		12,764.06
	Direct taxes paid (net of refund)		**(4.11)**		(152.36)
	Net cash from operating activities (A)		**13,042.18**		12,611.70
B.	**Cash flow from investing activities**				
	Purchase of tangible/ intangible assets (including capital work-in-progress & Capital Advance)		**(19,841.89)**		(10,778.47)
	Sale of tangible assets		**760.64**		0.89
	Financial Retructring Expenses		**(445.74)**		(19,679.87)
	Sale of current investments		-		100.00
	Loan given to Subsidiary Company		-		(394.32)
	Interest received		-		275.35
	Dividend from mutual fund investment		-		0.57
	Net cash used in investing activities (B)		**(19,526.99)**		(30,475.85)

(₹ in Lacs)

		Year ended March 31, 2012	Year ended March 31, 2011
C.	**Cash flow from financing activities**		
	Repayment of long-term borrowings	**(492.73)**	-
	Proceeds from Long term borrowings (Net)	-	1,865.24
	Interest and financial charges paid	**(139.50)**	(866.16)
	Proceeds from short-term borrowings (Net)	**111.21**	104.00
	Net cash from financing activities (C)	**(521.03)**	1,103.08
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(7,005.84)**	(16,761.07)
	Cash and cash equivalents at the beginning of the year	**7,050.00**	23,811.07
	Cash and cash equivalents at the end of the year	**44.16**	7,050.00
	Net increase/ (decrease) in cash and cash equivalents	**(7,005.84)**	(16,761.07)
	Cash and cash equivalents comprise of:		
	Cash on Hand	**1.49**	2.12
	Bank Balances:		
	In Current Accounts	**10.67**	7,006.90
	In Fixed Deposits with original maturity less than 3 months	**32.00**	40.98
	Cash and cash equivalents at the end of the year	**44.16**	7,050.00

Notes:

1 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Accounting Standard - 3 on "Cash Flow Statements" notified under Section 211(3C) of The Companies Act, 1956, of India.

2 Figures in brackets indicate cash outgo.

3 Previous year's figures have been regrouped/ rearranged wherever necessary.

As per our report of even date.

For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board of Directors

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012.

Notes to Financial Statements for the year ended March 31, 2012

1 Summary of Corporate information & Significant Accounting Policies

1.1 Corporate information

AFTEK Limited (the "Company") provide a wide range of information technology services including systems, hardware and software, communications and networking, hardware sizing and capacity planning, software management solutions, technology education services and business process outsourcing. The Company's services portfolio consists of Application Development and Maintenance, Business Intelligence, Enterprise Solutions, Assurance, Engineering and Industrial Services, IT Infrastructure Services, Business Process Outsourcing, Consulting and Asset Leveraged Solutions.

1.2 Significant Accounting Policies

(a) Basis of Accounting and Preparation of Financial Statements

The financial statements which have been prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006, to the extent applicable. The accounting policies have been consistently applied by the Company, except for the change in accounting policy explained below.

Presentation and disclosure of financial statements:-

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Key estimates include estimate of useful lives of fixed assets, income taxes, vesting of employee stock options and future obligations under employee retirement benefit plans. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

(c) Fixed Assets, Depreciation and Amortisation

(i) Fixed assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

(ii) Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing costs (In accordance with the Accounting Standard 16 on 'Borrowing Costs') capitalized and other direct expenditure.

(iii) Depreciation is provided, pro rata for the period of use, by the Straight Line Method (SLM), based on management's estimate of useful lives of the fixed assets, which are higher than the SLM rates prescribed in

Schedule XIV to the Companies Act, 1956. The management's estimate of useful lives of fixed assets are given below:

Plant and Machinery	5 years
Factory Building	15 years
Electrical Fittings	5 years
Computers	3 years
Air conditioner	5 years
Furniture and Fixtures	5 years
Motor Vehicles	5 years
Office Equipment	5 years

Leasehold land is amortised over the period of lease.

(d) Intangible Assets

Intangible assets are stated at cost of acquisition, less accumulated amortisation and impairment losses if any. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Based on management estimates, the depreciable amount of intangible assets is allocated over the useful life on a straight line basis. Management estimates the useful life of Technical Know-how as 5 years and Intellectual Property Rights as 3 years.

(e) Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

(f) Borrowing Cost

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on 'Borrowing Costs', are capitalized as part of the cost of qualifying assets. Other borrowing costs are expensed as incurred.

(g) Investments

The Company has presently classified all its investments as "Long Term" in accordance with Accounting Standard 13 on "Accounting for Investments." Long-term investments are stated at cost. However, provision is made to recognize a decline, other than temporary, in the value of investments.

(h) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprise cost of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

(i) Research and Development

Research and Development expenditure is recognized in the Profit and Loss Account as and when incurred. Capital expenditure, if any is shown under respective head of fixed assets.

(j) Foreign Currency Transactions

Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.

Exchange differences - Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(k) Employee Benefits

(i) All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

(ii) The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the year in which services are rendered by the employees.

(iii) The Company's employees are covered under the group gratuity cum life assurance scheme with the Life Insurance Corporation of India ('LIC'). Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit/ obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses are determined.

(iv) Liability for compensated absences is provided for on the basis of actuarial valuation at year-end, made by an independent actuary.

(l) Stock Based Compensation

The compensation cost of stock options granted to employees is calculated using the fair value method. The compensation expense is amortized uniformly over the vesting period of the option.

(m) Revenue Recognition

Revenue from sale of products is recognized when significant risks and rewards in respect of ownership of products are transferred to the customer and there are either no unfulfilled company obligations or any outstanding obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the arrangement.

Revenues from services are recognized as services are provided when arrangements are on a time and material basis. Revenue from fixed price contracts is generally recognised in accordance with the "Percentage of Completion" method.

Further, the Company reimburses certain software installation and testing charges to channel partners and these installation and testing activities are considered to be distinct components preceding the actual delivery and acceptance of the software. The Company also bears the entire credit risk on the sale of products. Accordingly, the installation and testing activity is considered to be the transaction independent of the sale of the products and the costs relating to these activities are accounted as cost of revenues.

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gain and loss are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve

Interest income is accounted on a time proportion basis.

(n) Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(o) Taxes on Income

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax in respect of timing differences which originate and reverse during the tax holiday period is not recognized to the extent to which the Company's gross total income is subject to deduction during the tax holiday period.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(p) Earnings Per Share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares.

(q) Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

(r) Share Issue Expenses and Premium Payable on Redemption of Foreign Currency Convertible Bonds (FCCBs)

Share Issue Expenses and Premium Payable on Redemption of FCCBs are adjusted against the Securities Premium Account.

(s) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
2	**Share Capital**		
	Authorised		
	125,000,000 (Previous Year: 125,000,000) Equity Shares of ₹ 2 each	**2,500.00**	2,500.00
	Issued		
	93,530,789 (Previous Year: 93,530,789) Equity Shares of ₹ 2 each	**1,870.62**	1,870.62
	Subscribed and Paid up		
	93,530,789 (Previous Year: 93,530,789) Equity Shares of ₹ 2 each fully paid-up	**1,870.62**	1,870.62
		1,870.62	1,870.62

(a)

Reconciliation of number of shares	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	₹ in Lacs	No. of Shares	₹in Lacs
Equity Shares:				
Balance as at the beginning of the year and at the end of the year	**93,530,789**	**1,870.62**	93,530,789	1,870.62

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per shareheld. The equity shareholders are entitled for dividend as may be proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :- None

(d) Shares allotted (during 5 years preceding March 31, 2012)

	Opening No.of Share	85,716,731
i	The Company had issued 15,06,581 (P.Y 10522890) shares of ₹ 2 each fully Paid up to issued against 300 (P.Y 2270) conversion of FCCB's Bonds.	1,506,581
ii	The Company had issued 6,150,000 shares of ₹ 2 each fully Paid up issued to the erstwhile shareholders of Elven Microcircuit Pvt. Ltd. In pursuance of Scheme of Arrangement as approved by Hon'ble High Court, Mumbai & Karnataka.	6,150,000
iii	The Company had issued 157,477 equity shares of ₹ 2 each (during FY 2006-07 to 2010-11: 351,318 equity shares) during the period of 5 years immediately preceding March 31, 2012 on exercise of options granted Under Aftek Employees Stock Option Scheme (ESOP).	157,477
	Closing No.of Share	93,530,789

Notes to Financial Statements for the year ended March 31, 2012 (₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
3	**Reserves and Surplus**		
	Capital Reserve		
	As per last Balance Sheet	**482.05**	482.05
	Securities Premium		
	Balance as at the beginning of the year	**1,851.25**	21,587.74
	Less : Utilised during the year for:		
	i) Product Development Expenditure, diminution in value of investments and loss arising on account of foreign exchange fluctuations.	**(1,820.13)**	(19,679.87)
	ii) Premium Payable on Redemption of FCCBs	-	(56.62)
	Balance as at the end of the year	**31.12**	1,851.25
	Share options outstanding account		
	Balance as at the beginning of the year	-	33.64
	Less: Transferred to General reserve	-	(33.64)
	Balance as at the end of the year	-	-
	General Reserve		
	Balance as at the beginning of the year	**6,132.36**	6,098.72
	Add: Unexcercised Employee Stock Options which have Lapsed	-	33.64
	Balance as at the end of the year	**6,132.36**	6,132.36
	Foreign currency translation reserve		
	Balance as at the beginning of the year	**99.44**	64.14
	Add : Effect of foreign exchange rate variations during the year	**129.89**	35.30
	(Less): Transferred to Statement of Profit and Loss on diminution write off of the net investment in foreign Subsidiary	**(229.33)**	-
	Balance as at the end of the year	-	99.44
	Surplus in Statement of Profit and Loss		
	Balance as at the beginning of the year	**34,676.66**	33,279.60
	Profit for the year	**1,141.61**	1,397.06
	Add:		
	Excess /(Short) Provision of Corporate Dividend Tax	**79.48**	-
	Balance as at the end of the year	**35,897.74**	34,676.66
	Total	**42,543.26**	43,241.76

Notes to Financial Statements for the year ended March 31, 2012

4 Long-Term Borrowings (₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
Bonds (Unsecured)				
Foreign Currency Convertible Bonds (FCCB) (Refer Note No.37)	-	3,944.16	4,549.83	43.50
Term Loan (Secured)				
from Banks:				
i) Bank of India - Jersey Channel Islands	-	2,857.50	3,075.31	-
ii) State Bank of Bikaner & Jaipur	-	4,000.00	4,515.10	136.22
iii) Union Bank of India	-	492.73	-	-
Total	**-**	**11,294.39**	**12,140.24**	**179.72**

(a) Nature of Security and terms of repayment for secured borrowings

(i) Bank of India - Jersey Channel Islands

Foreign Currency Term Loan Aggregating to ₹ 3075.31 Lacs (Euro 45 Lacs) Secured by mortgage of Land at Hinjewadi, Pune. ₹ 3075.31 Lacs is repayble in 4 half yearly installment of ₹ 683.4 Lacs for first 3 installment & Last Installment of ₹ 1025.11 Lacs from July 11 to January 2013. However since the Company has made default in repayment of Principal and Interest thereon, Bank has demanded repayment total loan.

The Company has defaulted in repayment of loans and interest in respect of the following:

Bank of India - Jersey Channel Islands	As at March 31, 2012	
	Principal	**Interest**
Period of default April' 2011 to March' 2012	3,075.31	92.78

(ii) State Bank of Bikaner & Jaipur

Rupee Term Loan Aggregating to ₹ 4,000 Lacs Secured by mortgage of building owned by subsidiary Mihir Properties Pvt. Ltd. ₹ 4,000 Lacs is repayble in 12 Quarterly installment of ₹ 333.33 Lacs from April, 2012 to January 2015. Company has made default in repayment of Principal and Interest thereon, therefore, Bank has demanded repayment loan.

