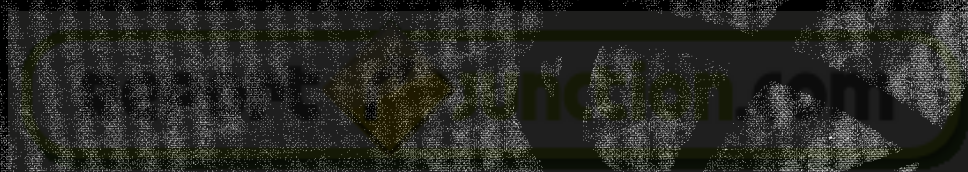




# Annual Report 2001 - 2002



ATEK Infosys Limited

# Annual Reports



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## BOARD OF DIRECTORS

Ranjit Dhuru	Chairman
Nitin K. Shukla	Director
Mahesh B. Vaidya	Director
Sunil M. Desai	Director
Dr.S.S.S.P. Rao	Director
S.P.Inamdar	Director
V.J. Masurakar	Director
Mahesh Naik	Director

## MANAGEMENT TEAM

Ranjit Dhuru	CEO
Nitin K. Shukla	CFO
Mahesh B. Vaidya	CTO
Sunil M. Desai	Engineering
Ashutosh V. Humnabadkar	Products
Promod V. Broota	Marketing
Charuhas V. Khopkar	Quality
Ravindranath U. Malekar	Software Products
Sandip C. Save	Production
Mukul S. Dalal	Institutional Sales

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## COMPANY SECRETARY

C. G. Deshmukh

## REGISTERED OFFICE

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

## BANKERS

The Ratnakar Bank Ltd.  
Dr Bhalerao Marg, Anna Balwant Bldg.,  
(Kelewadi), Girgaum, Mumbai 400 004

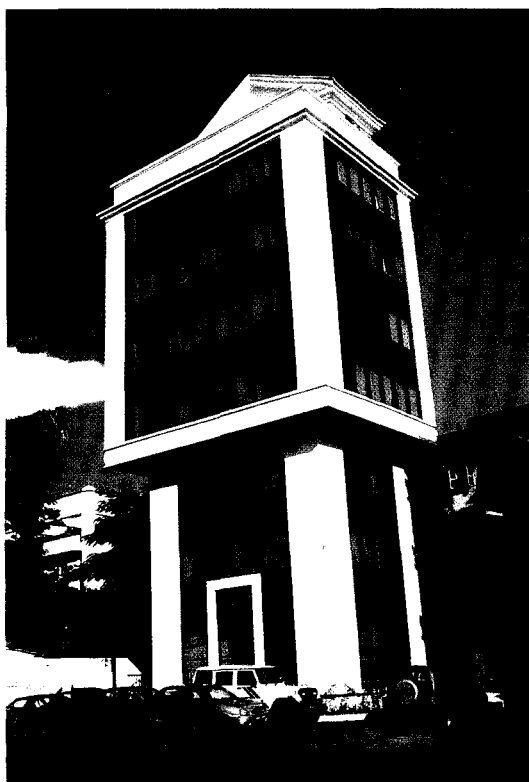
The Hongkong and Shanghai  
Asha Mahal, 46/B, Dr G  
Mumbai 400 026

## AUDITORS

M/s V D Joshi & Co., Chartered Accountants, 2 Jai Ashirwad, Y R Tawde Road, Dahisar (West)  
Mumbai 400 068

## REGISTRARS & TRANSFER AGENTS

M/s Bigshare Services Pvt Ltd E/2, Ansa Industrial Estate, Sakivihar Road, Andheri (East), Mumbai 400 072



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## Summary of Financial Performance

