



AFTEK LIMITED

28TH ANNUAL REPORT 2014-2015



CONTENTS

CONTENTS	
1.	Notice 1
2.	Directors' Report 5
3.	Management Discussion & Analysis 14
4.	Corporate Governance 15
5.	Auditors' Report 26
6.	Balance Sheet 30
7.	Profit & Loss Account 31
8.	Cash Flow Statement 32
9.	Notes 35
10.	Consolidated financial statements 53
11.	Statement of Subsidiary Companies 79



BOARD OF DIRECTORS

MR. RANJIT DHURU	CHAIRMAN & MANAGING DIRECTOR
MR.NITIN K. SHUKLA	WHOLE-TIME DIRECTOR
MR.MUKUL DALAL	WHOLE-TIME 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

COMPANY SECRETARY

- Practicing M/s. Ramesh Chandra Mishra & Associates

REGISTERED OFFICE

16/A, Second Floor, Prabhadevi Industrial Estate,
The Enterprises Co-operative Society Ltd,
408, Veer Saverkar Marg, Prabhadevi,
Mumbai - 400 025, India

SOFTWARE DEVELOPMENT CENTRE

Siddhivinayak Angan Society,3rd Floor,
Above Café Coffee Day (CCD),
Katraj –Mumbai Highway Bypass,
Mumbai-Bangalore Highway
Narhegaon, Pune 411041

WORKS

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

BANKERS

State Bank of Bikaner and Jaipur Commercial Network Branch 239, P.D'Mello Road, Near G.P.O. Mumbai 400 001	The Hongkong and Shanghai Banking Corpn Ltd Asha Mahal, 46-B, Dr B G Deshmukh Road, Mumbai 400 026
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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 28th Annual General Meeting of the members of **AFTEK Limited** will be held as under:

Day : Thursday **Venue:** The Queenie Captain Auditorium, The NAB-Workshop for
Date : 31st December, 2015 the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 25.
Time : 11.00 a.m.

To transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2015, the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration:

To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

“Resolved that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30th December, 2014, the appointment of M/s. GMJ & Co. - Chartered Accountants (Firm Registration No. 103429W) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2020, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

SPECIAL BUSINESS:

3. To appoint Miss. Aditi Bhatt as an Independent Director

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

“Resolved that pursuant to Section 149, 152 and other applicable provision of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, the appointment of Miss. Aditi Bhatt (DIN: 7144131), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 as an Independent Director of the Company, by the Nomination & Remuneration Committee at their meeting held on 30/05/2015 and the Board at their meeting held on 30/05/2015 for a period of 5-years, from 30/05/2015 to 29/05/2020 not retire by rotation , be and is hereby approved and accordingly ratified.

By order of the Board

Ranjit Mohan Dhuru
Chairman & Managing Director
DIN-00044279

Dated: 14th November, 2015

Registered Office:

16/A, Second Flr., The Enterprises Co-Op.Sct. Ltd.
408, Veer Savarkar Marg, Dadar,
Prabhadevi, Mumbai – 400 025.
CIN: L57220MH1986PLC039342

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.**ITEM NO 3:**

The Board, at its meeting held on 30th May 2015, appointed Ms. Aditi Bhatt as an Additional Director of the Company. She was appointed as an Independent and Woman Director of the Company for a period of five years .As per section 149(6) of the Companies Act, 2013, She has furnished a declaration that she meets with the criteria for independence to act as an Independent Director of the Company.

On the recommendation of the Nomination & Remuneration Committee at their meeting held on 30/05/2015, the Board at their meeting held on 30/05/2015 appointed her in the Board as an Independent woman Director of the Company from 30th May 2015 for a period of five years and she is not liable to retire by rotation. She is only entitled for sitting fees.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Aditi Bhatt will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing her candidature for the office of director.

The Company has received from Ms. Aditi Bhatt: (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR -8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board of Directors, Ms. Aditi Bhatt - the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Ms. Aditi Bhatt as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Ms. Aditi Bhatt, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

NOTES:

1. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. Pursuant to cl. 15/16 of the Listing Agreement read with section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books will remain closed from Monday 21st December , 2015 to Friday 25th December, 2015 (Both days inclusive) for the purpose of AGM.
10. Members are requested to notify any correction /change in their name /address including Pin Code number immediately to the Companies Register/ Depository Participant .In the event of non – availability of Members latest address either in the Companies records or in Depository Participant's records, members are likely to miss notice and other valuable correspondence sent by the company.

11. Members are requested to kindly mention their Folio Number/ Client ID Number (in case of demat shares) in all their correspondence with the Companies Registrar to enable prompt reply to their queries.
12. With a view to using natural resources responsibly, we request shareholders to update their email address, with their Depository Participants to enable the Company to send communications electronically. The Annual Report 2014-15 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.
13. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are appended herein below.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
15. All documents referred to in the Notice will be available for inspection at the Company’s registered office during normal business hours on working days up to the date of the AGM.
16. The shareholder needs to furnish the printed ‘attendance slip’ along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license, to enter the AGM hall.
17. As per provisions of the Companies Act, 2013, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Ministry of Company affairs.

As required under the listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/reappointed are given below:

Name of Director	Miss Aditi Bhatt
Date of Birth	26/08/1986
Date of Appointment	30/05/2015
Qualification	ACS,M.Com
Expertise in Specific Functional Area	Corporate Legal & Finance
Executive & Non- Executive Director	Non-Executive Director
Promoter Group	NO
Independent Director	NO
Chairman/Member of Committees of the Boards of Which she is a Director	A. India Home Loan Ltd 1. Member of Nomination & Remuneration Committee 2. Member of Asset Liability Committee B. Sky Industries Limited 1. Member of Nomination & Remuneration Committee 2. Member of Stakeholder Relationship Committee
No of Shares held	NIL
Term	5-years
Other Directorship	1. M/s Sky Industries Ltd 2. M/s. India Home Loan Ltd

The instructions for shareholders voting electronically are as under:

- (i) The remote-evoting period begins on Monday 28th December 2015 at 9.00 a.m. and ends on Wednesday 30th December 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th December 2015 may cast their vote electronically. The remote-evoting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the remote-evoting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. * If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant AFTEK LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
 - * Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - * A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - * After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - * The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - * A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

DIRECTORS' REPORT

To,
The Members of Afttek Limited,

Your Directors are pleased to present their 28th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015. Members may kindly note that vide letter dated 10th September, 2015 received from Government of India, Ministry of Corporate Affairs, Office of the Registrar of Companies, Maharashtra, the Company has obtained extension of three months for holding the Annual General Meeting.

FINANCIAL PERFORMANCE

PARTICULARS	AMOUNT (₹ IN LACS)	
	31/03/2015	31/03/2014
TURNOVER	5260	7575
PROFIT BEFORE DEPRECIATION	3653	5868
LESS DEPRECIATION	5599	7756
PROFIT/(LOSS) BEFORE TAX	(1946)	(1887)
LESS: PROVISION FOR TAXATION/REVERSAL OF DEFERRED TAX	NIL	(54)
PROFIT AFTER TAX	(1946)	(1833)
TRANSFER TO GENERAL RESERVE	NIL	NIL

DIVIDEND:

In view of the loss incurred during the year, it has not been possible for your Directors to recommend any dividend for the year.

BUSINESS REVIEW & FUTURE PROSPECTS

Your company's performance during the year has been well below par. The financial restructuring and closure of banking with delays in getting the Defense verticle projects is largely responsible for this dismal performance. The below par turnover add with the dollar fluctuations and writing off certain bad debts the company's balance sheet carries a loss of ₹ 19.46 crores.

In order to inject funds from the investor your company needs to complete the financial restructuring and the closure of the banks. Your directors are confident that with the Indian economy now catching steam and the reforms viz GST process getting in place the economic environment is expected to improve making the investment climate better, also the further opening up of the Defense sector for FDI the "Make in India" would gather momentum largely benefiting company's like ours operating in this space.

As communicated during the last AGM your company is engaged in serious discussion with investors who have liked the indigenous product and manufacturing strategy now popularly known as "make in India", In Defense, smart city, smart home and Integrated Intelligent Transport. Keeping this in mind, the directors had proposed an enabling resolution to accommodate the new set of investors. In view of the above your Directors are actively pursuing the financial restructuring, closure of Bank Loans and injecting fresh funds through the prospective investors.

FINANCE

While the recovery of receivables continued to remain at a slow rate, your Company had to write off sizable amounts as bad debts during the year. While proposal for one time settlement of the dues of lending bankers has been on a positive track, the closure of loan accounts has been delayed in spite of Company's rigorous efforts for early settlement.

The 354 numbers of FCCBs, if converted into GDRs/equity shares at the conversion price of ₹ 13.76 would result into issuance of additional 1,12,10,428 numbers of equity shares of ₹ 02/-each.

DIRECTORATE

Pursuant to Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, Miss Aditi Bhatt (DIN 07144131) is proposed to be appointed as Independent Directors to hold office for five consecutive years.

Brief resume of the Director proposed to be appointed/re-appointed, nature of her expertise in specific functional areas, names of the Companies in which she hold directorships and membership/Chairmanship of Committees of the Board, her shareholding in the Company and inter-se relationship with Directors, as stipulated under section 149(6) of the Companies Act, 2013 and Clause 49 of Listing Agreement entered into with the Stock Exchanges, are set out in the Notice forming part of the Annual Report.

The Board commends the resolution to the members for the respective appointment .

FIXED DEPOSITS

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

AUDITORS

The present Statutory Auditors of the Company, M/s. GMJ & Co., Chartered Accountants, was appointed as the statutory Auditor of the company upto financial year 2018-19 subject to ratification at every year by the members.