The Company has defaulted in repayment of loans and interest in respect of the following:

State Bank of Bikaner & Jaipur	As at March 31, 2012	
Period of default	**Principal**	**Interest**
April' 2011 to March' 2012	4,000.00	520.72

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
5	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liabilities:		
	Depreciation	**1,559.70**	1,800.60
	Deferred Tax Assets:		
	Provision for Doubtful Debts	**380.60**	380.60
	Unabsorbed Depreciation adjusted for timing difference (Restricted as per Note 1.2 (o))	**676.98**	920.32
	Provision for Employee Benefits	**19.33**	16.90
	Deferred Tax Liabilities (Net)	**482.78**	482.78
6	**Other Long- term liablities**		
	Creditors for Capital Assets	**106.30**	106.30
		106.30	106.30
7	**Long-Term Provisions**		
	Provision for Employee Benefits:		
	Provision for Gratuity	**44.08**	41.39
	Provision for Compensated Absences	**2.54**	7.22
		46.62	48.61
8	**Short-Term Borrowings**		
	Secured		
	Cash Credit from State Bank of Bikaner & Jaipur (Secured by hypothecation of Raw Materials and Book Debts)	**1,708.45**	1,354.03
	Unsecured		
	Loans:		
	From IDBI Bank (Term Loan)	**146.68**	511.22
	From Company	**25.00**	50.00
	From Related Parties:		
	Directors	**141.98**	43.65
	Subsidiary	**1.25**	-
	Shareholders	**582.51**	150.00
		2,605.87	2,108.90

The Company has defaulted in repayment of interest in respect of the following:

(a)

Cash Credit from State Bank of Bikaner & Jaipur	**As at 31 March, 2012**	
Period of default	**Principal**	**Interest**
April' 2011 to March' 2012	-	193.68

(b) IDBI Bank Ltd.(Term Loan) :-

The loan is recalled by the Bank by invoking the pledge of shares. However the bank did not recover the total outstanding amount for the reasons not attributable to the company, accordingly the outstanding balance is not accepted by the Company. Pending clearance of dispute the outstandings is continuted in books as demanded by the Bank.

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
9	**Trade Payables**		
	Sundry Creditors (Refer Note 42)	**17.77**	54.87
		17.77	54.87
10	**Other Current Liabilities**		
	Current Maturities of Long-Term Borrowings (Refer Note 4)	**12,140.24**	179.72
	Interest Accrued but not due on Borrowings	**155.84**	81.18
	Interest Accrued and due on Borrowings	**87.45**	43.95
	Premium Payable on Redemption of FCCBs	**1,256.60**	1,256.60
	Unpaid Dividends [Refer Note (a) below]	**25.10**	31.71
	Advances from Customers	**35.54**	34.73
	Statutory Dues (including Provident Fund and Tax Deducted at Source)	**210.40**	205.98
	Others	**877.77**	557.67
		14,788.94	2,391.54

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

11	**Short-Term Provisions**		
	Provision for Employee Benefits:		
	Provision for Gratuity	**12.67**	-
	Provision for Compensated Absences	**0.30**	3.42
	Provision for Income Tax [Net of Advance Tax ₹ 34.48 lacs (Previous Year: ₹ 82.78 lacs)]	**102.50**	30.14
	Other Provisions:		
	Provision for Dividend Distribution Tax on Dividend	-	79.48
	Provision for Expenses	**112.55**	88.43
		228.02	201.47

12. Notes to Financial Statements for the year ended March 31, 2012

A. Tangible Assets

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2011	Additions	Disposal/ Transfer	As at March 31, 2012	As at April 1, 2011	For the Year	Disposal/ Transfer	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Land:										
Freehold	127.02	-	127.02	-	-	-	-	-	-	127.02
Leasehold	101.13	-	-	101.13	5.87	1.07	-	6.94	94.19	95.26
Building	82.91	-	-	82.91	68.16	7.77	-	75.93	6.98	14.75
Plant and Machinery	42.11	-	16.28	25.83	29.76	5.03	16.28	18.52	7.31	12.34
Computers	2,623.77	0.41	154.80	2,469.38	1,465.98	820.49	154.80	2,131.66	337.71	1,157.79
Office Equipment	29.15	-	15.97	13.19	26.79	1.39	15.97	12.21	0.98	2.37
Furniture and Fixtures	6.52	4.18	3.32	7.38	5.54	1.19	3.32	3.41	3.96	0.97
Vehicles	10.02	-	-	10.02	7.15	1.98	-	9.13	0.90	2.87
Total	**3,022.62**	**4.59**	**317.39**	**2,709.82**	**1,609.25**	**838.92**	**190.37**	**2,257.79**	**452.03**	**1,413.37**
Previous Year	3,021.88	289.72	288.98	3,022.62	744.41	865.47	0.63	1,609.25	1,413.37	2,277.47

B Inangible Assets

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2011	Additions	Disposal/ Transfer	As at March 31, 2012	As at April 1, 2011	For the Year	Disposal/ Transfer	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Computer Software	4,716.94	-	3.77	4,713.16	2,492.21	1,574.95	3.77	4,063.39	649.77	2,224.73
IPR	25,909.10	7,046.44	6,544.21	26,411.32	13,683.15	6,413.18	6,544.21	13,552.11	12,859.20	12,225.95
SecuredHomeGateway (Technical Knw-How)	141.40	-	-	141.40	111.70	29.70	-	141.40	-	29.70
Total	**30,767.43**	**7,046.44**	**6,547.99**	**31,265.88**	**16,287.05**	**8,017.84**	**6,547.99**	**17,756.90**	**13,508.98**	**14,480.38**
Previous Year	27,313.51	7,679.87	4,225.95	30,767.43	8,423.02	8,388.39	524.37	16,287.04	14,480.38	18,890.49

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

	As at March 31, 2012	As at March 31, 2011
13 Non-Current Investments		
Trade Investments in Equity Instruments - Unquoted, at Cost		
(a) Investment in Subsidiary:		
Opdex Inc.*		
31,700,000 Equity Shares of US$0.05 Each Fully Paid Up	**695.97**	695.97
Less: Diminution in Value written off	**(695.97)**	(400.00)
	-	295.97
Arexera Information Technologies AG*		
Nominal Value of which is CHF 100,000	**159.95**	159.95
Less: Diminution in Value written off	**(159.95)**	-
	-	159.95
Aftek (Mauritius) Limited*		
1 Equity Share of US$1 Fully Paid Up	**1.29**	1.29
Less: Diminution in Value written off	**(1.29)**	-
	-	1.29
Mihir Properties Private Limited*		
145,000 Equity Shares of ₹ 100/- Each Fully Paid Up	**552.65**	552.65
Digihome Solutions Private Limited		
2,550,000 Equity Shares of ₹ 10/- Each Fully Paid Up	**1,463.33**	1,463.33
* wholly owned subsidiary companies		
(b) Investment in Other Companies		
Elven Technologies Private Limited	**8.25**	8.25
82,500 Equity Shares of ₹ 10 Each Fully Paid Up		
V Soft Inc. (USA)	**399.82**	399.82
164,250 Equity Shares of US$ 5.48 each fully paid up		
	2,424.05	2,881.26
14 Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Capital Advances (Refer Note. No. 40)	**21,280.04**	11,594.32
Other Loans and Advances:		
Balances with Government Authorities	**0.94**	0.94
Others Loans and Advances- Considered Good		
to Related Parties :-		
Aftek Employees' Welfare Trust	**10.45**	24.95
Digihome Solutions Pvt Ltd.	**118.88**	110.69
Mihir Properties Pvt.Ltd.	-	0.89

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
14 Long-Term Loans and Advances (Contd.)			
Others Loans and Advances - Considered Doubtful			
to Related Parties :-			
Arexera Information Technologies AG		**732.21**	732.21
Less: Diminution in Value written off		**(732.21)**	-
		-	732.21
Opdex Inc		**55.08**	55.08
Less: Diminution in Value written off		**(55.08)**	
		-	55.08
Others:-			
Advance with Body Corporates		**806.39**	806.39
Less: Doubtful Advance written off		**(806.39)**	-
		-	806.39
		21,410.31	13,325.47
15 Other Non-Current Assets			
[Unsecured, Considered Good (unless otherwise stated)]			
Other Deposit		**58.72**	25.46
		58.72	25.46
16 Inventories			
Raw Materials			
Spyguard Components	**63.37**		52.50
Others	**29.52**	**92.89**	27.41
Work-in-Progress			
Spyguard Components	**26.47**		28.17
Others	**0.35**	**26.82**	0.54
		119.71	108.62
17 Trade Receivables			
Unsecured, considered good:			
Outstanding for a period exceeding six months from the date they are due for payment (Refer Note. 39)		**1,302.69**	6,235.14
Others - Outstanding for a period of less six months		**11,337.71**	7,340.27
Unsecured, considered doubtful:			
Outstanding for a period exceeding six months from the date they are due for payment		**1,173.10**	1,173.10
Less: Provision for Doubtful Debts		**(1,173.10)**	(1,173.10)
		12,640.40	13,575.41

Notes to Financial Statements for the year ended March 31, 2012 (₹ in Lacs)

	As at March 31, 2012	As at March 31, 2011
18 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	**1.49**	2.12
Bank Balances in :		
Current Accounts	**4.30**	1.91
EEFC Accounts	**6.37**	6.05
Non-Scheduled Bank Accounts	-	6,998.94
Fixed Deposits with original maturity less than 3 months	**32.00**	40.98
	44.16	7,050.00
Other Bank Balances		
Fixed Deposits with original maturity more than 3 months but less than 12 months (Includes ₹ 4.77 lacs, which is not confirmed by the Bank)	**4.77**	4.77
Unpaid Dividend Accounts	**25.10**	31.71
	29.87	36.48
	74.03	7,086.48
19 Short-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Advance to Creditor	**6.26**	4.66
Other Loans and Advances:		
Balances with Government Authorities	**34.02**	23.00
Prepaid Expenses	**4.60**	25.94
	44.88	53.60
20 Other Current Assets		
[Unsecured, Considered Good (unless otherwise stated)]		
Interest accrued on Deposits	**1.39**	0.65
	1.39	0.65

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

			Year Ended March 31, 2012	Year Ended March 31, 2011
21	**Revenue from Operations**			
	Sale software Products & Services:			
	Information technology Services		**10,439.72**	13,504.02
	Products Development			
	a) Software Products - Powersafe	**1,420.71**		1,462.08
	b) Software Products - PDA	**133.08**		272.87
	c) Others Sales	**130.12**	**1,683.91**	246.20
	Other Operating Revenue:			
	Scrap Sales		-	-
	Income from Duty Drawback and DEPB Licenses		**0.44**	0.81
			12,124.07	15,485.98
22	**Other Income**			
	Interest Income on			
	Fixed Deposits with Banks		**1.61**	263.31
	Others		**11.41**	12.04
	Dividend Income on			
	Investment in Mutual Funds		-	0.57
	Profit on Sale of Fixed Assets (Net)		**633.62**	0.89
	Gain on Foreign Exchange (Net)		**3,719.70**	1,251.29
	Liabilities no Longer Required Written Back		**28.81**	-
	Miscellaneous Income		**1.13**	0.65
			4,396.28	1,528.75
23	**Cost of Materials Consumed & Software Development Expenses**			
	Raw Material Consumed			
	Opening Inventory		**79.91**	85.37
	Add: Purchases		**102.73**	280.21
	Less: Closing Inventory		**92.89**	79.91
	Cost of Raw Materials Consumed during the year		**89.75**	285.67
	Software Development Expenses		**781.39**	3,192.80
			871.14	3,478.47
24	**Changes in Inventories of Finished Goods and Work-in-Progress**			
	(Increase)/ Decrease in Stocks			
	Stock at the end of the year:			
	Finished Goods		-	-
	Work-in-progress		**26.82**	28.71
	Traded Goods		-	-
			26.82	28.71
	Stock at the beginning of the year:			
	Finished Goods		-	-
	Work-in-progress		**28.71**	13.46
	Traded Goods		-	-
			28.71	13.46
	(Increase)/ Decrease in Stocks		**1.89**	(15.25)

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		Year Ended March 31, 2012	Year Ended March 31, 2011
25	**Employee Benefits Expense**		
	Salaries, Wages and Bonus	**298.46**	694.59
	Directors Remuneration	**105.46**	136.35
	Contribution to Provident and Other Funds	**11.12**	28.38
	Gratuity	**15.36**	8.00
	Compensated Absences	**(2.69)**	11.82
	Staff Welfare Expenses	**7.14**	12.43
		434.85	891.57
26	**Finance Costs**		
	To Banks		
	Interest on Term Loan	**779.91**	728.04
	Interest on Cash Credit	**193.64**	101.35
	To Others		
	Interest on FCCB	**48.06**	43.50
	Interest on Income Tax	**9.00**	4.89
	Interest on Dividend Distribution Tax	-	23.00
	Others	**34.55**	40.99
		1,065.16	941.77
27	**Depreciation and Amortisation Expense**		
	Depreciation on Tangible Assets	**838.92**	865.47
	Amortisation on Intangible Assets	**8,017.84**	8,388.40
		8,856.75	9,253.87
28	**Other Expenses**		
	Electricity Expenses	**23.28**	39.82
	Repairs and Maintenance:		
	Computers	**1.82**	2.96
	Building	**0.03**	2.56
	Others	**6.90**	3.26
	Rent (Refer Note 36)	**82.39**	168.80
	Rates and Taxes	**15.03**	22.05
	Insurance	**1.10**	1.38
	Communication Charges	**12.99**	18.52
	Printing and Stationery	**10.86**	14.48
	Travelling, Conveyance and Car Expenses	**49.63**	98.46
	Postage & Telegram	**6.88**	12.62
	Legal, Professional and Secretarial Expenses	**46.42**	137.02
	Auditors' Remuneration	**42.32**	41.83
	Commission on Sales	**8.39**	4.49
	Provision for bad and doubtful debts	-	333.97
	Doubtful Debts written off	**2,902.07**	-
	Doubtful Advances and Deposits written off	**806.39**	-
	Bad Debts Written Off	**11.49**	0.13
	Miscellaneous Expenses	**44.49**	90.11
		4,072.48	992.46

Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

29 Computation of Earnings per Share (Basic and Diluted):

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of shares outstanding during the year.