	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	CAGR (%)
Total Revenues	146.22	191.39	454.14	615.48	61.46
Exports - Products and Services	85.79	158.64	409.12	573.73	88.41
Cost of Revenues	66.31	91.42	205.68	277.44	61.14
Other Operating Costs	7.41	20.20	28.83	40.05	75.47
Operating Profit	72.50	79.77	219.63	297.99	60.19
Operating Profit Margin	49.58%	41.68%	48.36%	48.42%	-
Other Income	0.11	16.73	53.01	58.88	720.85
Profit After Tax	61.19	84.55	251.04	336.72	76.55
Earning Per Share	10.66	14.09	41.83	56.11	-
Dividend per share	12.50	20.00	25.00	35.00*	-
Net Worth	206.02	782.93	1,015.23	1,320.40	-
Debt	3.17	0.73	0.00	0.00	85.75
Fixed Assets	43.02	58.10	94.55	84.71	-
Net Current Assets	102.75	645.80	819.09	1,145.32	25.35
Market Capitalization #	470.74	11,179.30	972.11	2,478.29	123.38

All Figures in Indian Rs. Million unless stated otherwise

# Based on the closing price on the Bombay Stock Exchange on the last trading day of June

\* :Proposed.

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**Ranjit Dhuru**

Dear Stakeholders,

It gives me pleasure to present before you the 15<sup>th</sup> annual report of your company. The year has been one of the most challenging for the Information Technology sector all over the world. Global slowdown, slump in the US economy and falling technology spends further dampened by the tragedy of September 11 have all led to a weak market for technology products and services.

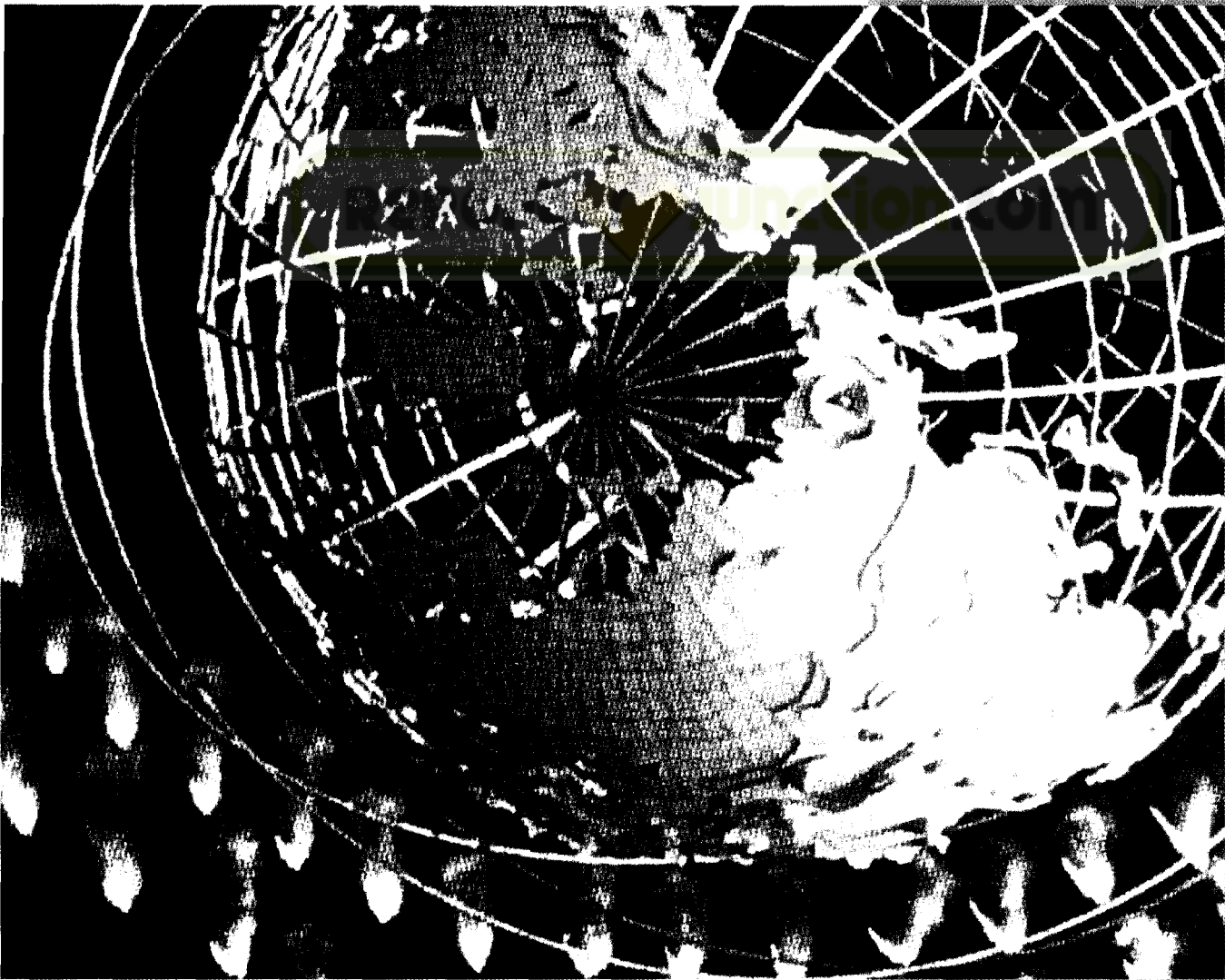
Despite this turbulence, your company has achieved business growth and improved earnings led by its effective planning and mid course changes based on the business environment. While the growth of our services revenues were hit by the slowdown, product revenues advanced helping us to achieve an overall revenue growth of 36%.