The Company has received a letter as required under Section 141 of the Companies Act, 2013 from M/s. GMJ & Co., Chartered Accountants, confirming their eligibility and willingness to act as Statutory Auditors, if re-appointed. M/s. GMJ &

Co., Chartered Accountants shall be appointed as Statutory Auditors of the Company to hold office for the remaining period from the conclusion of this Annual General Meeting until the conclusion of the fifth Annual General Meeting to examine and audit the accounts of the Company for the financial year 2015-16, 2016-17, 2017-18 and 2018-19 subject to ratification by the members of the Company at all the subsequent AGMs.

AUDITORS REPORT

The Auditors have made certain qualification to the financial statement. Their reports on relevant notes on accounts are self-explanatory and comments of the Board under section 134 of the companies Act, 2013 are self explanatory.

Auditor qualification and management reply

Point No.	Auditors' qualifications	Management reply
(i)	Basis for qualified opinion	
	<i>Note no.39 regarding, Management has not considered any provision in respect of outstanding Debtors for a period more than 12 months amounting to Rs. 22,398.36 Lacs which in our opinion, as evidenced by the poor recovery made during the year, are doubtful of recovery. Consequently, profit before tax is overstated by Rs. 22,398.36 Lacs. Further in our view there is significant uncertainty as to ultimate collection of Debtors due to non-receipt from overseas debtors. Therefore we are further unable to comment on recoverability of balance debtors amounting to Rs.4,995.58 Lacs</i>	(i) In view of the on-going slowdown in the European and US Markets, there have been delays in receivables. Considering the size and standing of its debtors, the company has not made any provision at this stage. The Management is putting more efforts for the recovery.
(ii)	<i>Note no.40 regarding, company has given certain capital advances and made some investments totaling to Rs.6975.20 Lacs towards the building under construction at Hinjewadi, Pune, upto the year ended, 31-3-2010, thereafter there are no further developments/construction made. 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. The bank has called for bids at a base price of Rs.1800.00 Lacs. There is no provision made towards the eventual loss on such auction, which is presently not ascertainable till such disposal. The bank has now agreed for an one time settlement (OTS) of outstanding for Rs.2600 lacs;</i>	(ii) Bank has issued one time settlement (OTS), final stage of negotiations are going on. Completion of the same necessary entries will be made to close these transactions.
1.	Emphasis of matter	
	<i>Note no.34 b (ii) regarding Liability if any of the pending assessment under Income Tax, Sales tax (including interest, if any) which are presently not ascertainable</i>	1. Regarding Income-tax on completion of Assessment for the F.Y. 2010-2011 around Rs.1.50 crores is due. Regarding Sales tax about Rs.10.00 lacs . as the position has now improving these are being cleared-off very soon.
2.	<i>Without qualifying our opinion, we draw attention to Note No.41 regarding intangible Assets under development for various ongoing projects. Due to the delay in the projects, Intangible Assets under development for Rs.19910.32 Lacs 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 Assets under development will be profitably used by the company in the future projects</i>	2. These intangible assets acquired by the company for the ongoing projects. Some part of the same already put to use balance will be early next year i.e. April, 2016.
(iv)	ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT In our opinion and according to the information and explanations given to us, having regard to the explanation that the IPRs 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.	(iv) Company is having internal audit control system to monitor usage of IRRS etc. The said Reports will be submitted to the Audit Committee every quarterly for taking necessary action.
(vii)	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, Employees State Insurance, Sales-tax, Wealth Tax, Service Tax	(a) As the position has now improving these are being cleared-off very soon.

	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, 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:	
(ix)	According to the information and explanations given to us the company has defaulted in repayment of dues to a bank the details of the same as on 31st March, 2015 are as mentioned below.	(xi) Bank has agreed for one time settlement (OTS), the same is in final stage, expected to close these issues on or before end of this current financial year i.e. March, 2016

AUDITORS' REPORT**CONSOLIDATED FINANCIAL STATEMENTS:**

The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015, prepared in accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements is provided in the Annual Report.

SUBSIDIARY COMPANIES:

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is Annexure -I in this Board's Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements together with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing with Stock Exchange in India, is presented in a separate section forming part of the Annual Report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company or any of its subsidiaries during the year.

FIXED DEPOSIT:

As on 31st March, 2015, the Company held no deposit in any form from anyone. There was no deposit held by the company as on 31st March, 2015, which was overdue or unclaimed by the depositors. For the present, the Board of Directors has resolved that not to accept any deposit from public.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

During the year under review there were no material change and commitment affecting the financial position of the Company.

NUMBER OF MEETINGS OF THE BOARD:

The Board met 5 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Companies Act, 2013 provides the appointment of Independent Directors. Pursuant to the provisions of Section 149 (4) of the Companies Act, 2013 provides that every listed company shall have at least one-third of the total number of directors as independent directors. The Board of the Company is already in compliance with aforesaid section.

As per the Section 149(10) of the Companies Act, 2013 provides that independent director shall hold office for a term of upto five consecutive years on the Board of the Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company.

Further, according to the Section 149 (11) of the Companies Act, 2013, no independent director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

The Nomination and Remuneration Committee on 30/05/2015 has confirmed and ratified the appointment of Miss Aditi Bhatt as an Independent Director of the company for a period of five years starting from 30/05/2015 upto 29/05/2020 and who are not liable to retire by rotation. On the recommendation of the Nomination and Remuneration Committee, the Board seeks the ratification of the same from the members of the Company.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director.

The format of the letter of appointment is available on our website, www.aftek.com

INDEPENDENT DIRECTORS DECLARATION:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Independent Director under section 149(6) of the Companies Act, 2013 declared that:

1. She is not a promoter of the Company or its holding, subsidiary or associate company;
2. She is not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. The independent Director have /had no pecuniary relationship with company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of the relatives of the Independent Director has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Independent Director, neither himself nor any of his relatives:
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent. or more of the gross turnover of such firm;
 - (iii) Holds together with his relatives two percent. or more of the total voting power of the company; or
 - (iv) is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives twenty-five percent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent. or more of the total voting power of the company;
6. Independent Director possesses such qualifications as may be directed by the Board. The Company & the Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.

BOARD EVALUATION:

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors should be done by the entire Board of Directors, excluded the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

PERFORMANCE OF THE BOARD AND COMMITTEES:

During the year under review, the performance of the Board & Committees and Individual Director(s) based on the below parameters was satisfactory:

- (i) Most of the Directors attended the Board meeting;
- (ii) The remunerations paid to executive Directors are strictly as per the company and industry policy.
- (iii) The Independent Directors only received sitting fees.
- (iv) The Independent Directors contributed a lot in the Board and committee deliberation and business and operation of the company and subsidiaries based on their experience and knowledge and Independent views.
- (v) The Credit Policy, Loan Policy and compliances were reviewed periodically;
- (vi) Risk Management Policy was implemented at all critical levels and monitored by the Internal Audit team who places report with the Board and Audit committee.

MEETING OF INDEPENDENT DIRECTORS:

Pursuant of the provision of Section 149 (8) of the Companies Act, 2013 read with Schedule IV and Clause 49 of the Listing Agreement, the Independent Directors of the Company held their meeting on 02nd February, 2015, reviewed the performance of non-independent directors and the Board as a whole including the Chairperson of the Company, views expressed by the executive directors and non-executive directors at various level, and quantified the quality, quantity and timeliness of flow of information between the Company, management and the Board and expressed satisfaction.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on 31st March, 2015, the Board consists of 7 members. Out of which one is the Managing Director, two is Whole Time Directors and one Women Director.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board and are stated in this Board report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

COMMITTEES OF THE BOARD:

Currently, the Board has Seven Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Risk Management Committee, 4) Corporate Social Responsibility Committee, 5) Shares Transfer /Investor Grievances Committee, (6) Stakeholders Relationship Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance Report that forms part of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the Section 178 of the Companies Act, 2013, the Company has set up a Nomination and Remuneration and Stakeholders Relationship Committee under the Chairmanship of the Independent Director Mr. Mahesh Naik, Mr. Sandip C. Save and Mr. Ranjit Dhuru.

The Gist of the Policy of the said committee:

For Appointment of Independent Director (ID):

- a. Any person who is between the age of 25 years and below 75 years eligible to become Independent Director(ID);
- b. He has to fulfill the requirements as per section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement;
- c. Adhere to the code of conduct as per Schedule IV to the Companies Act, 2013;
- d. Strictly adhere to the Insider Trading Regulation of the SEBI and Insider Trading policy of the Company;
- e. Independent Director should have adequate knowledge and reasonably able to contribute to the growth of the Company and stakeholders;
- f. Independent Director should be able to devote time for the Board and other meetings of the company;
- g. Entitled for sitting fees and Reasonable conveyance to attend the meetings; and
- h. Able to review the policy, participate in the meeting with all the stakeholders of the company at the Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The composition of Corporate Social Responsibility Committee as per the provisions of section 135 (2) of the Companies Act, 2013:

Sr.No. Composition, Name Of Members

1	Mr. Mahesh Naik- Chairman
2	Mr. Ranjit Dhuru - Managing Director
3	Mr. Nitin K. Shulka– WTD
4	Mr. Sandip C. Save

Over the years, we have been striving to achieve a fine balance of economic, environmental and social, while also paying attention to the needs and expectations of our internal as well as external stakeholders. Our corporate social responsibility is not limited to philanthropy, but encompasses holistic community development, institution building and sustainability related initiatives. During the year under review, CSR activity is not applicable to the company.

RISK MANAGEMENT POLICY

The company has developed Risk Management Policy mainly covering the following areas of concerns

1. License and policy of respective government all over the world in connection with export of goods and matter in connection with Software Products.
2. Adequate policy in connection with foreign exchange, management fluctuations thereof duly placed before the Board.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to Board.

M/s. Udit S. Master, Chartered Accountant is the internal Auditor of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the Section 134(3)(c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2015 on a 'going concern' basis.
- (v) The internal financial controls laid and have been followed by the company and that such controls are adequate and are operating effectively. Such controls means controls and policies and procedures adopted and adherence by the company for orderly and efficient conduct of the business for safeguarding assets, prevention and detection of frauds and errors and maintenance of accounting records and timely preparation of financial statements and review its efficiency.
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL AUDITOR

M/s. Ramesh Chandra Mishra & Associates, Company Secretary in Practice was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for F.Y. 2014-15 is Annexure-III to this Board's Report.