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
I. Profit Computation for both Basic and Diluted Earnings Per Share of ₹ 10 each: Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (in Lacs)	1,142	1,397
II. Weighted average number of Equity Shares for Earnings Per Share computation: Number of shares for Basic and Diluted Earnings Per Share	93,530,789	93,530,789
III. Earnings Per Share:		
Basic (in ₹)	1.22	1.49
Diluted (in ₹)	1.22	1.49

30 Additional Information

a Value of imported and indigenous materials consumed

	Year Ended March 31, 2012		Year Ended March 31, 2011	
	(₹ in Lacs)	**%**	**(₹ in Lacs)**	**%**
Raw Materials and Packing Materials				
Imported	49.75	48.00	143.57	50.26
Indigenous	52.97	52.00	142.10	49.74
Total	**102.72**	**100.00**	**285.67**	**100.00**

b CIF Value of Imports

	Year Ended March 31, 2012	Year Ended March 31, 2011
Raw Materials	49.08	137.99
Capital Goods (including Capital Work-in-Progress)	10,151.60	7,679.87
Total	**10,200.68**	**7,817.86**

c Expenditure in Foreign Currency

	Year Ended March 31, 2012	Year Ended March 31, 2011
Travelling	16.01	57.24
Interest Expenses (including interest capitalized if any)	140.84	117.96
software development expenses	781.40	3,192.80
Foreign tax (With held)	-	52.41
Others	25.52	24.81
Capital Advance For Project	9,685.72	7,535.37
Total	**10,649.49**	**10,980.59**

d **Earnings in Foreign Currency** (₹ in Lacs)

	Year Ended March 31, 2012	Year Ended March 31, 2011
Revenue from Exports	11,909.62	15,105.09
Interest on fixed Deposit	-	262.04
Total	**11,909.62**	**15,367.13**

e **Auditors' Remuneration**

	Year Ended March 31, 2012	Year Ended March 31, 2011
Audit Fees (Including Limited Review Fees)	39.00	39.00
Other Services	3.31	2.83
Out of Pocket Expenses	-	-
Total	**42.31**	**41.83**

31 Disclosure as per Accounting Standard 15 (Revised) - Employee Benefits:

The Company has classified various benefits provided to employees as under:

I Defined Contribution Plans

a Provident Fund

b State Defined Contribution Plans

i. Employers' Contribution to Labour Welfare Fund

ii. Employers' Contribution to Employee's Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Profit and Loss Account:

	Year Ended March 31, 2012	Year Ended March 31, 2011
Employers' Contribution to Provident Fund * [Includes Employers' Contribution to Employee's Pension Scheme 1995]	10.35	29.17
Employers' Contribution to Labour Welfare Fund*	0.03	0.02
Employers' Contribution to Employee's State Insurance Commission*	-	0.15
* Included in Contribution to Provident and Other Funds (Refer Note 25)		

II Defined Benefit Plan

A **Gratuity**

i In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

	Year Ended March 31, 2012	Year Ended March 31, 2011
Discount Rate	8.25%	8.00%
Rate of increase in Compensation Levels	5.00%	5.00%
Rate of Return on Plan Assets	8.00%	8.00%

ii **Changes in the Fair value of Plan Assets**

	Year Ended March 31, 2012	Year Ended March 31, 2011
Present Value of Plan Assets at the beginning of the year	7.76	15.77
Expected Return on Plan Assets	0.62	1.26
Actuarial Gain/ (Loss) on Plan Assets	(0.49)	(0.21)
Contributions	-	5.13
Benefits Paid	(6.66)	(14.19)
Fair Value of Plan Assets at the end of the year	**1.22**	**7.76**

(₹ in Lacs)

iii

Changes in the Present Value of Obligation	Year Ended March 31, 2012	Year Ended March 31, 2011
Present Value of Obligation at the beginning of the year	70.49	89.80
Interest Cost	5.82	7.18
Current Service Cost	5.00	10.28
Benefits Paid	(6.66)	(14.19)
Actuarial (Gain)/ Loss	(17.89)	(22.58)
Present Value of Obligation at the end of the year	56.75	70.49
Non-Current Liabilities	44.08	41.39
Current Liabilities	12.67	-

iv

Amount recognised in the Balance Sheet	Year Ended March 31, 2012	Year Ended March 31, 2011
Present Value of Obligation at the end of the year	56.75	70.49
Fair Value of Plan Assets	(1.22)	(7.76)
Net Liability recognised at the end of the year	55.52	62.73

v **Percentage of each category of plan assets to total fair value of plan assets as at March 31, 2012:**

	Year Ended March 31, 2012	Year Ended March 31, 2011
Administered by Life Insurance Corporation of India	100%	100%

vi

Expenses recognised in the Profit and Loss Account	Year Ended March 31, 2012	Year Ended March 31, 2011
Current Service Cost	5.00	10.28
Interest Cost	5.82	7.18
Expected Return on Plan Assets	(0.62)	(1.26)
Actuarial (Gain)/ Loss	(17.89)	(22.58)
Total Expenses recognised in the Profit and Loss Account	(7.70)	(6.38)

vii Expected Contribution to Gratuity Fund for the next year ₹ 5.03 lacs (Previous Year: ₹ 5.13 lacs).

viii Details of Present Value of Obligation, Plan Assets and Experience Adjustment:

	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Present value of obligation	56.75	70.49	89.80	69.56
Fair value of plan assets	1.22	7.76	15.77	27.62
(Surplus)/ Deficit	55.52	62.73	74.03	41.94
Experience Adjustments:				
(Gain)/ Loss on plan liabilities	(16.42)	(20.60)	(3.64)	(15.79)
Gain/ (Loss) on plan assets	0.49	(0.21)	(0.42)	0.01

III Other Employee Benefit Plan

Liability for compensated absences as at year end is ₹ 2.54 Lacs (Previous Year: ₹ 7.2 Lacs).

32 Related Party Disclosures

(a) **Names of related parties and nature of relationship**

(i)

Subsidiary of the Company	% of Holding
Opdex Inc.*	100%
Mihir Peroperties Private Limited	100%
Arexera Information Technologies AG*	100%
Aftek (Mauritius) Limited*	100%
Digihome Solutions Private Limited	51%

(₹ in Lacs)

(ii) **Other Related Parties with whom transactions have taken place during the year**

Aftek Employees Welfare Trust # Aftek employees Gratuity Assurance Scheme Elven Technologies Pvt Ltd	Significantly influenced by Key Management Personnel (Controlled entities)
Mr. Ranvindranath Malekar Mr. Charuhas Khopkar	Shareholder & Senior Vice-President Shareholder & Senior Vice-President

(iii) Key Management Personnel

Mr. Ranjit M Dhuru
Mr. Nitin K Shukla
Mr. Mukul Dalal

Note:-

* During the year, Invetsment made in these Subsidiaries is written off.

Aftek Employees' Welfare Trust (Unregistered) was created for the benefit of employees including Executive Directors. The purpose of the trust inter alia is to purchase/invest in the shares or other securities of Aftek Limited for the benefit of employees. As per the conditions of the trust deed, an interest free loan has been provided by the Company which is to be used for the purchase of equity shares of Aftek Limited. These shares may be allocated to the employees or the amount of profit earned on the sale of these shares may be distributed amongst the employees. During the year the trust has not sold any shares and made payment against loan.

(b) **Related Party Disclosures**

The following transactions were carried out during the year with the related parties in the ordinary course of business:

(₹ in Lacs)

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Sale of Finished Goods								
Digihome Solutins Private Limited	-	0.26	-	-	-	-	-	0.26
Total	**-**	**0.26**	**-**	**-**	**-**	**-**	**-**	**0.26**
Purchase of Services								
Digihome Solutins Private Limited	-	2.10	-	-	-	-	-	2.10
Total	**-**	**2.10**	**-**	**-**	**-**	**-**	**-**	**2.10**
Loan & Advance Given								
Arexera Information Technologies AG		394.32					-	394.32
Mihir Properties Private Limited	0.21	0.52					0.21	0.52
Others	-	0.38	-					0.38
Total	**0.21**	**395.22**	**-**	**-**	**-**	**-**	**0.21**	**395.22**
Loan Taken								
Mihir Properties Private Limited	1.25	-	-	-	-	-	1.25	-
Key management persons					141.98	43.65	141.98	43.65
others	-	-	-	-	41.03		41.03	
Total	**1.25**	**-**	**-**	**-**	**183.01**	**43.65**	**184.26**	**43.65**
Repayment of Loan Given								
Digihome Solutins Private Limited	2.00	14.91	-	-	-		2.00	14.91
Mihir Properties Private Limited	1.10	0.01	-	-			1.10	0.01
Others	-	0.03	14.50	-	-	-	14.50	0.03
Total	**3.10**	**14.95**	**14.50**	**-**	**-**	**-**	**17.60**	**14.95**
Interest Income								
Digihome Solutins Private Limited	11.32	11.32	-	-	-	-	11.32	11.32
Total	**11.32**	**11.32**	**-**	**-**	**-**	**-**	**11.32**	**11.32**
Remuneration to Directors								
	-	-	-	-	135.25	136.35	135.25	136.35
Total	**-**	**-**	**-**	**-**	**135.25**	**136.35**	**135.25**	**136.35**
Directors Sitting Fees								
	-	-	-	-	4.60	5.60	4.60	5.60
Total	-	-	-	-	4.60	5.60	4.60	5.60

(ii) Year End Balance: (₹ in Lacs)

Name of the Party	Outstanding Amount		Maximum Balance Outstanding at any time during the year	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Year end Balance				
Mihir Peroperties Private Limited	1.25	0.89	1.25	0.89
Arexera Information Technologies AG	-	732.21	851.15	735.89
Digihome Solutions Private Limited	118.88	110.69	118.88	114.28
Opdex Inc.	-	55.08	66.04	57.59
Aftek Employees' Welfare Trust	10.45	24.95	24.95	24.95
Total	**130.58**	**923.82**	**1,062.27**	**933.60**

The investment and Loans and advances written off in subsidiaries is not considered in these disclosures.

33 Disclosure of Derivatives:

i The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2012 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount March 31, 2012	Amount March 31, 2012	Foreign Currency Amount March 31, 2011	Amount March 31, 2011
Sundry Debtors	USD	187.92	9,613.10	224.74	9,980.00
	EURO	43.42	2,967.14	56.21	3,512.00
Secured Loan - Ecb	Euro	45.00	3,075.31	45.00	155.25
UnSecured Loan - Fccb	USD	88.00	4,501.77	88.00	3,944.16
Capital Advances	USD	317.48	15,967.45	167.57	7,445.31
	EURO	17.78	1,163.58	-	-
Bank Accounts	USD	-	-	155.77	6,921.03
	Euro	-	-	1.25	77.90
Sundry Creditors	USD	0.01	0.42	0.00	0.05
	EURO	-	-	-	-
Creditors for Expenses	USD	0.08	4.06	-	-
	EURO	-	-	-	-

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates (Revised 2003)" notified under Section 211(3C) of the Act.