To diversify its geographical reach, your company has been making efforts to penetrate European markets. This has begun to bear fruit and during the year the revenue contribution from Europe have reached 11%. We believe that Aftek operations in Europe have now reached a critical mass and will significantly reduce our dependence on US markets. In other markets also your company continued to add new clients in both services and product segments providing greater stability to our operations. Your company's flagship product, Powersafe was a significant contributor to the company's performance and continues to attract new customers.

The ability to operate with diverse technologies has been a key strength of your company. The focus of the company is to develop applications that exploit the capabilities of wireless, embedded and networking technologies and deliver end-to-end solutions to solve customer problems. This requires continuous upgrading of technology and research infrastructure. Despite a tough economic situation and overall environment of cost reductions, your company has continued to invest in new technologies and its people to maintain its leadership position. During the year the company has also made considerable investments in its products such as Powersafe, Jadoogar and also initiated IPR development in security, access control and wireless communication areas. Your

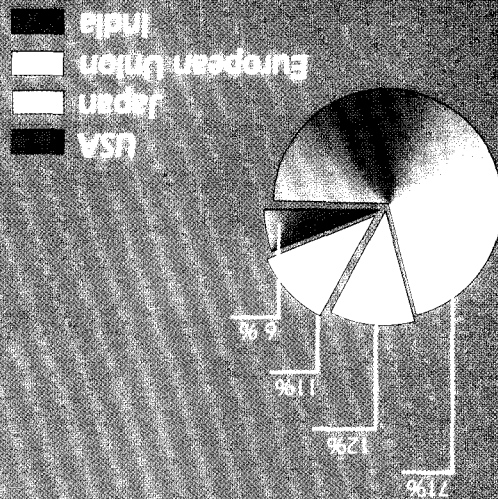


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Creating & Delivering Products  
and Services For  
Global Markets

Geographic Mix



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company owns a library of software components in the areas of information search, collaborative messaging, encryption, compression and biometrics that have been used in software services and product delivery to multiple clients. It is estimated that 12-15% of project work executed by your company comprises such reusable components and significantly improves our operating efficiencies. During the year, the company also added 6,000 square feet to its facilities taking it to 33,000 square feet.