The Board has re-appointed M/s. Ramesh Chandra Mishra & Associates, Company Secretary in Practice, as secretarial auditor of the Company for the financial year 2015-16.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) CONSERVATION OF ENERGY:

The Company continues its policy of encouraging energy conservation measures. The regular review of energy consumption and the systems installed to control utilization of energy is undertaken.

B) RESEARCH & DEVELOPMENT ACTIVITIES:

There is a dedicated team being formed which will conduct market research on the latest molecules and the advancements in pharmaceuticals and prepare the inputs which will be used to create the R&D Pipeline. Continuous efforts are being made to improve reliability and quality through in house R&D efforts which is headed by WTD Mr. Nitin K. Shukla.

C) TECHNOLOGY ABSORPTION:

The Company is equipped with technologies from world's leaders.

D) FOREIGN EXCHANGE EARNINGS & OUTGO:

	(₹ in Lacs)	
	2014-2015	2013-2014
a. Foreign Exchange Earned	5161.24	7439.82
b. Foreign Exchange Used	110.85	4750.77

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any, in staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

RELATED PARTY TRANSACTIONS/CONTRACTS:

Pursuant to the Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is Annexed-IV to this Board's Report.

The details of such related party transactions are available in the Notes to the Standalone financial statements section of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

EXTRACT OF ANNUAL RETURNS

Pursuant to the Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return is Form MGT-9 is Annexure-V.

HUMAN RESOURCES MANAGEMENT:

We take this opportunity to thank employees at all levels for their dedicated service and contribution made towards the growth of the company. The relationship with the workers of the Company's manufacturing units and other staff has continued to be cordial.

To ensure good human resources management at the company, we focus on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the Company, employees are motivated through various skill-development, engagement and volunteering programs.

As per provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is Annexure-VI to this Board's report.

In terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee(s) drawing remuneration in excess of limits set out in said rules forms part of the annual report.

Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours from 11 a.m to 2 p.m on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

CORPORATE GOVERNANCE:

A Report on Corporate Governance along with a Certificate from Mr. Udit S. Master, Chartered Accountant, regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchange forms part of this Report and Annexure-VII to this Board's Report.

INSURANCE OF ASSETS

All the fixed assets, finished goods, semi-finished goods, raw material, packing material and goods of the company lying at different locations have been insured against fire and allied risks.

BANK AND FINANCIAL INSTITUTIONS

Directors are thankful to their bankers for their continued support to the company.

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

PLACE : MUMBAI
DATED : 14th November, 2015

RANJIT DHURU
CHAIRMAN & MANAGING DIRECTOR
DIN- 00044279

ANNEXURE III**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Aftek Limited
Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aftek Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder and certain provisions of Companies Act, 1956 and rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
8. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
9. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period); Other laws applicable specifically to the Company namely:
10. Information Technology Act, 2000 and the rules made thereunder ;
11. The Payment of Gratuity Act, 1972 ;
12. Secretarial Standards issued by The Institute of Company Secretaries of India.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above, save and except the following:

1. The company has not filed returns under listing agreement as on due date with Stock Exchange
2. The company has not filed returns under Companies Act 2013 as on due date with ROC.

I further report that, there were no actions / events in pursuance of:

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

Further based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the course and conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder except as stated above and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner as required under the various provisions of Companies Act, 2013, SEBI Act, 1992 and all other laws and applicable provisions there under.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / CEO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Mumbai

Date: 14th November, 2015

For Ramesh Chandra Mishra & Associates

Sd/-

Ramesh Chandra Mishra

FCS: 5477

PCS: 3987

Management discussion and Analysis**Business review:**

During the financial year 2014-2015, Aftok recorded net sales of Rs. 52.60 crores, comprising of Rs. 50.86 crores from Services and Rs. 1.73 crores from Software Driven Products (SDP).

Sales by Category 2014-2015 - %		Sales by Category 2013-2014- %	
Services	96.70	Services	81.51
Products	NIL	Products	16.01
Embedded Products	3.30	Embedded Products	2.48
Sales by Region 2014-2015- %		Sales by Region 2013-2014- %	
USA	65.76	USA	73.15
EUROPE	27.57	EUROPE	17.64
JAPAN	3.38	JAPAN	6.74
DOMESTIC	1.88	DOMESTIC	1.28
OTHERS	1.42	OTHERS	1.20

REPORT ON CORPORATE GOVERNANCE**Company's philosophy on corporate code of governance**

The Company recognizes that good governance practices originate from the philosophy and mindset of the organization.

The Company reiterates its commitment to adhere to the highest standards of Corporate Governance which is founded upon a rich legacy of integrity, fairness, transparency, timely disclosures, equity and accountability for the long term enhancement of the shareholders 'stakeholders' value and interest. 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:**

The Company has an Executive Chairman and thus, the Board should comprise of 50% Independent Directors. The Company currently comprises of 5 Directors out of which 2 are non- Executive Directors .

(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: 30/05/2014, 14/08/2014, 14/11/2014, 28/11/2014 and 14/02/2015.

(iii) Directors' attendance and directorships held as on 31/03/2015:**COMPOSITION OF BOARD AS ON 31st MARCH, 2015**

SR.NO	NAME OF DIRECTOR	CATEGORY	DESIGNATION
1	Mr. Mahesh Naik	Independent Director	Chairman
2	Mr. Sandip C. Save	Independent Director	Director
3	Mr. Ranjit Dhuru	Promoter and Executive Director	Managing Director
4	Mr. Nitin K. Shukla	Executive Independent Director	Whole Time Director
5	Mr. Mukul Dalal	Executive Independent Director	Whole Time 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.

Name of Director	No. of Meetings Attended
Mr. Mahesh Naik	4
Mr. Sandip Save	4
Mr. Ranjit Dhuru	4

B. COMMITTEES OF THE BOARD**i) AUDIT COMMITTEE:**

The Audit Committee currently comprises of 3 directors, namely, Mr. Mahesh Naik, Mr. Sandip Save, Independent Non-executive Directors and Mr. Ranjit Dhuru, CMD. Mr. Sandip Save acts as the Chairman of the Committee.

During the year under review, 4 meetings of the Audit Committee were held on

Powers of the Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
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 and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - 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; and
 - 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE**Brief description and terms of reference**

The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Managing Director/ Whole Time Directors; sitting fee payable to our Non-Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives.

Composition of Nomination and Remuneration Committees as on 31st March, 2015

Sr.No.	Name of Members	Designation
1	Mr. Mahesh Naik	Chairman
2	Mr. Sandip C. Save	Director
3	Mr. Ranjit Dhuru	Managing Director

ROLE OF THE COMMITTEE:

The role of Nomination and Remuneration Committee is as follows:

- determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
- determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
- evaluating performance of each Director and performance of the Board as a whole;

RISK MANAGEMENT COMMITTEE**Brief description and terms of reference**

The Company has a well-defined risk management framework in place. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks. The risk management measures and controls are presented to the Members of the Audit Committee and the Board of the Company.

Composition of Risk Management Committee as on 31st March, 2015

Sr.No.	Name of Members	Designation
1.	Mr. Ranjit Dhuru	Managing Director
2.	Mr. Mukul Dalal	Wholetime Director
3.	Mr. Mahesh Naik	Independent Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**Brief description and terms of reference**

As per the Companies Act, 2013, all Companies that have a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year will be required to constitute a corporate social responsibility (CSR) committee of the Board consisting of three or more directors, at least one of whom will be an independent director.

Composition of Corporate Social Responsibility Committees as on 31st March, 2015

Sr.No.	Name of Members	Designation
1	Mr. Nitin Shukla	Chairman
2	Mr. Ranjit Dhuru	Managing Director
3	Mr. Sandip C. Save	Director

The purpose of the committee is to formulate and monitor the CSR policy of the Company. The CSR committee has adopted a policy that intends to:

- Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- Be responsible for the corporation's actions and encourage positive impact through its activities on the environment, communities and stakeholders. The committee will be overseeing the activities / functioning of the Company in identifying the areas of CSR activities, programs and execution of initiatives as per predefined guidelines.

During the financial year ended 31st March, 2015, CSR is not applicable to the Company.

SHARES TRANSFER COMMITTEE

Brief description and Terms of Reference

The Board has delegated the powers to a committee to approve transfer/transmission of shares and attend to all other matters related thereto.

Composition of Shares Transfer Committees on 31st March, 2015

Sr.No.	Name of Members	Designation
1	Mr. Sandip Save	Chairman
2	Mr. Mahesh Naik	Director
3	Mr. Ranjit Dhuru	Managing Director

Company has conducted Shares Transfer Committee meetings on.

April – June

July – September

October – December

January – March

Name of Company Secretary & Compliance Officer – Mr. Nitin K. Shukla

Email Id: nitin@aftek.com

STAKEHOLDER RELATIONSHIP COMMITTEE

Brief description and Terms of Reference

To specifically look into redressal of complaints like transfer of shares, non- receipt of dividend, non-receipt of annual report etc. received from shareholders/ investors and improve efficiency. The Committee performs such other functions as may be necessary or appropriate for the performance of its duties.

Composition of Stakeholder Relationship Committees on 31st March, 2015

Sr.No.	Name of Members	Designation
1	Mr. Sandip Save	Chairman
2	Mr. Mahesh Naik	Director
3	Mr. Ranjit Dhuru	Managing Director

SUBSIDIARY COMPANIES

The company presently has 1 foreign subsidiaries which are not “material non-listed Indian subsidiary”.

Clause 49 of the Listing Agreement defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, 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.

Under this definition, the Company did not have any “material non-listed Indian subsidiary” during the year under review. The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and adequate resources. For more effective governance, the Minutes of Board Meetings of Subsidiaries of the Company are placed before the Board of Directors of the Company for their review at every quarterly Meeting.