34 Capital Commitments & Contingent liabilities not provided for :	Year Ended March 31, 2012	Year Ended March 31, 2011
(a) **Capital Commitments:**		
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for.(Refer Note no. 40)	Nil	5,885.49
(b) **Contingent liabilities not provided for :**		
i Corporate guarantee given to Bank for finance provided to Digihome Solutions Private Limited against which loan outstanding is (₹ in Lacs) 149.99 (previous year (₹ in Lacs) 79.00)	779.00	779.00
ii Pending assessement of Income tax and Sales tax (Including Interest, if any)		
Income Tax matters	Amount unascertainable	
Sales Tax matters	Amount unascertainable	

35 Segment Reporting:

Primary Segment Information

The Company is in the business of sale of software services which is viewed by the management as a single primary segment,

i.e. business segment.

Secondary Segment Information - Geographical

The secondary segment information in relation to the geographies is as follows:

Regions	Year ended March 31, 2012		Year ended March 31, 2011	
	(₹ in Lacs)	%	(₹ in Lacs)	%
America	7,354.36	60.66%	8,815.50	56.93%
Europe	4,069.55	33.57%	5,411.51	34.94%
Japan	476.37	3.93%	729.51	4.71%
India	223.79	1.85%	385.26	2.49%
Others	-	0.00%	144.20	0.93%
Total Revenue	**12,124.07**	**100.00%**	**15,485.98**	**100.00%**

36 Operating Lease

The Company has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and noncancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

		Year Ended March 31, 2012	Year Ended March 31, 2011
a)	Lease payments recognised in the Statement of Profit and Loss during the year	82.39	168.80
b)	With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
	- Not later than one year	55.12	53.04
	- Later than one year and not later than five years	192.96	239.76

37 Foreign Currency Convertible Bonds

The Company had raised in aggregate USD 34.5 million through an issue of 3000 numbers of 1% Foreign Currency Convertible Bonds Due 2010 of USD 10,000 each (“FCCB”) in June 2005 followed by 450 numbers of additional FCCB in July 2005 on account of exercise of green shoe option of 15%. The FCCBs bear interest @ 1% per annum with redemption at 128.25% of their principal amount. At the option of the Bondholders, FCCBs were convertible into Equity Shares/Global Depository Receipts (“GDRs”) within a period of 5 years from the date of the original issue i.e. June 24, 2005 at the revised conversion price of ₹ 75.20 per share effective from June 25, 2006 (initial conversion price being ₹ 94/- per share) pursuant to the provisions of the Trust Deed executed in respect of the FCCBs. At the year end, 880 FCCBs were outstanding which, if converted into GDR/Equity shares at the reset Conversion Price of ₹ 75.20 per share, would have resulted into issuance of additional 5,099,202 numbers of equity shares of ₹ 2 each.

At the behest of the majority bondholders, the Company had initiated the process of re-setting the conversion price of the FCCBs in line with the applicable pricing guidelines. Approval of Reserve Bank of India for the same was received vide their letter No. FED/CO/ECBD/10308/03.02.775/11-12 dated October 31, 2011. The holders of the FCCBs vide their Written Resolution of 25th July, 2012 have consented, inter alia, to the revision of Conversion Price of FCCBs from ₹ 75.20 to ₹ 13.76 and elongation of maturity period from 25th June, 2010 to 21st December, 2012 as well as waiver of events of defaults and interest payments. Accordingly, the Company has executed a Supplemental Trust Deed on 25th July, 2012 with Bank of New York Mellon, the Trustees for giving effect to the aforesaid amendments.

Accordingly, all the outstanding 880 numbers of FCCBs, if converted into GDRs/Equity Shares at the reset conversion price of ₹ 13.76 would result into issuance of additional 2,78,67,733 numbers of equity shares of ₹ 2/-each.

38 Global Depository Receipts (GDRs)

The Company had issued 1,333,100 Global Depository Receipts (GDRs) on February 07, 2003 at a price of USD 11.25, per GDR with each GDR representing 3 equity shares of ₹ 10 each. Pursuant to Special Resolution passed at the Annual General Meeting held on December 29, 2003, equity shares of ₹ 10 each were sub-divided into smaller denomination of ₹ 2 each for which the Company had fixed January 29, 2004 as the Record Date. Corresponding increase was made to the number of GDRs from one to five in order to maintain the GDR to Equity proportion of 1:3.

Further, pursuant to the Special Resolution passed at the Annual General Meeting held on December 28, 2004, bonus shares in the proportion of one equity share for every two equity shares held on the record date of January 28, 2005 were allotted on January 31, 2005 resulting in increase in the number of GDRs.

No GDRs (PY No GDRs) were outstanding as at March, 2012.

As stated at Note No. 37, above, 880 numbers of 1% Foreign Currency Convertible Bonds Due 2010 were outstanding as at March, 31, 2012. In the event these FCCB were converted into GDRs, it would have resulted into issuance of 1,699,734 numbers of GDRs representing 5,099,202 numbers of equity shares at the then existing conversion price of ₹ 75.20. As detailed at Note No. 37,above, all the outstanding 880 numbers of FCCBs, if converted into GDRs/Equity Shares at the reset conversion price of ₹ 13.76 would result into issuance of 92,89,244 numbers of GDRs, representing 2,78,67,733 numbers of equity shares of ₹ 2/-each.

39 In view of the on-going slowdown in the European and US markets, there have been delays in receivables.The company is consistantly providing for the unrecovered debtors outststanding more than one year, if any, as bad debts.

40 The company has given certain capital advances amounting to ₹ 41.49 crores against the building under constructions at Hinjewadi, Pune. The said Plot of land is mortgaged to Bank of India -Jersey Channel Islands against the term loan. However since the Company has made default in repayment of Principal and Interest thereon, Bank has demanded repayment total loan and taken the possession of the land alongwith the construction in progress. Pending the settlement of the vendors to whom advances are paid, the same is continued to be considered as capital advances. No Contingent liability is considered for the unexecuted Capital Contract.

41 The company has invested on purchases of IPRs for various ongoing projects. Due to the delay in the projects, some IPRs are not taken by the company against the money already paid, and some IPRs are yet to be put to use as on the date of balance sheet. The company is of the opinion that with the improved market conditions all the IPRs will be profitably used by the company in the future projects.

42 Dues to Micro, Small and Medium Enterprises (MSME)

The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the 'Act') and hence disclosure regarding following has not been provided.

a) Amount due and outstanding to MSME suppliers as at the end of the accounting year.

b) Interest paid during the year to MSME

c) Interest payable at the end of the accounting year.

d) Interest accrued and unpaid at the end of the accounting year to MSME

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act. Management believes that the figures for disclosure will not be significant.

43 The company has formulated a sheme of Financial restructuring to deal with current recession in the software industry, and the costs incurred on the product development and foreign curreny losses. Accordingly as per the scheme of arrangement Under section 100 to 103 read with section 78 of the Companies Act, 1956, The Hon'ble High Court of Judicature at Bombay, vide its Order dated 13th August, 2010 has sanctioned the scheme approved by members by the Special Resolution passed at the Extra-ordinary General Meeting held on 08th June, 2010 for utilization of ₹ 215.00 crores out of the balance standing to the credit of the Securities Premium Account for allocating and/or earmarking to adjust product development expenditure incurred/to be incurred, diminution in value of investments if any and loss arising on account of foreign exchange fluctuations. Accordingly, the resolution has been given effect to in the accounts of the Company to the tune of aggregating an amount of ₹ 196.80 crores in the financial year 2010-11 and balance ₹ 18.20 crores during the current year.

	Particulars	**Year ended 31st March, 2011**	**Year ended 31st March, 2012**	**Total**
a)	Product Development Expenditure	18,578.96	-	18,578.96
	Diminution in value of investments	1.08	1,374.40	1,375.48
	Loss arising on account of foreign exchange fluctuations	1,099.83	445.73	1,545.56
	Total	**19,679.87**	**1,820.13**	**21,500.00**
b)	Had the scheme not prescribed aforesaid treatment, the impact would have been as under:-			
	In the Profit and Loss Account	**Year ended3 31st March, 2011**	**Year ended 31st March, 2012**	**Total**
	Operating and Administrative Expenses	1.08	1,374.40	1,375.48
	Other Income	(1,099.83)	(445.73)	(1,545.56)
	Profit Before Taxation and Exceptional Items	(1,100.91)	(1,820.13)	(2,921.04)
	Net(Loss)/Profit	(1,100.91)	(1,820.13)	(2,921.04)
	EPS			
	Basic (Rs.)	0.32	(0.73)	(0.41)
	Diluted (Rs)	0.32	(0.73)	(0.41)
	In the Balance Sheet			
	Particular	**Year ended 31st March, 2011**	**Year ended 31st March, 2012**	**Total**
	Reserves and Surplus			
	Securities Premium Account	19,679.87	1,820.13	21,500.00
	Profit and (Loss) Account	(1,100.91)	(1,820.13)	(2,921.04)
	Fixed Assets			
	Capital Work in Progress	18,578.96	-	18,578.96

Signatures to Notes “1” to “43” forming part of these Financial Statements.

As per our report of even date.

For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board of Directors

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012.

AUDITORS' REPORT

To
The Board of Directors of **AFTEK LIMITED**

1. We have audited the attached Consolidated Balance Sheet of **Aftek Limited** (the 'Company') and its subsidiaries (together referred to as 'the Group') as at 31st March 2012 and also the annexed Consolidated Profit and Loss Account and Consolidated Cash Flow Statement of the Company for the year ended on that date annexed thereto (collectively referred as 'Consolidated financial statements'). These financial statements are the responsibility of the Group's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our Audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note No.34 b(ii) , wherein as explained the Liability if any of the pending assessment under Income Tax, Sales tax are (including interest, if any) not ascertained.
4. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard ('AS') 21 'Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006.
5. In our opinion, and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
   a) The Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;
   b) The Consolidated Profit and Loss account of the Profit for the year ended on that date; and
   c) The Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For GMJ & CO
CHARTERED ACCOUNTANTS
(FRN No. – 103429W)

(HARIDAS BHAT)
PARTNER
(M. No. 39070)

Mumbai, August 31, 2012

Consolidated Balance Sheet as at March 31, 2012

(₹ in Lacs)

	Note	As at March 31, 2012	As at March 31, 2011
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	**1,870.62**	1,870.62
Reserves and Surplus	3	**40,985.75**	40,697.16
		42,856.37	42,567.78
Minority Interest		**343.91**	289.55
Non-Current Liabilities			
Long-Term Borrowings	4	**12.17**	11,294.39
Deferred Tax Liabilities (Net)	5	**492.56**	493.09
Other Long-Term Liablities	6	**106.30**	106.30
Long-Term Provisions	7	**46.62**	48.61
		657.65	11,942.39
Current Liabilities			
Short-Term Borrowings	8	**2,813.56**	2,376.44
Trade Payables	9	**233.66**	54.87
Other Current Liabilities	10	**14,899.93**	2,902.36
Short-Term Provisions	11	**270.92**	200.05
		18,218.08	5,533.72
Total		**62,076.01**	60,333.44
Assets			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		**739.75**	1,717.93
Intangible Assets		**13,513.88**	14,708.55
Capital Work-in-Progress		**2,831.19**	2,831.19
Intangible Assets Under Development		**9,124.47**	6,019.33
		26,209.28	25,276.99
Non-Current Investments	13	**408.07**	408.07
Long-Term Loans and Advances	14	**21,291.43**	12,426.60
Other Non-Current Assets	15	**63.09**	29.97
Goodwill (on Consolidation)		**497.85**	201.76
		48,469.72	38,343.39
Current Assets			
Inventories	16	**458.91**	405.91
Trade Receivables	17	**12,944.35**	14,303.77
Cash and Bank Balances	18	**135.67**	7,158.85
Short-Term Loans and Advances	19	**63.72**	118.48
Other Current Assets	20	**3.62**	3.04
		13,606.28	21,990.05
Total		**62,076.01**	60,333.44

The accompanying Notes ("1" to "43") are an integral part of these Financial Statements.

As per our report of even date.
For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board of Directors

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012.