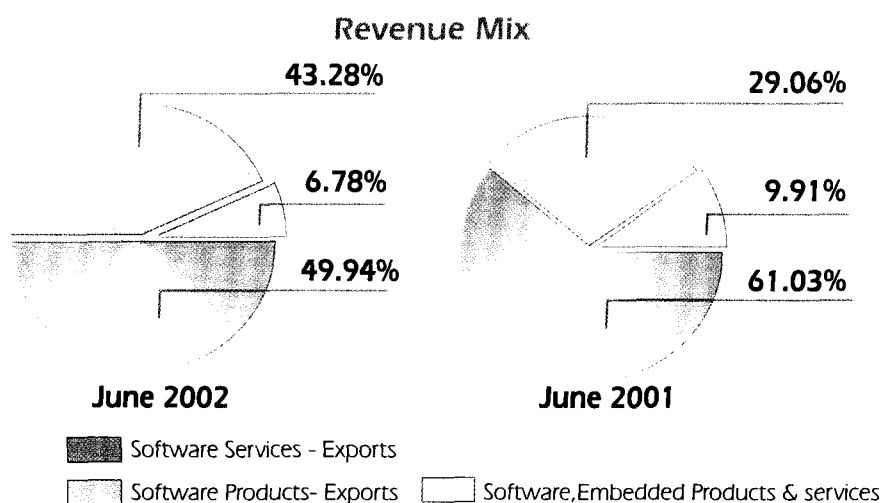
In overall terms, the year has been a satisfying one for the management amidst a turbulent environment especially for mid market companies. Our efforts in diversifying our client base, growth in both products and services business and building high-end technology skills have all resulted in a stronger and more resilient company to face the challenges that we see ahead of us in building Aftek into a global knowledge corporation. While there may be year to year variations in the contributions from services and product lines of business, however, we believe that our portfolio mix focused around our core skills in embedded, networking and wireless software areas will continue to provide

adequate stability to our future revenue growth.

To strengthen strategic level decision-making at the top management level, your company had invited some eminent persons to join the board of directors. I am happy to inform that four non-executive directors have been inducted into the board during the year. These include Dr. SSSP Rao, a renowned professor who was formerly the Head of Department of Computer Science & Engineering at IIT Mumbai and Mr. Srikant Inamdar who is currently at Executive Director of Spyranace Inc, a leading web-based outsourcing solutions company. Mr. Inamdar has held senior positions in Motorola including that of Managing Director of Motorola Australia. Mr. V J Masurekar, who is a tax and legal consultant with considerable experience, has also joined Aftek board. With over twenty-five years of experience in the information technology sector and specialization in data compression and encryption, Mr. Mahesh Naik also joins the board bringing a wealth of expertise to your company.

Your company's vision is to provide "affordable intelligence" to global corporations and consumers. With your continued support and the dedication of our people we are convinced that we shall achieve this goal.

Ranjit Dhuru





"Building Growth  
Through Partnerships"

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**" Those who are victorious plan efficiently and change decisively. They are like a great river that maintains its course but adjusts its flow. They have form but are formless. They are skilled in both planning and adapting and need not fear the result of a thousand battles for they win in advance defeating those that have already lost. "**

Sun Tzu, Chinese Warrior & Philosopher, 100-50 BC

Aftek has over the course of its history changed its path, moving into new areas where it can leverage its core competencies in technology and broaden its offerings to the global markets. Consequently, from its modest beginnings, Aftek has created a strong foundation in computer technology to deliver innovative solutions in the ever-changing world of customer requirements.

Aftek has strived to be at the leading edge of both hardware and software technologies to build products for its customers as well as create and own a number of products that are used by leading corporations of the world.