MANAGEMENT REVIEW AND RESPONSIBILITY

FORMAL EVALUATION OF OFFICERS

The Remuneration Committee of the Board approves the compensation and benefits for all executive Board members. Another committee, headed by the MD, reviews, evaluates and decides the annual compensation of our officers from the level of executive upwards.

DISCLOSURES**1. RELATED PARTY DISCLOSURES:**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors, their relatives etc. that may have potential conflict with the interest of the Company at large: None of the transaction with any of the related parties was in conflict with the interested of the Company.

2. ACCOUNTING TREATMENT:

The account treatments are in accordance with the applicable accounting standard. The company has not altered or adapted any new standard.

3. COMPLIANCE BY THE COMPANY:

Details of non-compliance by the Company, penalties, and stricture imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

The Company has complied with the requirement of regulatory authorities on matters related to capital market and no penalties/ stricture have been imposed against the Company during the last three years.

4. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) regulations, 1992 as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading. Ms. Sushama Yadav is the Compliance Officer for this purpose.

1. Registrar and Transfer Agent:**SHARE TRANSFER SYSTEM**

M/s. Bigshare Services Pvt. Ltd. Private Limited continues to be the Registrar and Transfer Agent of the Company. All the work related to share Registry in terms of both Physical and Electronic segment has been allotted to M/s. Universal Capital Securities Private Limited., in view of the directive issued by SEBI in this regard i.e. for handling both Physical as well as Electronic transfer at a single point.

Shareholders are therefore requested to send shares for Physical transfer to M/s. Bigshare Services Pvt. Ltd. instead of sending to the Company. As the Company's Shares are compulsorily to be traded in dematerialized form. Members holding shares in Physical Form are requested to send the share certificate to their Depository Participants to enable Registrar and Transfer Agent to take steps for dematerialization at the following:

The address of Registrar and Transfer agents is:

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka
Andheri – (East),
Mumbai – 400 072
Phone No.: 022 4043 0200
Email: - shubhangi@bigshareonline.com

2. Dematerialisation of Shares

As on 31st March, 2015: 109754961 shares, representing 99.61 % of the total issued capital, were held in dematerialized form and 433130 shares, representing 0.39 %of the total issued capital is held in Physical form.

3. Outstanding ADRs / GDRs

The company has not issued any ADRs / GDRs

4. Factory/ Plant Location:**Software Centre:**

Siddhivinayak Angan Society 3rd flr.,
Above Café Coffee Day (CCD)
Katraj – Mumbai Highway Bypass
Mumbai – Bangalore Highway,
Narhegaon, Pune- 411041

Works:

Plot No. A/19/2
M.I.D.C. Chincholi,
Solapur – 413255

5. Address for Correspondence:

AFTEK LIMITED
16/A, Second Flr., Prabhadevi Industrial Estate,
The Enterprises Co-Operative society Ltd.
408, Veer Savarkar Marg, Prabhadevi,
Mumbai – 400 025, India.

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

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

2. 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. Pursuant to Section 178 of the Companies Act, 2013, the Company is in process of constituting Remuneration Committee with required composition.

3. Shareholder Rights

Presently, the quarterly/half yearly & yearly financials with its notes/events is being made available through press releases/website of the Company and announcements to the Stock Exchanges.

4. Audit qualifications

The Auditors have given a qualified report on the annual accounts for the year ended 31st March, 2014. However, the Company endeavours to move towards a regime of unqualified financial statements.

5. Training of Board Members

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 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 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. However, pursuant to provisions of Companies Act 2013, the company is in process of setting up formal vigil mechanism system

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 generally 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) The Company does not have any specific whistle blower policy in place. However, the Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. Pursuant to provisions of Companies Act 2013, the company is in process of setting up formal vigil mechanism system.
- d) The Company has duly complied with the mandatory requirements of Clause 49 and as required by Clause 49 of the Listing Agreement, the Auditors Certificate on Corporate Governance is given.
- e) 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. 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.
3. 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, November 14, 2015

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	Thursday, the 31st December, 2015
Venue	The Queenie Captain Auditorium, The NAB-Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 025
Time	11.00 a.m.
Book Closure Dates	Monday, 21st December, 2015 to Friday, the 25th December, 2015 (both days inclusive)
Dividend Payment Date	The Board has not recommended any dividend on the equity shares of the Company for the year ended March 31, 2015.
2. Financial Year 2014-2015	
Quarter ending 30th June, 2014	July / August 2014
Quarter ending 30th September, 2014	October / November 2014
Quarter ending 31st December, 2014	January / February 2015
Quarter ending 31st March, 2015	April / May 2015

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

4. Market Price Data :

Monthly High and Low quotations of Shares traded on Bombay Stock Exchange Ltd during the Financial Year ended 31st March, 2015, NSE data are not available.

(Source: BSE and NSE websites)

(in ₹)

Months	BSE	
	High Price	Low Price
14-Apr	4.15	3.21
14-May	8.71	3.30
14-Jun	9.56	7.12
14-Jul	8.26	5.49
14-Aug	7.29	4.87
14-Sep	6.60	5.16
14-Oct	5.89	4.53
14-Nov	5.25	3.98
14-Dec	7.88	4.00
15-Jan	7.29	5.99
15-Feb	6.79	5.40
15-Mar	5.95	3.18

5. 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 / 28470652 Fax : 91-22-2847 5207

- 6. 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.

7. Distribution of Shareholding**Distribution of Shareholding as on 31st March, 2015**

Range (In Rs)		No of Shareholders	% of Total Holders	Total Holding	% of Total Capital
1	5000	48730	92.1538	21965452	19.9345
5001	10000	2166	4.0961	8118026	7.3674
10001	20000	985	1.8627	7439852	6.752
20001	30000	332	0.6278	4212222	3.8228
30001	40000	174	0.3291	3116198	2.8281
40001	50000	118	0.2232	2763487	2.508
50001	100000	180	0.3404	6475464	5.8767
100001	999999999	194	0.3669	56097390	50.9106
Total		52879	100	110188091	100

8. Distribution of Shareholding as on 31st March, 2015

Category	Total Share Holders	% of Share Holders	Total Shares	% of Total Shares
Clearing member	45	0.0851	909449	0.8254
Corporate bodies	780	1.4751	14538755	13.1945
Corporate bodies (promoter co)	1	0.0019	7213	0.0065
Employee	40	0.0756	94126	0.0854
Financial institutions	3	0.0057	1487626	1.3501
Foreign company	2	0.0038	15543559	14.1064
Foreign inst. Investor	1	0.0019	335	0.0003
Nationalised banks	2	0.0038	2550	0.0023
Non nationalised banks	1	0.0019	5000	0.00456
Non resident indians	334	0.6316	1440375	1.3072
Overseas corporate bodies	1	0.0019	750	0.0007
Promoters	8	0.0151	1716795	1.5581
Promoters / directors	10	0.0189	1647088	1.4948
Public	51636	97.6494	72457536	65.7580
Relatives of director	12	0.0227	167184	0.1517
Trusts	3	0.0057	169750	0.1541
Total	52879	100.000	110188091	100.000

9. Outstanding GDRs/Warrants/Convertible Instruments, Conversion Date and Likely Impact on Equity**a) Outstanding 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 subdivided 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 31, 2015.

As explained below, 354 numbers of 1% FCCBs were outstanding as at March, 31, 2014. If these FCCBs are converted into GDRs, it would result into issuance of 37,36,809 numbers of GDRs representing 1,12,10,428 numbers of equity shares of ₹ 2/- each at the reset conversion price of ₹ 13.76.

b) Outstanding FCCBs :

The Company had raised USD 34.5 millions through an issue of 3000 numbers of 1% Foreign Currency Convertible Bonds Due 2010 of USD 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%. 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 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 had 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 executed a Supplemental Trust Deed on 25th July, 2012 with Bank of New York Mellon, the Trustees for giving effect to the aforesaid amendments.

At the year end, 354 FCCBs were outstanding which, if converted into GDRs/Equity Shares at the reset conversion price of ₹ 13.76 would result into issuance of additional 1,12,10,428 numbers of equity shares of ₹ 2/-each.

11. Plant Locations**Software Centre**

Siddhivinayak Angan Society, 3rd Floor,
Above Café Coffee Day (CCD),
Katraj –Mumbai Highway Bypass,
Mumbai-Bangalore Highway,
Narhegaon, Pune 411041

Works

Plot No. A/19/2
M.I.D.C. Chincholi,
Solapur 413255

12. Address for Correspondence**AFTEK LIMITED**

16/A, Second Floor, Prabhadevi Industrial Estate,
The Enterprises Co-operative Society Ltd,
408, Veer Saverkar Marg, Prabhadevi,
Mumbai - 400 025, India

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.

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members,
AFTEK LIMITED

We have examined the compliance of conditions of Corporate Governance by the **Aftek Limited** (the Company) for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 representation 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 state that the Registrar & Share Transfer Agents of the Company have certified that as on 31st March 2015, there were no investor complaints pending.