Consolidated Statement of Profit and Loss for the year ended March 31, 2012 (₹ in Lacs except per share data)

	Note	Year Ended March 31, 2012	Year Ended March 31, 2011
Revenue from Operations	21	**12,249.14**	16,745.82
Other Income	22	**4,392.99**	1,561.28
Total Revenue		**16,642.13**	18,307.10
Expenses			
Cost of Materials Consumed & Software Development Expenses	23	**984.33**	4,238.82
Changes in Inventories of Finished Goods,Work-in-Progress	24	**1.89**	(15.25)
Employee Benefits Expense	25	**572.30**	1,200.38
Finance Costs	26	**1,104.11**	993.17
Depreciation and Amortisation Expense	27	**8,875.93**	9,277.77
Other Expenses	28	**3,108.29**	1,224.93
Product Development Expenditure, diminution in value of investments and loss arising on account of foreign exchange fluctuations.(Refer Note:-43)		**1,820.13**	19,679.87
Less: Transfer from Securities Premium Account		**(1,820.13)**	(19,679.87)
Total Expenses		**14,646.86**	16,919.82
Profit Before Tax		**1,995.27**	1,387.28
Tax Expense			
Income Tax:			
Current Year		**246.25**	360.82
Earlier Years		-	(40.62)
Minimum Alternate Tax Credit		**(169.78)**	(308.05)
Deferred Tax Credit		**(0.53)**	73.31
		75.94	85.46
Profit For the year before Minority Interest		**1,919.33**	1,301.82
Minority Interest(Gain/(Loss))		**(135.96)**	54.31
Profit for the Year		**2,055.30**	1,247.51
Earnings Per Equity Share [Nominal Value Per Share: ₹ 2 (Previous Year: ₹ 2)]			
Basic and Diluted	29	2.20	1.33

The accompanying Notes (“1” to “43”) are an integral part of these Financial Statements.

As per our report of even date.
For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board of Directors

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012.

Consolidated Cash Flow Statement for the year ended March 31, 2012

(₹ in Lacs)

			Year ended March 31, 2012		Year ended March 31, 2011
A.	**Cash flow from operating activities**				
	Net profit before tax		**1,995.27**		1,387.28
	Adjustments for:				
	Depreciation	**8,948.47**		9,277.77	
	Profit on sale of tangible assets (net)	**(633.62)**		(0.89)	
	Interest income	**(5.63)**		(267.74)	
	Dividend from mutual fund investment	-		(0.57)	
	Finance costs	**1,115.43**		993.17	
	Liabilities no Longer Required Written Back	**(28.81)**			
	Provision for Gratuity and Leave Encashment	**17.33**		3.07	
	Provision for bad and doubtful debts (net)	-		333.97	
	Unrealised foreign exchange (gain)/ loss	**(844.97)**		(76.84)	
			8,568.20		10,261.94
	Operating profit before working capital changes		**10,563.47**		11,649.22
	Changes in working capital:				
	Adj for Trade and other Receivables	**2,383.45**		(75.72)	
	Adj for Inventories	**(53.00)**		28.90	
	Adj for Trade and other Payables	**199.07**		821.92	
			2,529.52		775.10
	Operating profit after working capital changes		**13,092.99**		12,424.32
	Direct taxes paid (net of refund)		**(6.16)**		(47.44)
	Net cash from operating activities (A)		**13,086.84**		12,376.88
B.	**Cash flow from investing activities**				
	Purchase of tangible/ intangible assets (including capital work-in-progress & Capital Advance)		**(19,843.89)**		(11,075.08)
	Sale of tangible assets		**760.64**		0.89
	Financial Retructring Expenses		**(445.74)**		(19,679.87)
	Sale of current investments		-		100.00
	Interest received		**3.93**		267.74
	Dividend from mutual fund investment		-		0.57
	Net cash used in investing activities (B)		**(19,525.06)**		(30,385.75)

(₹ in Lacs)

	Year ended March 31, 2012	Year ended March 31, 2011
C. Cash flow from financing activities		
Call Money on Partly Paid Shares(Minority Share)	**82.96**	36.98
Repayment of long-term borrowings	**(571.73)**	-
Proceeds from Long term borrowings (Net)	**28.96**	1,903.18
Interest and financial charges paid	**(178.45)**	(993.17)
Proceeds from short-term borrowings (Net)	**59.92**	275.52
Net cash from financing activities (C)	**(578.34)**	1,222.51
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(7,016.57)**	(16,786.36)
Cash and cash equivalents at the beginning of the year	**7,122.37**	23,908.73
Cash and cash equivalents at the end of the year	**105.80**	7,122.37
Net increase/ (decrease) in cash and cash equivalents	**(7,016.57)**	(16,786.36)

Cash Flow Statement for the year ended March 31, 2012	**March 31, 2012**	**March 31, 2011**
Cash and cash equivalents comprise of:		
Cash on Hand	**4.48**	4.25
Bank Balances:		
In Current Accounts	**69.32**	7,013.56
In Fixed Deposits with original maturity less than 3 months	**32.00**	104.56
Cash and cash equivalents at the end of the year	**105.80**	7,122.37

Notes:

1 The above Cash Flow Statement has been prepared under “Indirect Method” set out in Accounting Standard - 3 on “Cash Flow Statements” notified under Section 211(3C) of The Companies Act, 1956, of India.

2 Figures in brackets indicate cash outgo.

3 Previous year’s figures have been regrouped/ rearranged wherever necessary.

As per our report of even date.
For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board of Directors

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012.

Notes to Financial Statements for the year ended March 31, 2012

1 Summary of Corporate information & Significant Accounting Policies

1.1 Corporate information

AFTEK Limited & Its Subsidaries (the "Group") provide a wide range of information technology services including systems, hardware and software, communications and networking, hardware sizing and capacity planning, software management solutions, technology education services and business process outsourcing. The Group's services portfolio consists of Application Development and Maintenance, Business Intelligence, Enterprise Solutions, Assurance, Engineering and Industrial Services, IT Infrastructure Services, Business Process Outsourcing, Consulting and Asset Leveraged Solutions.

1.2 Significant Accounting Policies

(a) Basis of Accounting and Preparation of Financial Statements

The consolidated financial statements include the financial statements of Aftek Limited and its subsidiaries, (refer note 30) and are prepared in accordance with accounting principles generally accepted in India under the historical cost convention on the accrual basis of accounting and comply in all material aspects with the notified Accounting Standards under Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The accounting policies applied are consistent with those used in the previous years. The consolidated financial statements are presented in the general format specified in Schedule VI to the Act. However, as these consolidated financial statements are not statutory financial statements required under the Act, these consolidated financial statements do not reflect all disclosure requirements of the Act.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard ('AS') 21, 'Consolidated Financial Statements'. The financial statements of the Company and its subsidiaries (the 'Group') are consolidated on a line to line basis by adding together like items of assets, liabilities, income and expenses. Any excess of the cost to the parent company of its investment in a subsidiary and the parent company's portion of equity of the subsidiary at the date, at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. All significant inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated. The consolidated financial statements are presented in Lacs of Indian rupees, unless otherwise stated.The accounting policies have been consistently applied by the Company, except for the change in accounting policy explained below.

Presentation and disclosure of financial statements:-

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Group, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Key estimates include estimate of useful lives of fixed assets, income taxes, vesting of employee stock options and future obligations under employee retirement benefit plans. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

(c) Fixed Assets, Depreciation and Amortisation

(i) Fixed assets are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

(ii) Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing costs (In accordance with the Accounting Standard 16 on 'Borrowing Costs') capitalized and other direct expenditure.

(iii) Depreciation is provided, pro rata for the period of use, by the Straight Line Method (SLM), based on management's estimate of useful lives of the fixed assets, which are higher than the SLM rates prescribed in Schedule XIV to the Companies Act, 1956. The management's estimate of useful lives of fixed assets are given below:

Plant and Machinery	5 years
Factory Building	15 years
Electrical Fittings	5 years
Computers	3 years
Air conditioner	5 years
Furniture and Fixtures	5 years
Motor Vehicles	5 years
Office Equipment	5 years

Leasehold land is amortised over the period of lease.

(d) Intangible Assets

Intangible assets are stated at cost of acquisition, less accumulated amortisation and impairment losses if any. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Based on management estimates, the depreciable amount of intangible assets is allocated over the useful life on a straight line basis. Management estimates the useful life of Technical Know-how as 5 years and Intellectual Property Rights as 3 years.

(e) Impairment of Assets

The carrying amounts of the Group's assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

(f) Borrowing Cost

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on 'Borrowing Costs', are capitalized as part of the cost of qualifying assets. Other borrowing costs are expensed as incurred.

(g) Investments

The Group has presently classified all its investments as "Long Term" in accordance with Accounting Standard 13 on "Accounting for Investments." Long-term investments are stated at cost. However, provision is made to recognize a decline, other than temporary, in the value of investments.

(h) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprise cost of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

(i) Research and Development

Research and Development expenditure is recognized in the Profit and Loss Account as and when incurred. Capital expenditure, if any is shown under respective head of fixed assets.

(j) Foreign Currency Transactions

Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.

Exchange differences - Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(k) Employee Benefits

(i) All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

(ii) The Group makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the year in which services are rendered by the employees.

(iii) The Group's employees are covered under the group gratuity cum life assurance scheme with the Life Insurance Corporation of India ('LIC'). Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit/ obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and Loss Account in the year in which such gains or losses are determined.

(iv) Liability for compensated absences is provided for on the basis of actuarial valuation at year-end, made by an independent actuary.

(l) Stock Based Compensation

The compensation cost of stock options granted to employees is calculated using the fair value method. The compensation expense is amortized uniformly over the vesting period of the option.

(m) Revenue Recognition

Revenue from sale of products is recognized when significant risks and rewards in respect of ownership of products are transferred to the customer and there are either no unfulfilled company obligations or any outstanding obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the arrangement.

Revenues from services are recognized as services are provided when arrangements are on a time and material basis. Revenue from fixed price contracts is generally recognised in accordance with the "Percentage of Completion" method.

Further, the Group reimburses certain software installation and testing charges to channel partners and these installation and testing activities are considered to be distinct components preceding the actual delivery and acceptance of the software. The Group also bears the entire credit risk on the sale of products. Accordingly, the installation and testing activity is considered to be the transaction independent of the sale of the products and the costs relating to these activities are accounted as cost of revenues.

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gain and loss are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve

Interest income is accounted on a time proportion basis.

(n) Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(o) Taxes on Income

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses under tax laws are recognised and carried forward to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised in future. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax in respect of timing differences which originate and reverse during the tax holiday period is not recognized to the extent to which the Company's gross total income is subject to deduction during the tax holiday period.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

(p) Earnings Per Share

The earnings considered in ascertaining the Group's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares.

(q) Provisions and Contingent Liabilities

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

(r) Share Issue Expenses and Premium Payable on Redemption of Foreign Currency Convertible Bonds (FCCBs)

Share Issue Expenses and Premium Payable on Redemption of FCCBs are adjusted against the Securities Premium Account.

(s) Goodwill

Goodwill reflects the excess of the purchase price over the book value of net assets acquired.

(t) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

	As at March 31, 2012	As at March 31, 2011
2 Share Capital		
Authorised		
125,000,000 (Previous Year: 125,000,000) Equity Shares of ₹ 2 each	**2,500.00**	2,500.00
Issued		
93,530,789 (Previous Year: 93,530,789) Equity Shares of ₹ 2 each	**1,870.62**	1,870.62
Subscribed and Paid up		
93,530,789 (Previous Year: 93,530,789) Equity Shares of ₹ 2 each fully paid-up	**1,870.62**	1,870.62
	1,870.62	1,870.62

(a) Reconciliation of number of shares

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Equity Shares:				
Balance as at the beginning of the year and at the end of the year	93,530,789	1,871	93,530,789	1,870.62

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per shareheld. The equity shareholders are entitled for dividend as may be proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remainingassets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :- None

(d) Shares allotted (during 5 years preceding March 31, 2012)

	Opening No.of Share	85,716,731
i	The Company had issued 15,06,581 (P.Y 10522890) shares of ₹ 2 each fully Paid up to issued against 300 (P.Y 2270) conversion of FCCB's Bonds.	1,506,581
ii	The Company had issued 6,150,000 shares of ₹ 2 each fully Paid up issued to the erstwhile shareholders of Elven Microcircuit Pvt. Ltd. In pursuance of Scheme of Arrangement as approved by Hon'ble High Court, Mumbai & Karnataka.	6,150,000
iii	The Company had issued 157,477 equity shares of ₹ 2 each (during FY 2006-07 to 2010-11: 351,318 equity shares) during the period of 5 years immediately preceding March 31, 2012 on exercise of options granted Under Aftek Employees Stock Option Scheme (ESOP).	157,477
	Closing No.of Share	93,530,789