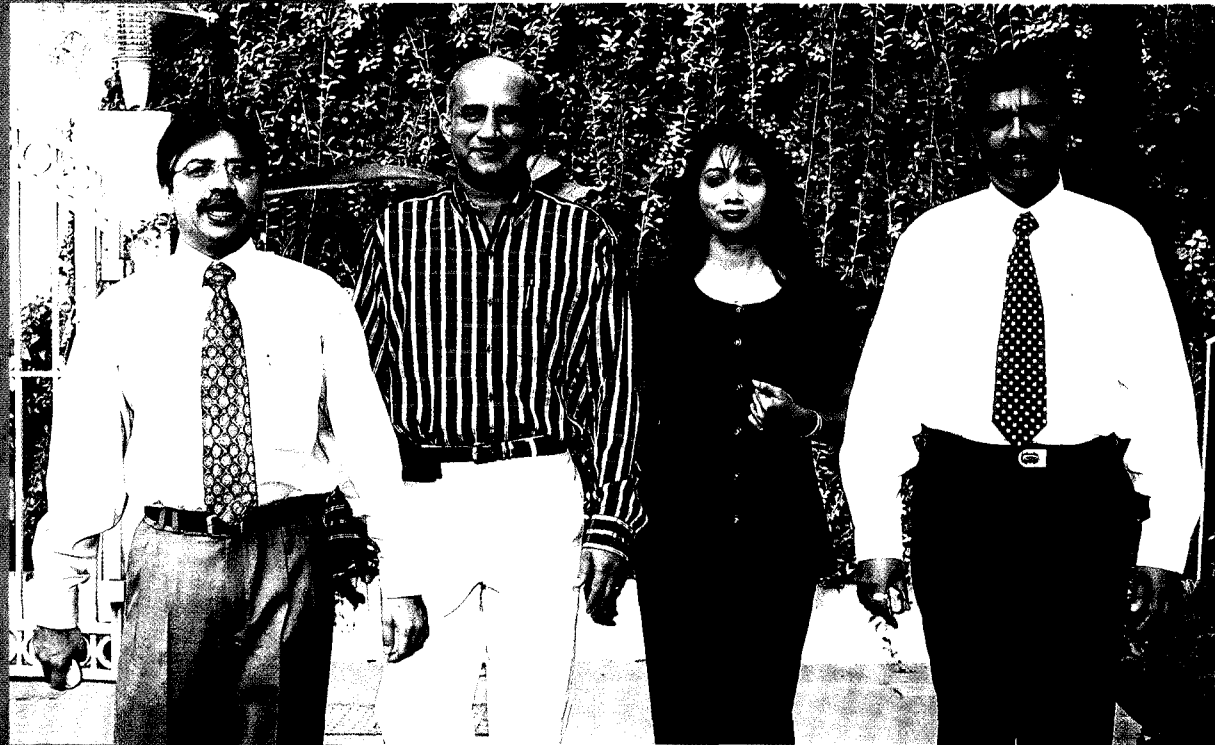
The challenge for Aftek to continuously build on these technological foundations, take risks of developing and marketing products without sacrificing revenue and profit growth is indeed a mammoth one. Very few Indian companies have been successful in both marketing its own products and services in the global marketplace. Aftek takes pride in this achievement through the dedication of its people and the careful planning that goes into every new initiative and program. We believe that these have helped Aftek achieve a unique place among Indian technology companies until now and will enable it to become a global knowledge corporation in the foreseeable future.

#### Business Model & Core Competencies

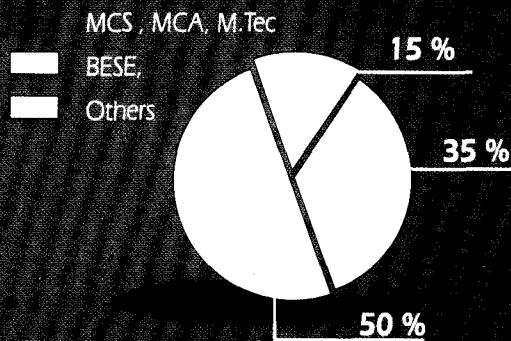
Since its inception, Aftek has been developing skills in the area of embedded, networking and wireless software areas as opposed to commercial applications . Aftek builds products and customised software for its clients in these areas leveraging its core competencies in the systems software area and the advantages of an India based offshore delivery model.