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

For UDIT S MASTER & CO.,
CHARTERED ACCOUNTANTS
(REGN. NO.112995W)

(UDIT S MASTER)
Proprietor
Membership No. 046247

PLACE: MUMBAI
DATE : 14th November, 2015

INDEPENDENT AUDITORS' REPORT

To

The Members of Aftek Limited**Report on the Financial Statements**

We have audited the accompanying financial statements of Aftek Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

- Note no.39 regarding, Management has not considered any provision in respect of outstanding Debtors for a period more than 12 months amounting to ₹ 22,398.36 Lacs which in our opinion, as evidenced by the poor recovery made during the year, are doubtful of recovery. Consequently, profit before tax is overstated by ₹ 22,398.36 Lacs. Further in our view there is significant uncertainty as to ultimate collection of Debtors due to non-receipt from overseas debtors. Therefore we are further unable to comment on recoverability of balance debtors amounting to ₹ 4,995.58 Lacs;*
- Note no.40 regarding, company has given certain capital advances and made some investments totaling to ₹ 6975.20 Lacs towards the building under construction at Hinjewadi, Pune, upto the year ended, 31-3-2010, thereafter there are no further developments/construction made. 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. The bank has called for bids at a base price of ₹ 1800.00 Lacs. There is no provision made towards the eventual loss on such auction, which is presently not ascertainable till such disposal. The bank has now agreed for an one time settlement (OTS) of outstanding for ₹ 2600 lacs;*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for qualified opinion paragraph, the financial statements give the information required by the

Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

1. Note no.34 b (ii) regarding Liability if any of the pending assessment under Income Tax, Sales tax (including interest, if any) which are presently not ascertainable.
2. Without qualifying our opinion, we draw attention to Note No.41 regarding intangible Assets under development for various ongoing projects. Due to the delay in the projects, Intangible Assets under development for ₹ 19910.32 Lacs 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 Assets under development will be profitably used by the company in the future projects.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, and with regard to the non availability of the Actuarial valuation of the Gratuity Liability. the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
 - f) with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and the best of our information and according to explanation given to us :
 - i. Company has disclosed the amount of pending litigations on its financial position in it's Financial Statements which is in the nature of contingent liability being not required to be provided in the accounts.
 - ii. The Company does not anticipate any material foreseeable losses, on long- term contracts.
 - iii. There has been delay in transferring amounts of ₹ 13.91 Lacs, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Co.
Chartered Accountants
Firm's Regn. No. 103429W

CA Haridas Bhat
Partner
M. No. 039070

Mumbai
30th May, 2015

Annexure to the Independent Auditors' Report of Aftek Limited

The Annexure referred to in our Independent Auditors' Report to the members of company on the financial statement for the year ended 31 March 2015, in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of even date

We report that

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Fixed assets of the Company have been physically verified by the management which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
- ii. a) In our opinion, physical verification of inventory lying with the company has been conducted at reasonable intervals by the management.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records.
- iii. In respect of loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - a) In the case of the loans granted to the bodies corporate, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, this paragraph is not applicable to the Company in respect of repayment of the principal amount.
 - b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate.
- iv In our opinion and according to the information and explanations given to us, having regard to the explanation that the IPRs 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 our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the year under audit.
- vi We have been informed by the company, that the maintenance of cost record under section 148 (1) of the Act has not been prescribed by the Central Government.
- vii. a) According to the information and explanations given to us the company is not regular in depositing undisputed statutory dues, Employees State Insurance, Sales-tax, 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, 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
<i>Income tax Act, 1961</i>	<i>Deduction of Tax At Source</i>	<i>177.95</i>	<i>April, 2010 to September, 2014</i>	<i>Not Paid</i>
<i>Employees Provident Fund and Miscellaneous Provisions Act, 1952</i>	<i>Provident Fund Contribution</i>	<i>82.53</i>	<i>April, 2010 to september, 2014</i>	<i>Not Paid</i>
<i>Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1952</i>	<i>Profession Tax</i>	<i>6.24</i>	<i>September, 2010 to september, 2014</i>	<i>Not Paid</i>
<i>Maharashtra Value Added Tax Act, 2002</i>	<i>Sales Tax</i>	<i>0.20</i>	<i>March, 2011 to september, 2014</i>	<i>Not Paid</i>
<i>Central Sales Tax Act, 1956</i>	<i>Central Sales Tax</i>	<i>21.48</i>	<i>September, 2010 to september, 2014</i>	<i>Not Paid</i>

- b) According to the information and explanations given to us, followings dues are payable to concerned authorities on account of dispute as at 31st March, 2015.

<i>Name of the Statute</i>	<i>Nature of the Dues</i>	<i>Amount (₹ in Lacs)</i>	<i>Period to which Amount relates</i>	<i>Date of Payment</i>
Income Tax Act, 1961	Tax on Regular Assessments U/s 143(3)	30.52	2008-09	Not Paid
Income Tax Act 1961	Tax on Regular Assessments U/s 143(3)	8.78	2009-10	Not Paid

- c) According to the information and explanations given to us, there were Rs.13.91 Lacs, which were required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Act and rules there under.
- viii. 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;
- ix. According to the information and explanations given to us the company has defaulted in repayment of dues to a bank the details of the same as on 31st March, 2015 are as mentioned below.

<i>Sr.No</i>	<i>Name of the Bank</i>	<i>Type of Loan</i>	<i>Period to which Amount relates</i>	<i>Defaulted Principal (₹ in Lacs)</i>	<i>Defaulted Interest (₹ in Lacs)</i>
I	Bank of India - Jersey Channel Islands	Term Loan	April, 2011 to March, 2015	3037.97	360.83
II	State Bank of Bikaner & Jaipur	Term Loan	April, 2011 to March, 2015	4000.00	2136.00
III	State Bank of Bikaner & Jaipur	Cash Credit A/c	April, 2011 to March, 2015	1479.28	624.41

The company did not borrow any money by way of debenture issues. The company had not taken loans from any financial institution during the year.

- x. The company has given guarantee for loans taken by Associates 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.
- xi. In our opinion, the term loans have been used for the purpose for which the same were obtained.
- xii. According to the information and explanation given to us, no material fraud on or by the company has not been noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

For GMJ & Co.
Chartered Accountants
Firm's Regn. No. 103429W

CA Haridas Bhat
Partner
M. No. 039070

Mumbai
30th May, 2015

Balance Sheet as at March 31, 2015

(₹ in Lacs)

	Note	As at March 31, 2015	As at March 31, 2014
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	2,203.76	2,203.76
Reserves and Surplus	3	38,954.65	40,900.77
		41,158.41	43,104.53
Non-Current Liabilities			
Long-Term Borrowings	4	-	-
Deferred Tax Liabilities (Net)	5	-	-
Other Long-Term Liabilities	6	114.35	114.35
Long-Term Provisions	7	68.81	65.61
		183.16	179.96
Current Liabilities			
Short-Term Borrowings	8	2,318.27	2,292.01
Trade Payables	9	17.30	14.69
Other Current Liabilities	10	13,590.98	13,670.30
Short-Term Provisions	11	1,032.03	985.05
		16,958.58	16,962.05
Total		58,300.15	60,246.54
Assets			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		91.00	95.68
Intangible Assets		2,609.88	8,204.03
Capital Work-in-Progress		2,831.19	2,831.19
Intangible Assets Under Development		19,910.32	19,910.32
		25,442.39	31,041.22
Non-Current Investments	13	960.72	2,274.06
Long-Term Loans and Advances	14	4,304.61	4,305.16
Other Non-Current Assets	15	45.68	37.20
		30,753.40	37,657.63
Current Assets			
Inventories	16	84.95	82.30
Trade Receivables	17	27,413.86	22,467.75
Cash and Bank Balances	18	34.69	30.35
Short-Term Loans and Advances	19	13.06	8.38
Other Current Assets	20	0.20	0.12
		27,546.75	22,588.90
Total		58,300.15	60,246.54

The accompanying Notes ("1" to "44") are an integral part of these Financial Statements.

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W

Chartered Accountants

Sd/-

Haridas Bhat

Partner

Membership No. 039070

Place: Mumbai

Date: 30th May, 2015

For and on behalf of the Board of Directors

Sd/-

Ranjit M Dhuru

Chairman & Managing Director

Place: Mumbai

Date: 30th May, 2015

Sd/-

Nitin K Shukla

Director - Finance

Statement of Profit and Loss for the year ended March 31, 2015

(₹ in Lacs except per share data)

	Note	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Operations	21	5,259.97	7,574.87
Other Income	22	746.46	1,489.81
Total Revenue		6,006.44	9,064.69
Expenses			
Cost of Materials Consumed & Software Development Expenses	23	76.46	742.28
Changes in Inventories of Finished Goods, Work-in-Progress	24	(0.83)	0.60
Employee Benefits Expense	25	82.09	306.79
Finance Costs	26	778.22	782.85
Depreciation and Amortisation Expense	27	5,598.83	7,755.65
Other Expenses	28	1,417.78	1,364.04
Total Expenses		7,952.56	10,952.21
Profit Before Tax		(1,946.12)	(1,887.53)
Tax Expense			
Income Tax:			
Current Year		-	-
Earlier Years		-	-
Deferred Tax Credit		-	(54.14)
Profit for the Year		(1,946.12)	(1,833.39)
Earnings Per Equity Share [Nominal Value Per Share: ₹ 2 (Previous Year: ₹ 2)]			
Basic and Diluted	29	(1.77)	(1.66)

The accompanying Notes ("1" to "44") are an integral part of these Financial Statements.