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
3	**Reserves and Surplus**		
	Capital Reserve		
	As per last Balance Sheet	**482.05**	482.05
	Securities Premium		
	Balance as at the beginning of the year	**1,851.25**	21,587.74
	Less : Utilised during the year for:		
	i) Product Development Expenditure, diminution in value of investments and loss arising on account of foreign exchange fluctuations.	**(1,820.13)**	(19,679.87)
	ii) Premium Payable on Redemption of FCCBs	-	(56.62)
	Balance as at the end of the year	**31.12**	1,851.25
	Share options outstanding account		
	Balance as at the beginning of the year	-	33.64
	Less: Transferred to General reserve	-	(33.64)
	Balance as at the end of the year	-	-
	General Reserve		
	Balance as at the beginning of the year	**6,132.36**	6,098.72
	Add: Unexcercised Employee Stock Options which have Lapsed	-	33.64
	Balance as at the end of the year	**6,132.36**	6,132.36
	Foreign currency translation reserve		
	Balance as at the end of the year	**(0.00)**	26.04
	Surplus in Statement of Profit and Loss		
	Balance as at the beginning of the year	**32,205.46**	30,957.95
	Profit for the year	**2,055.30**	1,247.51
	Add:		
	Excess /(Short) Provision of Corporate Dividend Tax	**79.48**	**-**
	Balance as at the end of the year	**34,340.23**	32,205.46
	Total	**40,985.75**	40,697.16

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

4 Long-Term Borrowings

	Non-Current Portion		Current Maturities	
	As at March 31, 2012 ₹ in Lacs	**As at March 31, 2011 ₹ in Lacs**	**As at March 31, 2012 ₹ in Lacs**	**As at March 31, 2011 ₹ in Lacs**
Bonds (Unsecured)				
Foreign Currency Convertible Bonds (FCCB) (Refer Note No.37)	-	3,944.16	4,549.83	43.50
Term Loan (Secured)				
from Banks:				
i) Bank of India - Jersey Channel Islands	-	2,857.50	3,075.31	-
ii) State Bank of Bikaner & Jaipur	-	4,000.00	4,515.10	136.22
iii) Union Bank of India	-	492.73	-	-
iv) Bank of India Term Loan				79.00
from Others:(Unsecured)				
Company -Religare Finvest Ltd.	12.17	-	16.79	-
Total	**12.17**	**11,294.39**	**12,157.03**	**258.72**

(a) Nature of Security and terms of repayment for secured borrowings

(i) Bank of India - Jersey Channel Islands

Foreign Currency Term Loan Aggregating to ₹ 3075.31 Lacs (Euro 45 Lacs) Secured by mortgage of Land at Hinjewadi, Pune.₹ 3075.31 Lacs is repayble in 4 half yearly installment of ₹ 683.4 Lacs for first 3 installment & Last Installment of ₹ 1025.11 Lacs from July 11 to January 2013. However since the Company has made default in repayment of Principal and Interest thereon, Bank has demanded repayment total loan.

The Company has defaulted in repayment of loans and interest in respect of the following:

Bank of India - Jersey Channel Islands	**As at 31 March, 2012**	
	Principal	**Interest**
Period of default		
April' 2011 to March' 2012	3,075.31	92.78

(ii) State Bank of Bikaner & Jaipur

Rupee Term Loan Aggregating to ₹ 4,000 Lacs Secured by mortgage of building owned by subsidiary Mihir Properties Pvt. Ltd. ₹ 4,000 Lacs is repayble in 12 Quarterly installment of ₹ 333.33 Lacs from April, 2012 to January 2015. Company has made default in repayment of Principal and Interest thereon, therefore, Bank has demanded repayment loan.

The Company has defaulted in repayment of loans and interest in respect of the following:

State Bank of Bikaner & Jaipur	**As at 31 March, 2012**	
Period of default	**Principal**	**Interest**
April' 2011 to March' 2012	4,000.00	520.72

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
5	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liabilities:		
	Depreciation	**2,030.73**	1,800.60
	Deferred Tax Assets:		
	Provision for Doubtful Debts	**380.60**	380.60
	Unabsorbed Depreciation adjusted for timing difference (Restricted as per Note 1.2 (o))	**1,138.24**	910.01
	Provision for Employee Benefits	**19.33**	16.90
	Deferred Tax Liabilities (Net)	**492.56**	493.09
6	**Other Long- term liablities**		
	Creditors for Capital Assets	**106.30**	106.30
		106.30	106.30
7	**Long-Term Provisions**		
	Provision for Employee Benefits:		
	Provision for Gratuity	**44.08**	41.39
	Provision for Compensated Absences	**2.54**	7.22
		46.62	48.61
8	**Short-Term Borrowings**		
	Secured		
	Cash Credit from State Bank of Bikaner & Jaipur	**1,708.45**	1,354.03
	(Secured by hypothecation of Raw Materials and Book Debts)		
	Bank Of India Cash Credit	**149.99**	139.52
	(Secured against Stocks)		
	Unsecured		
	Loans:		
	From IDBI Bank (Term Loan)	**146.68**	511.22
	From Company	**25.00**	50.00
	From Related Parties:		
	Directors	**200.94**	171.67
	Shareholders	**582.51**	150.00
		2,813.56	2,376.44

The Company has defaulted in repayment of interest in respect of the following:

(a) Cash Credit from State Bank of Bikaner & Jaipur

	As at 31 March, 2012	
Period of default	**Principal**	**Interest**
April' 2011 to March' 2012	-	193.68

(b) IDBI Bank Ltd.(Term Loan) :-

The loan is recalled by the Bank by invoking the pledge of shares. However the bank did not recover the total outstanding amount for the reasons not attributable to the company, accordingly the outstanding balance is not accepted by the Company. Pending clearance of dispute the outstandings is continuted in books as demanded by the Bank.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
9	**Trade Payables**		
	Sundry Creditors (Refer Note 42)	**233.66**	54.87
		233.66	54.87
10	**Other Current Liabilities**		
	Current Maturities of Long-Term Borrowings (Refer Note 4)	**12,157.03**	258.72
	Interest Accrued but not due on Borrowings	**155.84**	81.18
	Interest Accrued and due on Borrowings	**87.45**	43.95
	Premium Payable on Redemption of FCCBs	**1,256.60**	1,256.60
	Unpaid Dividends [Refer Note (a) below]	**25.10**	31.71
	Advances/ Deposits Received	-	-
	Advances from Customers	**116.34**	108.84
	Statutory Dues (including Provident Fund and Tax Deducted at Source)	**223.14**	205.98
	Others	**878.43**	915.38
		14,899.93	2,902.36

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

		As at March 31, 2012	As at March 31, 2011
11	**Short-Term Provisions**		
	Provision for Employee Benefits:		
	Provision for Gratuity	**16.07**	-
	Provision for Compensated Absences	**1.56**	3.42
	Provision for Income Tax [Net of Advance Tax ? 34.48 lacs (Previous Year: ? 82.78 lacs)]	**102.50**	28.72
	Other Provisions:		
	Provision for Dividend Distribution Tax on Dividend	-	79.48
	Provision for Expenses	**150.79**	88.43
		270.92	200.05

12. Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

A. Tangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2011	Additions	Disposal/ Transfer	As at March 31, 2012	As at April 1, 2011	For the Year	Disposal/ Transfer	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Land:										
Freehold	127.02	-	127.02	-	-	-	-	-	-	127.02
Leasehold	101.13	-	-	101.13	5.87	1.07	-	6.94	94.19	95.26
Factory Building	82.91	-	-	82.91	68.16	7.77	-	75.93	6.98	14.75
Office Building	309.64	-	-	309.64	40.68	3.87	-	44.55	265.09	268.96
Plant and Machinery	109.12	0.03	16.28	92.87	76.92	13.20	16.28	73.85	19.02	32.20
Computers	2,647.44	2.28	154.80	2,494.92	1,477.27	825.02	154.80	2,147.49	347.43	1,170.17
Office Equipment	29.15	-	15.97	13.19	26.79	1.39	15.97	12.21	0.98	2.37
Furniture and Fixtures	27.99	4.29	3.32	28.96	23.67	3.45	3.32	23.80	5.16	4.33
Vehicles	10.02	-	-	10.02	7.15	1.98	-	9.13	0.90	2.87
Total	3,444.43	6.59	317.39	3,133.64	1,726.50	857.75	190.37	2,393.89	739.75	1,717.93

B Inangible Assets

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2011	Additions	Disposal/ Transfer	As at March 31, 2012	As at April 1, 2011	For the Year	Disposal/ Transfer	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Computer Software	4,716.94	-	3.77	4,713.16	2,492.21	1,574.95	3.77	4,063.39	649.77	2,224.73
IPR	26,132.02	7,046.44	6,767.14	26,411.32	13,683.13	6,413.18	6,544.21	13,552.09	12,859.22	12,448.90
SecuredHomeGateway (Technical Knw-How)	147.92	-	-	147.92	113.00	30.04	-	143.04	4.88	34.92
Total	30,996.88	7,046.44	6,770.92	31,272.40	16,288.33	8,018.18	6,547.99	17,758.52	13,513.88	14,708.55
Total (A+B)	34,441.31	7,053.03	7,088.30	34,406.04	18,014.84	8,875.93	6,738.36	20,152.41	14,253.62	16,426.47
Previous Year	30,744.50	7,990.34	4,293.53	34,441.31	9,316.58	9,277.76	579.50	18,014.84	16,426.47	21,427.92

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

			As at March 31, 2012	As at March 31, 2011
13	**Non-Current Investments**			
	Trade Investments in Equity Instruments - Unquoted, at Cost			
	Investment in Other Companies			
	Elven Technologies Private Limited 82,500 Equity Shares of ₹ 10 Each Fully Paid Up		**8.25**	8.25
	V Soft Inc. (USA) 164,250 Equity Shares of US$ 5.48 each fully paid up		**399.82**	399.82
			408.07	408.07
14	**Long-Term Loans and Advances**			
	[Unsecured, Considered Good (unless otherwise stated)] Capital Advances (Refer Note. No. 40)		**21,280.04**	11,594.32
	Other Loans and Advances: Balances with Government Authorities		**0.94**	0.94
	Others Loans and Advances- Considered Good			
	to Related Parties :- Aftek Employees' Welfare Trust		**10.45**	24.95
	Others Loans and Advances - Considered Doubtful			
	Others:- Advance with Body Corporates		**806.39**	806.39
	Less: Doubtful Advance written off		**(806.39)**	
			-	806.39
			21,291.43	12,426.60
15	**Other Non-Current Assets**			
	[Unsecured, Considered Good (unless otherwise stated)]			
	Other Deposit		**63.09**	29.97
			63.09	29.97
16	**Inventories (At Cost or Net Realisable Value, whichever is less)**			
	(as taken, valued and certified by the Management)			
	Raw Materials			
	Spyguard Components	**63.37**		52.50
	Others	**368.72**	**432.09**	324.70
	Work-in-Progress			
	Spyguard Components	**26.47**		28.17
	Others	**0.35**	**26.82**	0.54
			458.91	405.91

The stock includes slow moving items, We have relied upon certificate given by technical experts the reaslisability/ usability of Inventories.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		As at March 31, 2012	As at March 31, 2011
17	**Trade Receivables**		
	Unsecured, considered good:		
	Outstanding for a period exceeding six months from the date they are due for payment (Refer Note. 39)	**1,539.11**	6,358.59
	Others - Outstanding for a period of less than six months	**11,405.24**	7,945.18
	Unsecured, considered doubtful:		
	Outstanding for a period exceeding six months from the date they are due for payment	**1,173.10**	1,173.10
	Less: Provision for Doubtful Debts	**(1,173.10)**	(1,173.10)
		12,944.35	14,303.77
18	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Cash on Hand	**4.48**	4.25
	Bank Balances in :		
	Current Accounts	**62.95**	3.28
	EEFC Accounts	**6.37**	6.05
	Non-Scheduled Bank Accounts	-	7,004.23
	Fixed Deposits with original maturity less than 3 months	**32.00**	104.56
		105.80	7,122.37
	Other Bank Balances		
	Fixed Deposits with original maturity more than 3 months but less than 12 months (Includes ₹ 4.77 lacs, which is not confirmed by the Bank)	**4.77**	4.77
	Unpaid Dividend Accounts	**25.10**	31.71
		29.87	36.48
		135.67	7,158.85

Note:- As represented by management ,all other deposit and current account balance are without any restriction for remittance.