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**Employee Mix**

People :  
"Challenging young minds  
and rewarding excellence  
- value creation from  
Human Intelligence"

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The majority of Aftek's clients are therefore information technology companies and those that use technology intensively in their operations. These include software product, computer and telecom hardware, engineering and petrochemical companies among others.

Since the services provided by Aftek are based on client defined specifications for inputs and outputs, the need for on-site design, support, testing and implementation is limited leading to largely offshore delivery driven revenues. Realizing the value of creating software components that can be reused, wherever possible, Aftek encourages its clients to allow the company to retain the full or partial Intellectual Property Rights (IPR) of some of the projects modules it undertakes. The company reuses these components for undertaking future assignments shortening development cycles as well as improving profitability and revenue realizations for the company.

"A few years ago, our association with Aftek started with Aftek carrying out Embedded Software Maintenance Contract for one of our flagship product PW3100, a Signature capture interactive payment terminal in the POS (point of sale) arena. This technology has changed the way consumers conduct payment transactions throughout the world. Over 8.2 millions transactions are conducted daily using these devices. Their response time and the speed, which they executed in the complete code development and maintenance, were exemplary. With their capacity to understand product requirements and their diverse skill sets necessary for total solution, Aftek became our partners for developing and supporting our POS peripheral devices, SDK and Web services to capture and maintain transactions."

Llavan Fernando -President of @pos Inc. a wholly owned company of Symbol Inc. USA.

Aftek has developed products and components that are sold on a license basis to customers worldwide. This includes the flagship product Powersafe that provides a remote wireless enabled Uninterruptible Power Systems (UPS) management solution to managers of large corporate

networks. The product is compatible with the worlds leading e-business management frameworks including Unicenter from Computer Associates.

Our other product, Jadoogar manages devices connected to wired and wireless networks and finds applications for home and industrial segments. The product is capable of managing non-computing devices like vending machines, access control systems and household appliances. It supports a number of wired and wireless protocols such as Bluetooth, Wi-Fi and SNMP (Simple Network Management Protocol).

"The cooperation with Aftek is based not only on mutual trust but also due to its flexibility, dedication, devotion and capability for delivering quality products. The need of G-Tek for a reliable partner with highly innovative and creative people has been fully realised by Aftek. In these days, where time to market is a very crucial factor in the IT industry to be successful, we feel very confident with the team provided by Aftek to help develop our next product that will revolutionise the way people communicate."

Anthony Verloop, Vice President Marketing and Development, G-Tek Electronics

Aftek will continue to work in both providing services and products to the global market place with a focus on areas that leverage its core competencies. In this manner, the company hopes to build on its ability to offer technically competent services to its clients from its offshore development centres. At the same time use this expertise to build new products and IPRs that can generate higher margin non-head count driven revenues for the company over a period of time.

## Marketing

Aftek realized early that while market reach is essential especially for product business, direct presence in different geographies would put severe pressures on its operations and profits. To bridge this gap Aftek has chosen the path of establishing partnerships and distribution arrangements with well established companies in these geographies and domain areas.

Consequently, when Aftek developed Powersafe the Uninterruptible Power Systems (UPS) it chose to partner with Computer Associates to be able to market the product across around 100,000 strong installed base of their product- Unicenter.

"CA is excited about partnering with Aftek. Aftek's Powersafe, a smart certified with CA's Unicenter, can help enterprises realize a powerful goal in today's economy, which is to reduce costs by better leveraging investments in existing IT systems."

Stacy Leader Vice President Solution Partner Program

"We believe that Aftek Infosys (USA) Inc. represents an exciting business opportunity and see a huge potential market for the products it proposes to bring to market here in the USA and world-wide"

Dr. A.W Musgrave (Jr), President The Enterprise Network (TEN)