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W

Chartered Accountants

Sd/-

Haridas Bhat

Partner

Membership No. 039070

Place: Mumbai

Date: 30th May, 2015

For and on behalf of the Board of Directors

Sd/-

Ranjit M Dhuru

Chairman & Managing Director

Place: Mumbai

Date: 30th May, 2015

Sd/-

Nitin K Shukla

Director - Finance

Cash Flow Statement for the year ended March 31, 2015

(₹ in Lacs)

	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash flow from operating activities		
Net profit before tax	(1,946.12)	(1,887.53)
Adjustments for:		
Depreciation	5,598.83	7,755.65
Interest income	(0.57)	(0.09)
Finance costs	778.22	782.85
Liabilities no Longer Required Written Back	(157.03)	(4.74)
Provision for Diminution in Value	1,313.33	-
Provision for Gratuity and Leave Encashment	3.20	4.60
Unrealised foreign exchange (gain)/ loss	(585.17)	6,950.83
	(1,482.75)	7,055.52
Operating profit before working capital changes	5,004.71	5,168.00
Changes in working capital:		
Increase / (Decrease) in trade payables	2.65	6.19
Increase / (Decrease) in short-term provisions	35.15	92.71
Increase / (Decrease) in long-term provisions	-	11.07
Increase / (Decrease) in Other Long-Term Liabilities	-	-
Increase / (Decrease) in other current liabilities	40.72	177.27
(Increase) / Decrease in trade receivables	(5,090.21)	(5,490.07)
(Increase) / Decrease in inventories	(2.65)	6.57
(Increase) / Decrease in short-term loans and advances	(4.68)	(3.38)
(Increase) / Decrease in long-term loans and advances	0.55	11.92
(Increase) / Decrease in other current assets	(0.08)	-
(Increase) / Decrease in other non-current assets	(8.49)	9.61
	(5,027.03)	(5,178.11)
Operating profit after working capital changes	(22.32)	(10.11)
Direct taxes paid (net of refund)	(0.17)	(0.68)
Net cash from operating activities (A)	(22.49)	(10.80)
B. Cash flow from investing activities		
Purchase of tangible/ intangible assets (including capital work-in-progress & Capital Advance)	-	-
Sale of Investment in Subsidiary Company	-	150.00
Loan given to Subsidiary Company	-	-
Interest received	0.57	0.09
Net cash used in investing activities (B)	0.57	150.09

(₹ in Lacs)

	Year ended March 31, 2015	Year ended March 31, 2014
C. Cash flow from financing activities		
Repayment of long-term borrowings	-	-
Proceeds from Long term borrowings (Net)	-	-
Interest and financial charges paid	-	(3.00)
Proceeds / (Repayment)short-term borrowings (Net)	26.26	(140.28)
Net cash from financing activities (C)	26.26	(143.27)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	4.33	(3.98)
Cash and cash equivalents at the beginning of the year	10.12	14.10
Cash and cash equivalents at the end of the year	14.45	10.12
Net increase/ (decrease) in cash and cash equivalents	4.33	(3.98)
Cash and cash equivalents comprise of:		
Cash on Hand	12.30	8.01
Bank Balances:		
In Current Accounts	2.15	2.11
In Fixed Deposits with original maturity less than 3 months		
Cash and cash equivalents at the end of the year	14.45	10.12

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

Sd/-

Haridas Bhat

Partner

Membership No. 039070

Place: Mumbai

Date: 30th May, 2015

For and on behalf of the Board of Directors

Sd/-

Ranjit M Dhuru

Chairman & Managing Director

Place: Mumbai

Date: 30th May, 2015

Sd/-

Nitin K Shukla

Director - Finance

Notes to Financial Statements for the year ended March 31, 2015**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.

(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) During the year under review, the Company has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013.

Plant and Machinery	15 years
Factory Building	30 years
Electrical Fittings	10 years
Computers	3 years
Furniture and Fixtures	10 years
Motor Vehicles	10 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.

	As at March 31, 2015	As at March 31, 2014
2 Share Capital		
Authorised		
125,000,000 (Previous Year: 125,000,000) Equity Shares of ₹ 2 each	2,500.00	2,500.00
Issued		
11,01,88,091 (Previous Year: 11,01,88,091) Equity Shares of ₹ 2 each	2,203.76	2,203.76
Subscribed and Paid up		
11,01,88,091 (Previous Year: 11,01,88,091) Equity Shares of ₹ 2 each fully paid-up	2,203.76	2,203.76
	2,203.76	2,203.76

(a) Reconciliation of number of shares	As at March 31, 2015		As at March 31, 2014	
	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	11,01,88,091	2,203.76	9,35,30,789	1,870.62
Add: Shares issued during the year	-	-	1,66,57,302	333.15
Add: Bonus Shares issued during the year	-	-	-	-
Balance as at the end of the year	11,01,88,091	2,203.76	11,01,88,091	2,203.76

(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 :-

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Elara Capital PLC	15,540,759	14.10%	15,540,759	14.10%

(d) Shares allotted (during 5 years preceding March 31, 2015)		
Opening No.of Share		8,57,16,731
i The Company had issued 15,06,581 (P.Y 10522890) shares of ₹ 2 each fully Paid up to issued against conversion of 300 (P.Y 2270) FCCB's Bonds.		15,06,581
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.		61,50,000
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).		1,57,477
iv The Company had issued 1,66,57,302 shares of ₹ 2 each fully Paid up to issued against conversion of 526 FCCB's Bonds.		1,66,57,302
Closing No.of Share		11,01,88,091

	As at March 31, 2015	As at March 31, 2014
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	2,741.12	2,741.12
Add:		
i) Premium on Conversion of FCCBs	-	-
Balance as at the end of the year	2,741.12	2,741.12
General Reserve		
Balance as at the end of the year	6,132.36	6,132.36
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	31,545.25	33,378.63
Profit for the year	(1,946.12)	(1,833.39)
Balance as at the end of the year	29,599.13	31,545.24
Total	38,954.65	40,900.77

4 Long-Term Borrowings

(₹ in Lacs)

	Non-Current Portion		Current Maturities	
	As at March 31, 2015 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs
Bonds (Unsecured)				
Foreign Currency Convertible Bonds (FCCB) (Refer Note No.37)	-	-	1,925.38	1,925.38
Term Loan (Secured)				
from Banks:				
i) Bank of India - Jersey Channel Islands	-	-	3,037.97	3,129.47
ii) State Bank of Bikaner & Jaipur	-	-	4,000.00	4,000.00
Total	-	-	8,963.35	9,054.85

(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 repayable 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 As at 31 March, 2015	
	Principal	Interest
Period of default		
April' 2011 to March' 2015	3,037.97	360.83

Notes to Financial Statements for the year ended March 31, 2015

(₹ in Lacs)

(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 repayable 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	
	As at 31 March, 2015	
Period of default	Principal	Interest
April' 2011 to March' 2015	4,000.00	2,136.00

	As at March 31, 2015	As at March 31, 2014
5 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities:		
Depreciation	152.90	1,211.73
Deferred Tax Assets:		
Provision for Doubtful Debts	-	-
Unabsorbed Depreciation adjusted for timing difference	(32.04)	204.28
Disallowances u/s Income tax Act, 1961	1,432.16	953.30
	<u>1,400.12</u>	<u>1,157.59</u>
Deferred Tax Liabilities (Assets)(Net) *	<u>(1,247.22)</u>	<u>54.14</u>
6 Other Long- term liabilities		
Creditors for Capital Assets	114.35	114.35
	<u>114.35</u>	<u>114.35</u>
7 Long-Term Provisions		
Provision for Employee Benefits:		
Provision for Gratuity	65.06	63.06
Provision for Compensated Absences	3.75	2.55
	<u>68.81</u>	<u>65.61</u>
8 Short-Term Borrowings		
Secured		
Cash Credit from State Bank of Bikaner & Jaipur (Secured by hypothecation of Raw Materials and Book Debts)	1,479.28	1,479.28
Unsecured		
Loans:		
From IDBI Bank (Term Loan)	146.68	146.68
From Related Parties:		
Directors	156.72	148.07
Subsidiary	1.25	1.25
Shareholders	534.33	516.73
	<u>2,318.27</u>	<u>2,292.01</u>

Notes to Financial Statements for the year ended March 31, 2015

(₹ in Lacs)

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, 2015	
	Principal	Interest
Period of default		
April' 2011 to March' 2015	1,479.28	624.41

(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 continued in books as demanded by the Bank.

	As at March 31, 2015	As at March 31, 2014
9 Trade Payables		
Sundry Creditors (Refer Note 42)	17.30	14.69
	<u>17.30</u>	<u>14.69</u>
10 Other Current Liabilities		
Current Maturities of Long-Term Borrowings (Refer Note 4)	8,963.35	9,641.32
Interest Accrued and due on Borrowings	3,174.54	2,459.58
Unpaid Dividends [Refer Note (a) below]	20.24	20.24
Advances from Customers	48.65	35.68
Security Deposits	1.50	1.50
Book Overdraft	2.37	3.26
Statutory Dues (including Provident Fund and Tax Deducted at Source)	288.39	331.55
Others (including Employee Benefits)	1,091.94	1,177.18
	<u>13,590.98</u>	<u>13,670.30</u>
(a) ₹ 13.91 Lacs 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		
(a) Provision for employee benefits:		
Provision for Bonus	29.67	28.23
Provision for Gratuity	-	-
Provision for Compensated Absences	-	-
(b) Provision - Others:		
Provision for Income Tax [Net of TDS ₹ 10.34 lacs (Previous Year: ₹ 9.66 lacs)]	118.28	118.45
Provision for Premium Payable on Redemption of FCCBs	505.49	505.49
Provision for Expenses	378.58	332.87
	<u>1,032.03</u>	<u>985.05</u>

12. Notes to Financial Statements for the year ended March 31, 2015

A. Tangible Assets

(₹ in Lacs)

Particulars	Gross Block			Depreciation			Net Block			
	As at April 1, 2014	Additions	Disposal/Transfer	As at March 31, 2015	As at April 1, 2014	For the Year	Disposal/Transfer	As at March 31, 2015	As at March 31, 2014	
Land:										
Leasehold	101.13	-	-	101.13	9.07	1.06	-	10.13	91.00	92.06
Building	82.91	-	-	82.91	82.73	0.18	-	82.91	-	0.18
Plant and Machinery	13.05	-	13.05	-	12.09	0.95	13.05	-	-	0.95
Computers	1.69	-	1.69	-	1.45	0.24	1.69	-	-	0.24
Office Equipment	1.76	-	1.76	-	1.43	0.33	1.76	-	-	0.33
Furniture and Fixtures	5.25	-	5.25	-	3.33	1.92	5.25	-	-	1.92
Vehicles	-	-	-	-	-	-	-	-	-	-
Total	205.78	-	21.75	184.03	110.10	4.68	21.75	93.04	91.00	95.68
Previous Year	215.80	-	10.02	205.78	113.77	6.35	10.02	110.10	95.68	102.03

B Intangible Assets

(₹ in Lacs)