		As at March 31, 2012	As at March 31, 2011
19	**Short-Term Loans and Advances**		
	[Unsecured, Considered Good (unless otherwise stated)]		
	Advances Recoverable in Cash or in Kind or for Value to be Received	-	85.42
	Advance to Creditor	**19.53**	4.66
	Other Loans and Advances:		
	Balances with Government Authorities	**38.28**	-
	Prepaid Expenses	**5.45**	28.40
	Other	**0.46**	-
		63.72	118.48
20	**Other Current Assets**		
	[Unsecured, Considered Good (unless otherwise stated)]		
	Interest accrued on Deposits	**3.62**	0.65
	Misc. Expenses	-	2.39
		3.62	3.04

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

			Year Ended March 31, 2012	Year Ended March 31, 2011
21	**Revenue from Operations**			
	Sale software Products & Services:			
	Information technology Services		**10,439.72**	13,504.02
	Products Development			
	a) Software Products - Powersafe	**1,420.71**		1,463.13
	b) Software Products - PDA	**133.08**		1,639.92
	c) Others Sales	**255.20**	**1,808.98**	137.94
	Other Operating Revenue:			
	Scrap Sales		-	-
	Income from Duty Drawback and DEPB Licenses		**0.44**	0.81
			12,249.14	16,745.82
22	**Other Income**			
	Interest Income on			
	Fixed Deposits with Banks		**5.54**	263.31
	Others		**0.09**	4.43
	Dividend Income on			
	Investment in Mutual Funds		-	0.57
	Consulting Income		-	19.16
	Software Development Charges		-	16.13
	Profit on Sale of Fixed Assets (Net)		**633.62**	0.89
	Gain on Foreign Exchange (Net)		**3,719.70**	1,251.00
	Liabilities no Longer Required Written Back		**28.81**	-
	Miscellaneous Income		**5.23**	5.79
			4,392.99	1,561.28
23	**Cost of Materials Consumed & Software Development Expenses**			
	Raw Material Consumed			
	Opening Inventory		**377.20**	421.34
	Add: Purchases		**257.83**	1,001.88
	Less: Closing Inventory		**432.09**	377.20
	Cost of Raw Materials Consumed during the year		**202.94**	1,046.02
	Software Development Expenses		**781.39**	3,192.80
			984.33	4,238.82
24	**Changes in Inventories of Finished Goods and Work-in-Progress**			
	(Increase)/ Decrease in Stocks			
	Stock at the end of the year:			
	Finished Goods		-	-
	Work-in-progress		**26.82**	28.71
	Traded Goods		-	-
			26.82	28.71
	Stock at the beginning of the year:			
	Finished Goods		-	-
	Work-in-progress		**28.71**	13.46
	Traded Goods		-	-
			28.71	13.46
	(Increase)/ Decrease in Stocks		**1.89**	(15.25)

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

		Year Ended March 31, 2012	Year Ended March 31, 2011
25	**Employee Benefits Expense**		
	Salaries, Wages and Bonus	**425.27**	997.65
	Directors Remuneration	**105.46**	136.35
	Contribution to Provident and Other Funds	**14.22**	29.32
	Gratuity	**18.76**	8.00
	Compensated Absences	**(1.35)**	11.82
	Staff Welfare Expenses	**9.94**	17.24
		572.30	1,200.38
26	**Finance Costs**		
	To Banks		
	Interest on Term Loan	**784.03**	777.66
	Interest on Cash Credit	**216.14**	101.35
	To Others		
	Interest on FCCB	**48.06**	43.50
	Interest on Income Tax	**9.00**	4.89
	Interest on Dividend Distribution Tax	-	23.00
	Others	**46.87**	42.77
		1,104.11	993.17
27	**Depreciation and Amortisation Expense**		
	Depreciation on Tangible Assets	**857.75**	889.03
	Amortisation on Intangible Assets	**8,018.18**	8,388.74
		8,875.93	9,277.77
28	**Other Expenses**		
	Electricity Expenses	**27.57**	43.05
	Freight & Transport Charges	**2.88**	
	Labour Charges	**27.46**	
	Repairs and Maintenance:		
	Computers	**1.82**	2.96
	Building	**3.63**	2.56
	Others	**6.90**	4.44
	Rent (Refer Note 36)	**96.90**	206.70
	Rates and Taxes	**15.03**	22.07
	Insurance	**6.39**	6.17
	Communication Charges	**16.82**	23.02
	Printing and Stationery	**11.56**	14.48
	Travelling, Conveyance and Car Expenses	**62.40**	118.08
	Postage & Telegram	**8.25**	12.62
	Legal, Professional and Secretarial Expenses	**52.40**	215.76
	Auditors' Remuneration	**43.63**	43.89
	Commission on Sales	**8.99**	16.81
	Provision for bad and doubtful debts	-	333.97
	Doubtful Debts written off	**1,845.67**	-
	Doubtful Advances and Deposits written off	**806.39**	-
	Bad Debts Written Off	**11.49**	16.43
	Miscellaneous Expenses	**52.12**	141.92
		3,108.29	1,224.93

Consolidated Notes to Financial Statements for the year ended March 31, 2012

(₹ in Lacs)

29 Computation of Earnings per Share (Basic and Diluted):

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of sharesoutstanding during the year.

	Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
I.	Profit Computation for both Basic and Diluted Earnings Per Share of ₹ 10 each:		
	Net Profit as per the Statement of Profit and Loss available for		
	Equity Shareholders (in Lacs)	2,055	1,248
II.	Weighted average number of Equity Shares for Earnings Per Share computation:		
	Number of shares for Basic and Diluted Earnings Per Share	93,530,789	93,530,789
III.	Earnings Per Share:		
	Basic (in ₹)	2.20	1.33
	Diluted (in ₹)	2.20	1.33

30 Details of subsidiaries whose financial statements have been consolidated as at March 31,2012 are given below:

Name of the Subsidiary	Company of Incorporation	Proportion of ownership interest	
		March 31, 2012	March 31, 2011
Mihir Properties Private Limited	India	100%	100%
Aftek Sales and Services Private Limited *	India	100%	100%
Digihome Solutions Private Limited	India	51%	51%
Arexera Information Technologies AG	Switzerland	100%	100%
Opdex Inc.	USA	100%	100%
Aftek (Mauritius) Limited	Mauritius	100%	100%

*Struck off U/s.560 of the Companies Act, 1956 under Easy Exit Scheme 2011 on 25/01/2011, therefore Previous year accounts are prepared up to 25/01/2011

Note:

During the year, Arexera Information Technologies AG ,Opdex Inc. & Aftek (Mauritius) Limited ‘s investment and Loans and advances written off by Holding Comapny. As per management , Group does not control the operations & accordingly the same is not consolidated in the current year.

31 Disclosure as per Accounting Standard 15 (Revised) - Employee Benefits:

The Group has classified various benefits provided to employees as under:

I Defined Contribution Plans

a Provident Fund

b State Defined Contribution Plans

i. Employers' Contribution to Labour Welfare Fund

ii. Employers' Contribution to Employee's Pension Scheme 1995

During the year, the Group has recognised the following amounts in the Profit and Loss Account:

	Year Ended March 31, 2012	Year Ended March 31, 2011
Employers' Contribution to Provident Fund * [Includes Employers' Contribution to Employee's Pension Scheme 1995]	10.35	29.17
Employers' Contribution to Labour Welfare Fund*	0.03	0.02
Employers' Contribution to Employee's State Insurance Commission*	-	0.15

* Included in Contribution to Provident and Other Funds (Refer Note 25)

II Defined Benefit Plan

A	**Gratuity**		
i	**In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-**		
		Year Ended March 31, 2012	**Year Ended March 31, 2011**
	Discount Rate	8.25%	8.00%
	Rate of increase in Compensation Levels	5.00%	5.00%
	Rate of Return on Plan Assets	8.00%	8.00%
ii	**Changes in the Fair value of Plan Assets**	**Year Ended March 31, 2012**	**Year Ended March 31, 2011**
	Present Value of Plan Assets at the beginning of the year	7.76	15.77
	Expected Return on Plan Assets	0.62	1.26
	Actuarial Gain/ (Loss) on Plan Assets	(0.49)	(0.21)
	Contributions	-	5.13
	Benefits Paid	(6.66)	(14.19)
	Fair Value of Plan Assets at the end of the year	1.22	7.76
iii	**Changes in the Present Value of Obligation**	**Year Ended March 31, 2012**	**Year Ended March 31, 2011**
	Present Value of Obligation at the beginning of the year	70.49	89.80
	Interest Cost	5.82	7.18
	Current Service Cost	5.00	10.28
	Benefits Paid	(6.66)	(14.19)
	Actuarial (Gain)/ Loss	(17.89)	(22.58)
	Present Value of Obligation at the end of the year	56.75	70.49
	Non-Current Liabilities	44.08	41.39
	Current Liabilities	16.07	-

iv	Amount recognised in the Balance Sheet	Year Ended March 31, 2012	Year Ended March 31, 2011
	Present Value of Obligation at the end of the year	56.75	70.49
	Fair Value of Plan Assets	(1.22)	(7.76)
	Net Liability recognised at the end of the year	55.52	62.73
v	**Percentage of each category of plan assets to total fair value of plan assets as at March 31, 2012:**	**Year Ended March 31, 2012**	**Year Ended March 31, 2011**
	Administered by Life Insurance Corporation of India	100%	100%
vi	**Expenses recognised in the Profit and Loss Account**	**Year Ended March 31, 2012**	**Year Ended March 31, 2011**
	Current Service Cost	5.00	10.28
	Interest Cost	5.82	7.18
	Expected Return on Plan Assets	(0.62)	(1.26)
	Actuarial (Gain)/ Loss	(17.89)	(22.58)
	Total Expenses recognised in the Profit and Loss Account	(7.70)	(6.38)

vii Expected Contribution to Gratuity Fund for the next year ₹ 5.03 lacs (Previous Year: ₹ 5.13 lacs).

viii Details of Present Value of Obligation, Plan Assets and Experience Adjustment:

	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
Present value of obligation	56.75	70.49	89.80	69.56
Fair value of plan assets	1.22	7.76	15.77	27.62
(Surplus)/ Deficit	55.52	62.73	74.03	41.94
Experience Adjustments:				
(Gain)/ Loss on plan liabilities	(16.42)	(20.60)	(3.64)	(15.79)
Gain/ (Loss) on plan assets	0.49	(0.21)	(0.42)	0.01

III Other Employee Benefit Plan

Liability for compensated absences as at year end is ₹ 2.54 Lacs (Previous Year: ₹ 7.2 Lacs).

32 Related Party Disclosures

(a) Names of related parties and nature of relationship

(i) Other Related Parties with whom transactions have taken place during the year

Aftek Employees Welfare Trust #	Significantly influenced by
Aftek employees Gratuity Assurance Scheme	Key Management Personnel
Elven Technologies Pvt Ltd	(Controlled entities)
Mr. Ranvindranath Malekar	Shareholder & Senior Vice-President
Mr. Charuhas Khopkar	Shareholder & Senior Vice-President

(ii) Key Management Personnel

Mr. Ranjit M Dhuru
Mr. Nitin K Shukla
Mr. Mukul Dalal

Note:-

Aftek Employees' Welfare Trust (Unregistered) was created for the benefit of employees including Executive Directors. The purpose of the trust inter alia is to purchase/invest in the shares or other securities of Aftek Limited for the benefit of employees. As per the conditions of the trust deed, an interest free loan has been provided by the Company which is to be used for the purchase of equity shares of Aftek Limited. These shares may be allocated to the employees or the amount of profit earned on the sale of these shares may be distributed amongst the employees. During the year the trust has not sold any shares and made payment against loan.

(b) Related Party Disclosures

The following transactions were carried out during the year with the related parties in the ordinary course of business:

(₹ in Lacs)

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Loan & Advance Given						
Others	-	0.38			-	0.38
Total	**-**	**0.38**	**-**	**-**	**-**	**0.38**
Loan Taken						
Key management persons			141.98	43.65	141.98	43.65
others	-	-	41.03	-	41.03	-
Total	**-**	**-**	**183.01**	**43.65**	**183.01**	**43.65**
Repayment of Loan Given						
Others	14.50	0.03	-	-	14.50	0.03
Total	**14.50**	**0.03**	**-**	**-**	**14.50**	**0.03**
Remuneration to Directors	-	-	135.25	136.35	135.25	136.35
Total	**-**	**-**	**135.25**	**136.35**	**135.25**	**136.35**
Directors Sitting Fees	-	-	4.60	5.60	4.60	5.60
Total	**-**	**-**	**4.60**	**5.60**	**4.60**	**5.60**

(ii) Year End Balance:

Name of the Party	Outstanding Amount		Maximum Balance Outstanding at any time during the year	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Year end Balance Aftek Employees' Welfare Trust	10.45	24.95	24.95	24.95
Total	**10.45**	**24.95**	**24.95**	**24.95**

33 Disclosure of Derivatives:

i The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2012 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount	Foreign Currency Amount	Amount
		March 31, 2012	March 31, 2012	March 31, 2011	March 31, 2011
Sundry Debtors	USD EURO	187.92 43.42	9,613.10 2,967.14	224.74 56.21	9,980.00 3,512.00
Secured Loan - Ecb	Euro	45.00	3,075.31	45.00	155.25
UnSecured Loan - Fccb	USD	88.00	4,501.77	88.00	3,944.16
Capital Advances	USD EURO	317.48 17.78	15,967.45 1,163.58	167.57 -	7,445.31 -
Bank Accounts	USD Euro	- -	- -	155.77 1.25	6,921.03 77.90
Sundry Creditors	USD EURO	0.01 -	0.42 -	- -	0.05 -
Creditors for Expenses	USD EURO	0.08 -	4.06 -	- -	- -

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates (Revised 2003)" notified under Section 211(3C) of the Act.