Particulars	Gross Block			Depreciation			Net Block			
	As at April 1, 2014	Additions	Disposal/Transfer	As at March 31, 2015	As at April 1, 2014	For the Year	Disposal/Transfer	As at March 31, 2015	As at March 31, 2014	
Computer Software	5,404.91	-	-	5,404.91	2,680.25	1,801.64	-	4,481.88	923.03	2,724.66
IPR	11,961.35	-	7,046.44	4,914.92	6,481.98	3,792.52	7,046.44	3,228.06	1,686.95	5,479.37
Total	17,366.26	-	7,046.44	10,319.82	9,162.23	5,594.15	7,046.44	7,709.95	2,609.88	8,204.03
Previous Year	24,618.52	4,914.92	12,167.17	17,366.26	13,580.10	7,749.30	12,167.17	9,162.23	8,204.03	11,038.41

	As at March 31, 2015	As at March 31, 2014
13 Non-Current Investments		
Trade Investments in Equity Instruments - Unquoted, at Cost		
(a) Investment in Subsidiary:		
Mihir Properties Private Limited*		
145,000 Equity Shares of ₹ 100/- Each Fully Paid Up	552.65	552.65
* wholly owned subsidiary companies		
(b) Investment in Associates:		
Digihome Solutions Private Limited (DSPL)		
23,00,000 Equity Shares (Previous Year 23,00,000)	1,313.33	1,313.33
Equity Shares of ₹ 10/- Each Fully Paid Up		
Less :- Provision for Diminution in Value	(1,313.33)	-
(c) 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		
	<u>960.72</u>	<u>2,274.06</u>
14 Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Capital Advances (Refer Note. No. 40)	4,144.01	4,144.01
Other Loans and Advances:		
Balances with Government Authorities	30.21	31.17
Others Loans and Advances- Considered Good		
to Related Parties :-		
Aftek Employees' Welfare Trust	10.45	10.45
Digihome Solutions Pvt Ltd.	119.94	119.53
	<u>4,304.61</u>	<u>4,305.16</u>
15 Other Non-Current Assets		
[Unsecured, Considered Good (unless otherwise stated)]		
Fixed Deposits with original maturity Morethan One Year	5.23	5.23
Other Deposit	40.45	31.96
	<u>45.68</u>	<u>37.20</u>
16 Inventories		
Raw Materials		
Spyguard Components & Others	57.69	55.87
	<u>57.69</u>	<u>55.87</u>
Work-in-Progress		
Spyguard Components & Others	27.26	26.43
	<u>27.26</u>	<u>26.43</u>
	<u>84.95</u>	<u>82.30</u>

	As at March 31, 2015	As at March 31, 2014
17 Trade Receivables		
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment (Refer Note. 39)	25,048.09	19,207.86
Others - Outstanding for a period of less six months	2,365.77	3,259.90
	<u>27,413.86</u>	<u>22,467.75</u>
18 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	12.30	8.01
Bank Balances in :		
Current Accounts	1.10	1.10
EEFC Accounts	1.06	1.02
Fixed Deposits with original maturity Less than 3 Month	-	-
	<u>14.45</u>	<u>10.12</u>
Other Bank Balances		
Unpaid Dividend Accounts	20.24	20.24
	<u>20.24</u>	<u>20.24</u>
	<u>34.69</u>	<u>30.35</u>
19 Short-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Advance to Suppliers	12.78	8.23
Other Loans and Advances:		
Loan to Employees	0.15	0.15
Prepaid Expenses	0.13	-
	<u>13.06</u>	<u>8.38</u>
20 Other Current Assets		
[Unsecured, Considered Good (unless otherwise stated)]		
Interest accrued on Deposits	0.20	0.12
	<u>0.20</u>	<u>0.12</u>

Notes to Financial Statements for the year ended March 31, 2015

(₹ in Lacs)

	Year Ended March 31, 2015	Year Ended March 31, 2014
21 Revenue from Operations		
Sale software Products & Services:		
Information technology Services	5,086.42	6,174.49
Products Development		
a) Software Products - Powersafe	-	1,212.89
b) Software Products - PDA	44.91	52.43
c) Others Sales	128.64	135.05
	<u>5,259.97</u>	<u>7,574.87</u>
22 Other Income		
Interest Income From		
Banks FD	0.08	0.09
Others	0.49	-
Gain on Foreign Exchange (Net)	584.02	1,484.96
Profit on Sale of Fixed Assets	4.82	
Liabilities no Longer Required Written Back	157.03	4.74
Miscellaneous Income	0.02	0.03
	<u>746.46</u>	<u>1,489.81</u>
23 Cost of Materials Consumed & Software Development Expenses		
Raw Material Consumed		
Opening Inventory	55.87	61.84
Add: Purchases	78.28	69.21
Less: Closing Inventory	57.69	55.87
	<u>76.46</u>	<u>75.18</u>
Cost of Raw Materials Consumed during the year	76.46	75.18
Software Development Expenses	-	667.10
	<u>76.46</u>	<u>742.28</u>
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	27.26	26.43
Traded Goods	-	-
	<u>27.26</u>	<u>26.43</u>
Stock at the beginning of the year:		
Finished Goods	-	-
Work-in-progress	26.43	27.03
Traded Goods	-	-
	<u>26.43</u>	<u>27.03</u>
(Increase)/ Decrease in Stocks	<u>(0.83)</u>	<u>0.60</u>

Notes to Financial Statements for the year ended March 31, 2015

(₹ in Lacs)

	Year Ended March 31, 2015	Year Ended March 31, 2014
25 Employee Benefits Expense		
Salaries, Wages and Bonus	73.24	157.49
Directors Remuneration	-	133.63
Contribution to Provident and Other Funds	3.44	7.63
Gratuity	2.00	3.00
Compensated Absences	1.31	2.72
Staff Welfare Expenses	2.10	2.33
	<u>82.09</u>	<u>306.79</u>
26 Finance Costs		
To Banks		
Interest on Term Loan	646.22	657.85
Interest on Cash Credit	120.00	110.00
To Others		
Interest on FCCB	-	-
Interest on Statutory Dues	12.00	12.00
Others	-	3.00
	<u>778.22</u>	<u>782.85</u>
27 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	4.68	6.35
Amortisation on Intangible Assets	5,594.15	7,749.30
	<u>5,598.83</u>	<u>7,755.65</u>
28 Other Expenses		
Electricity Expenses	2.42	4.59
Repairs and Maintenance:		
Computers	0.34	0.35
Building	0.08	0.06
Others	0.67	1.64
Rent (Refer Note 36)	20.22	37.07
Rates and Taxes	7.57	5.96
Insurance	0.20	0.49
Communication Charges	2.76	6.09
Printing and Stationery	0.79	13.07
Travelling, Conveyance and Car Expenses	19.76	20.77
Postage & Telegram	0.01	5.80
Provision for Diminution in Value	1,313.33	-
Legal, Professional and Secretarial Expenses	1.81	4.67
Auditors' Remuneration	32.00	40.00
Commission on Sales	0.03	0.11
Doubtful Debts written off	4.76	1,205.91
Miscellaneous Expenses	11.03	17.45
	<u>1,417.78</u>	<u>1,364.04</u>

Notes to Financial Statements for the year ended March 31, 2015

(₹ 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, 2015	Year Ended March 31, 2014
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)	(1,946.12)	(1,833.39)
II. Weighted average number of Equity Shares for Earnings Per Share computation: Number of shares for Basic and Diluted Earnings Per Share	11,01,88,091	11,01,88,091
III. Earnings Per Share: Basic (in ₹)	(1.77)	(1.66)
Diluted (in ₹)	(1.77)	(1.66)

30 Additional Information

a Value of imported and indigenous materials consumed

	Year Ended March 31, 2015		Year Ended March 31, 2014	
	(₹ in Lacs)	%	(₹ in Lacs)	%
Raw Materials and Packing Materials Imported	35.00	44.71	34.36	49.65
Indigenous	43.28	55.29	34.84	50.35
Total	78.28	100.00	69.20	100.00

b CIF Value of Imports

	Year Ended March 31, 2015	Year Ended March 31, 2014
Raw Materials	34.87	30.67
Capital Goods (including Capital Work-in-Progress)	-	3,966.60
Total	34.87	3,997.27

c Expenditure in Foreign Currency(On accrual Basis)

	Year Ended March 31, 2015	Year Ended March 31, 2014
Travelling	9.13	6.72
Interest Expenses	101.72	110.35
software development expenses	-	667.10
Capital Advance For Project	-	3,966.60
Total	110.85	4,750.77

d Earnings in Foreign Currency (On accrual Basis)

	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Exports	5,161.24	7,439.82
Total	5,161.24	7,439.82

e Auditors' Remuneration

	Year Ended March 31, 2015	Year Ended March 31, 2014
Audit Fees (Including Limited Review Fees)	32.00	40.00
Other Services	-	3.31
Total	32.00	43.31

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, 2015	Year Ended March 31, 2014
Employers' Contribution to Provident Fund * [Includes Employers' Contribution to Employee's Pension Scheme 1995]	3.44	6.90
Employers' Contribution to Employee's State Insurance Commission*	-	0.72
* Included in Contribution to Provident and Other Funds (Refer Note 25)		

II Defined Benefit Plan**A Gratuity**

- i During the year, company has not made Actuarial Valuation, therefore figures are provided in below table are provisional. Previous year figures are 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, 2015	Year Ended March 31, 2014
Discount Rate	-	8.25%
Rate of increase in Compensation Levels	-	5.00%
Rate of Return on Plan Assets	-	8.00%

ii Changes in the Fair value of Plan Assets

	Year Ended March 31, 2015	Year Ended March 31, 2014
Present Value of Plan Assets at the beginning of the year	1.29	1.22
Expected Return on Plan Assets	-	0.11
Actuarial Gain/ (Loss) on Plan Assets	(1.29)	(0.04)
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the end of the year	-	1.29

iii Changes in the Present Value of Obligation

	Year Ended March 31, 2015	Year Ended March 31, 2014
Present Value of Obligation at the beginning of the year	60.06	56.75
Interest Cost	-	4.82
Current Service Cost	3.00	3.43
Benefits Paid	-	-
Actuarial (Gain)/ Loss	-	(4.93)
Present Value of Obligation at the end of the year	63.06	60.06
Non-Current Liabilities	65.06	63.06
Current Liabilities	-	11.87

iv Amount recognised in the Balance Sheet

	Year Ended March 31, 2015	Year Ended March 31, 2014
Present Value of Obligation at the end of the year	63.06	60.06
Fair Value of Plan Assets	-	(1.29)
Net Liability recognised at the end of the year	63.06	58.77

(₹ in Lacs)

v Percentage of each category of plan assets to total fair value of plan assets as at March 31, 2015:

	Year Ended March 31, 2015	Year Ended March 31, 2014
Administered by Life Insurance Corporation of India	100%	100%

vi Expenses recognised in the Profit and Loss Account

	Year Ended March 31, 2015	Year Ended March 31, 2014
Current Service Cost	2.00	3.00
Interest Cost	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Total Expenses recognised in the Profit and Loss Account	2.00	3.00

vii Expected Contribution to Gratuity Fund for the next year ₹ Nil lacs (Previous Year: ₹ 4.03 lacs).

viii Details of Present Value of Obligation, Plan Assets and Experience Adjustment are not applicable for the current year.