34	Capital Commitments & Contingent liabilities not provided for :	Year Ended March 31, 2012	Year Ended March 31, 2011
	(a) Capital Commitments: Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for.(Refer Note no. 40)	Nil	5,885.49
	(b) Contingent liabilities not provided for :		
	i Corporate guarantee given to Bank for finance provided to Digihome Solutions Private Limited against which loan outstanding is (₹ in Lacs) 149.99 previous year (₹ in Lacs) 79.00}	779.00	779.00
	ii Pending assessement of Income tax and Sales tax(Including Interest, if any)		
	Income Tax matters	Amount unascertainable	
	Sales Tax matters	Amount unascertainable	

35 Segment Reporting:

Primary Segment Information

The Group is in the business of sale of software services which is viewed by the management as a single primary segment, i.e. business segment.

Secondary Segment Information - Geographical

The secondary segment information in relation to the geographies is as follows:

Regions	Year ended March 31, 2012 (₹ in Lacs)	%	Year ended March 31, 2011 (₹ in Lacs)	%
America	7,354.36	60.66%	8,815.50	56.93%
Europe	4,069.55	33.57%	5,411.51	34.94%
Japan	476.37	3.93%	729.51	4.71%
India	223.79	1.85%	385.26	2.49%
Others	-	0.00%	144.20	0.93%
Total Revenue	**12,124.07**	**100.00%**	**15,485.98**	**100.00%**

36 Operating Lease

The Group has significant operating leases for premises. These lease arrangements range for a period between 11 months and 10 years, which include both cancellable and noncancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

	Year Ended March 31, 2012	Year Ended March 31, 2011
a) Lease payments recognised in the Statement of Profit and Loss during the year	82.39	168.80
b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
- Not later than one year	55.12	53.04
- Later than one year and not later than five years	192.96	239.76

37 Foreign Currency Convertible Bonds

The Group had raised in aggregate USD 34.5 million through an issue of 3000 numbers of 1% Foreign Currency Convertible Bonds Due 2010 of USD 10,000 each ("FCCB") in June 2005 followed by 450 numbers of additional FCCB in July 2005 on account of exercise of green shoe option of 15%. The FCCBs bear interest @ 1% per annum with redemption at 128.25% of their principal amount. At the option of the Bondholders, FCCBs were convertible into Equity Shares/Global Depository Receipts ("GDRs") within a period of 5 years from the date of the original issue i.e. June 24, 2005 at the revised conversion price of ₹ 75.20 per share effective from June 25, 2006 (initial conversion price being ₹ 94/- per share) pursuant to the provisions of the Trust Deed executed in respect of the FCCBs. At the year end, 880 FCCBs were outstanding which, if converted into GDR/Equity shares at the reset Conversion Price of ₹ 75.20 per share, would have resulted into issuance of additional 5,099,202 numbers of equity shares of ₹ 2 each.

At the behest of the majority bondholders, the Group had initiated the process of re-setting the conversion price of the FCCBs in line with the applicable pricing guidelines. Approval of Reserve Bank of India for the same was received vide their letter No. FED/CO/ECBD/10308/03.02.775/11-12 dated October 31, 2011. The holders of the FCCBs vide their Written Resolution of 25th July, 2012 have consented, inter alia, to the revision of Conversion Price of FCCBs from ₹ 75.20 to ₹ 13.76 and elongation of maturity period from 25th June, 2010 to 21st December, 2012 as well as waiver of events of defaults and interest payments. Accordingly, the Group has executed a Supplemental Trust Deed on 25th July, 2012 with Bank of New York Mellon, the Trustees for giving effect to the aforesaid amendments.

Accordingly, all the outstanding 880 numbers of FCCBs, if converted into GDRs/Equity Shares at the reset conversion price of ₹ 13.76 would result into issuance of additional 2,78,67,733 numbers of equity shares of ₹ 2/-each.

38 Global Depository Receipts (GDRs)

The Group had issued 1,333,100 Global Depository Receipts (GDRs) on February 07, 2003 at a price of USD 11.25, per GDR with each GDR representing 3 equity shares of ₹ 10 each. Pursuant to Special Resolution passed at the Annual General Meeting held on December 29, 2003, equity shares of ₹ 10 each were sub-divided into smaller denomination of ₹ 2 each for which the Group had fixed January 29, 2004 as the Record Date. Corresponding increase was made to the number of GDRs from one to five in order to maintain the GDR to Equity proportion of 1:3.

Further, pursuant to the Special Resolution passed at the Annual General Meeting held on December 28, 2004, bonus shares in the proportion of one equity share for every two equity shares held on the record date of January 28, 2005 were allotted on January 31, 2005 resulting in increase in the number of GDRs.

No GDRs (PY No GDRs) were outstanding as at March, 2012.

As stated at Note No. 37, above, 880 numbers of 1% Foreign Currency Convertible Bonds Due 2010 were outstanding as at March, 31, 2012. In the event these FCCB were converted into GDRs, it would have resulted into issuance of 1,699,734 numbers of GDRs representing 5,099,202 numbers of equity shares at the then existing conversion price of ₹ 75.20. As detailed at Note No. 37,above, all the outstanding 880 numbers of FCCBs, if converted into GDRs/Equity Shares at the reset conversion price of ₹ 13.76 would result into issuance of 92,89,244 numbers of GDRs, representing 2,78,67,733 numbers of equity shares of ₹ 2/-each.

39 In view of the on-going slowdown in the European and US markets, there have been delays in receivables.The company is consistantly providing for the unrecovered debtors outststanding more than one year , if any, as bad debts.

In respect of Debtor of the 51% subsidiary, the Domestic debtors include amounts which are outstanding for period/ periods exceeding one year and for which no provisions is made, since management is confident to recover dues from their Clients.

40 The Group has given certain capital advances amounting to ₹ 41.49 crores against the building under constructions at Hinjewadi, Pune. The said Plot of land is mortgaged to Bank of India -Jersey Channel Islands against the term loan. However since the Group has made default in repayment of Principal and Interest thereon, Bank has demanded repayment total loan and taken the possession of the land alongwith the construction in progress. Pending the settlement of the vendors to whom advances are paid, the same is continued to be considered as capital advances. No Contingent liability is considered for the unexecuted Capital Contract.

41 The Group has invested on purchases of IPRs for various ongoing projects. Due to the delay in the projects, some IPRs are not taken by the Group against the money already paid, and some IPRs are yet to be put to use as on the date of balance sheet. The Group is of the opinion that with the improved market conditions all the IPRs will be profitably used by the Group in the future projects.

42 Dues to Micro, Small and Medium Enterprises (MSME)

The Group has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the ‘Act’) and hence disclosure regarding following has not been provided.

a) Amount due and outstanding to MSME suppliers as at the end of the accounting year.

b) Interest paid during the year to MSME

c) Interest payable at the end of the accounting year.

d) Interest accrued and unpaid at the end of the accounting year to MSME

The Group is making efforts to get the confirmations from the suppliers as regards their status under the Act. Management believes that the figures for disclosure will not be significant.

43 The Group has formulated a sheme of Financial restructuring to deal with current recession in the software industry, and the costs incurred on the product development and foreign curreny losses. Accordingly as per the scheme of arrangement Under section 100 to 103 read with section 78 of the Companies Act, 1956, The Hon'ble High Court of Judicature at Bombay, vide its Order dated 13th August, 2010 has sanctioned the scheme approved by members by the Special Resolution passed at the Extra-ordinary General Meeting held on 08th June, 2010 for utilization of ₹ 215.00 crores out of the balance standing to the credit of the Securities Premium Account for allocating and/or earmarking to adjust product development expenditure incurred/to be incurred, diminution in value of investments if any and loss arising on account of foreign exchange fluctuations. Accordingly, the resolution has been given effect to in the accounts of the Group to the tune of aggregating an amount of ₹ 196.80 crores in the financial year 2010-11 and balance ₹ 18.20 crores during the current year.

	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2012	Total
a)	Product Development Expenditure	18,578.96	-	18,578.96
	Diminution in value of investments	1.08	1,374.40	1,375.48
	Loss arising on account of foreign exchange fluctuations	1,099.83	445.73	1,545.56
	Total	**19,679.87**	**1,820.13**	**21,500.00**

b) Had the scheme not prescribed aforesaid treatment, the impact would have been as under:-

In the Profit and Loss Account	Year ended 31st March, 2011	Year ended 31st March, 2012	Total
Operating and Administrative Expenses	1.08	1,374.40	1,375.48
Other Income	(1,099.83)	(445.73)	(1,545.56)
Profit Before Taxation and Exceptional Items	(1,100.91)	(1,820.13)	(2,921.04)
Net(Loss)/Profit	(1,100.91)	(1,820.13)	(2,921.04)
EPS			
Basic (₹)	0.16	0.25	0.41
Diluted (₹)	0.16	0.25	0.41

In the Balance Sheet

Particular	Year ended 31st March, 2011	Year ended 31st March, 2012	Total
Reserves and Surplus			
Securities Premium Account	19,679.87	1,820.13	21,500.00
Profit and (Loss) Account	(1,100.91)	(1,820.13)	(2,921.04)
Fixed Assets			
Capital Work in Progress	18,578.96	-	18,578.96

Signatures to Notes "1" to "43" forming part of these Financial Statements.

As per our report of even date.
For GMJ & Co.
Firm Registration Number: 103429W
Chartered Accountants

Haridas Bhat
Partner
Membership No. 039070

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board of Directors

Ranjit M Dhuru
Chairman & Managing Director

Nitin K Shukla
Director - Finance

C. G. Deshmukh
Company Secretary

Place: Mumbai
Date: 31st August, 2012.

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDAIRY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(Amount in Rs '000)

Sr No	Details	Mihir Properties Private Limited##	Digihome Solutions Private Limited
1	Reporting Currency	INR	INR
2	Exchange Rate	-	-
3	Share Capital	145.00	476.45
4	Reserves & Surplus	112.37	729.91
5	Total Assets	267.98	1,915.30
6	Total Liabilities	0.83	368.95
7	Details of investment other than investment in subsidiary	-	-
8	% of holding	100.00	51.00
9	Turnover	3.50	125.08
10	Profit before taxation	(1.72)	(350.01)
11	Provision for taxation	0.53	-
12	Profit after taxation	(1.19)	(350.01)
13	Proposed Dividend	-	-
14	Country	INDIA	INDIA

Notes: Aftek (Mauritius), Arexera Information Technologies AG and Opdex Inc. have not carried out any business during the Financial Year.

AFTEK LIMITED

Regd. Office : “AFTEK HOUSE”, 265, Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai - 400 028

Reg. Folio No... No. of Shares................................

DPID No. ....

Client ID No. ....

PROXY FORM

I/We..of.................being member/members of Aftek Limited hereby appoint .... of.............................or failing him ....of.............................. or failing him......................... ....of ....as my/our proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held on 28th September, 2012 and at any adjournment(s) thereof.

Affix Revenue Stamp

Signed this ....day of 2012

Note : The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

ATTENDANCE SLIP

25TH ANNUAL GENERAL MEETING

Name of the attending Member / Proxy (in block letters)

Member’s Folio No. : No. of Shares held :

DPID No. :

Client ID No. :

I hereby record my presence at the 25th Annual General Meeting of Aftek Limited to be held at 10.30 a.m. on Friday, the 28th September, 2012 at The Queenie Captain Auditorium, The NAB-Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 025.

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Member’s / Proxy’s Signature

1. PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE ENTRANCE DULY FILLED IN.

If undelivered please return to :

AFTEK LIMITED
703-706, Makhija Chambers, 7th Floor, 196, Turner Road,
Opp H P Petrol Pump, Bandra (West), Mumbai - 400 050