III Other Employee Benefit Plan

Liability for compensated absences as at year end is ₹ 3.75 Lacs (Previous Year: ₹ 2.55 Lacs).

32 Related Party Disclosures**(a) Names of related parties and nature of relationship**

		Year Ended March 31, 2015	Year Ended March 31, 2014
(i) Subsidiary & Associates of the Company		% of Holding	
Mihir Properties Private Limited	Wholly owned subsidiary	100%	100%
Digihome Solutions Private Limited	Associates /(subsidiary)	46%	46%
(ii) Other Significantly influenced 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)		
(iii) 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.

(₹ in Lacs)

(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	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Loan & Advance Given								
Digihome Solutins Private Limited	0.41	-	-	-	-	-	0.41	-
Total	0.41	-	-	-	-	-	0.41	-
Loan Taken								
Key management persons	17.35	4.09	-	-	-	-	17.35	4.09
others	19.98	-	-	-	-	-	19.98	-
Total	37.33	4.09	-	-	-	-	37.33	4.09
Remuneration to Directors								
	-	133.63	-	-	-	-	-	133.63
Total	-	133.63	-	-	-	-	-	133.63

(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, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Year end Balance				
Mihir Properties Private Limited	1.25	1.25	1.25	1.25
Digihome Solutions Private Limited	119.94	119.53	119.94	119.53
Aftek Employees' Welfare Trust	10.45	10.45	10.45	10.45
Key management persons	156.72	148.07	156.72	148.07
Total	288.36	279.30	288.36	279.30

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, 2015 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount	Foreign Currency Amount	Amount
		March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
Sundry Debtors	USD	348.97	21,011.23	300.00	18,052.94
	EURO	68.01	4,595.10	53.26	4,398.71
Secured Loan - Ecb	Euro	45.00	3,037.97	45.00	3,715.94
UnSecured Loan - Fccb	USD	35.40	1,925.38	35.40	1,925.38

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.

(₹ in Lacs)

34 Capital Commitments & Contingent liabilities not provided for :	Year Ended March 31, 2015	Year Ended March 31, 2014
(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	Nil
(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 assessment of Income tax and Sales tax (Including Interest, if any) Income Tax matters Sales Tax matters	Amount unascertainable 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, 2015		Year ended March 31, 2014	
	(₹ in Lacs)	%	(₹ in Lacs)	%
America	3,458.87	65.76%	5,541.04	105.34%
Europe	1,450.02	27.57%	1,335.85	25.40%
Japan	177.53	3.38%	510.49	9.71%
India	98.73	1.88%	96.97	1.84%
Others	74.82	1.42%	90.52	1.72%
Total Revenue	5,259.97	100.00%	7,574.87	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, 2015	Year Ended March 31, 2014
a) Lease payments recognised in the Statement of Profit and Loss during the year	20.22	37.07
b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
- Not later than one year	9.12	29.60
- Later than one year and not later than five years	36.48	128.40

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 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.

No FCCBs were converted during the year. 354 FCCBs were outstanding which, if converted into GDRs/Equity Shares at the reset conversion price of ₹ 13.76 would result into issuance of additional 1,12,10,428 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, 2015.

As stated at Note No. 37, above, 354 numbers of 1% Foreign Currency Convertible Bonds Due 2010 were outstanding as at March, 31, 2014. If these FCCBs are converted into GDRs, it would result into issuance of 37,36,809 numbers of GDRs representing 1,12,10,428 numbers of equity shares of ₹ 2/- each at the reset conversion price of ₹ 13.76

39 In view of the on-going slowdown in the European and US markets, there have been delays in receivables. Considering the size and standing of its debtors, the Company has not made any provision at this stage towards amount of ₹ 22,398.36 Lacs outstanding for a period of more than 12 months.

40 The company has given certain capital advances and made some investments totaling to ₹ 6975.20 Lacs 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, IPRs are yet to be put to use as on the date of balance sheet amounting to ₹19910.32 Lacs which includes the software services sold which is called back. 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.

- Amount due and outstanding to MSME suppliers as at the end of the accounting year.
- Interest paid during the year to MSME
- Interest payable at the end of the accounting year.
- 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 In view of the Company's current position, the Managerial Remuneration booked as provisions for the earlier year i.e. 2013-2014 and for the period from 01-04-2014 upto 31-12-2014 has been revised.

44 Previous year's figures have been regrouped or reclassified to conform with the current years' presentation wherever considered necessary.

Signatures to Notes "1" to "44" forming part of these Financial Statements.

As per our report of even date.

For GMJ & Co.

Firm Registration Number: 103429W

Chartered Accountants

Sd/-

Haridas Bhat

Partner

Membership No. 039070

Place: Mumbai

Date: 30th May, 2015

For and on behalf of the Board of Directors

Sd/-

Ranjit M Dhuru

Chairman & Managing Director

Place: Mumbai

Date: 30th May, 2015

Sd/-

Nitin K Shukla

Director - Finance

Independent Auditors' Report

To the Board of Directors of
Aftek Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Aftek Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

1. *Note no.39 regarding, Management has not considered any provision in respect of outstanding Debtors for a period more than 12 months amounting to ₹ 22,398.36 Lacs which in our opinion, as evidenced by the poor recovery made during the year, are doubtful of recovery. Consequently, profit before tax is overstated by ₹ 22,398.36 Lacs. Further in our view there is significant uncertainty as to ultimate collection of Debtors due to non-receipt from overseas debtors. Therefore we are further unable to comment on recoverability of balance debtors amounting to ₹ 4,995.58 Lacs;*
2. *Note no.40 regarding, company has given certain capital advances and made some investments totaling to ₹ 6975.20 Lacs towards the building under construction at Hinjewadi, Pune, upto the year ended, 31-3-2010, thereafter there are no further developments/construction made. 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. The bank has called for bids at a base price of ₹ 1800.00 Lacs. There is no provision made towards the eventual loss on such auction, which is presently not ascertainable till such disposal. The bank has now agreed for an one time settlement (OTS) of outstanding for ₹ 2600 lacs;*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for qualified opinion paragraph, the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March 2015;
- (ii) in the case of the consolidated statement of profit and loss, of the loss of the Group for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

Emphasis of matter

1. Note no.34 b (ii) regarding Liability if any of the pending assessment under Income Tax, Sales tax (including interest, if any) which are presently not ascertainable.
2. Without qualifying our opinion, we draw attention to Note No.41 regarding intangible Assets under development for various ongoing projects. Due to the delay in the projects, Intangible Assets under development for Rs.19910.32 Lacs 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 Assets under development will be profitably used by the company in the future projects.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, and with regard to the non-availability of the Actuarial valuation of the Gratuity Liability, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group does not anticipate any material foreseeable losses, on long- term contracts.
 - iii. There has been delay in transferring amounts of ₹13.91Lacs, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Co.
Chartered Accountants
Firm's Regn. No. 103429W

CA Haridas Bhat
Partner
M. No. 039070

Mumbai, 30th May, 2015

Annexure to the Independent Auditors' Report on the consolidated financial statements of Aftek Limited for the year ended March 31, 2015

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of the fixed assets of Holding and subsidiary companies incorporated in India:
 - a) The respective companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed assets of the companies incorporated in India have been physically verified by the management which in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- ii.
 - a) In our opinion, physical verification of inventory lying with the Holding company has been conducted at reasonable intervals by the management
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Holding Company and the nature of its business.
 - c) The Holding Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records.
- iii. In respect of loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - a) In the case of the loans granted to the bodies corporate, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, this paragraph is not applicable to the Company in respect of repayment of the principal amount.
 - b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that the IPRs 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. According to the information and explanations given to us, in our opinion, the Holding Company and subsidiary companies incorporated in India has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the companies Act, for any of the services rendered by the Group.
- vii. *According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:*
 - (a) According to the information and explanations given to us the company is not regular in depositing undisputed statutory dues, Employees State Insurance, Sales-tax, 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, 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
<i>Income tax Act, 1961</i>	<i>Deduction of Tax At Source</i>	<i>177.95</i>	<i>April, 2010 to September, 2014</i>	<i>Not Paid</i>
<i>Employees Provident Fund and Miscellaneous Provisions Act, 1952</i>	<i>Provident Fund Contribution</i>	<i>82.53</i>	<i>April, 2010 to september, 2014</i>	<i>Not Paid</i>
<i>Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1952</i>	<i>Profession Tax</i>	<i>6.24</i>	<i>September, 2010 to september, 2014</i>	<i>Not Paid</i>
<i>Maharashtra Value Added Tax Act, 2002</i>	<i>Sales Tax</i>	<i>0.20</i>	<i>March, 2011 to september, 2014</i>	<i>Not Paid</i>
<i>Central Sales Tax Act, 1956</i>	<i>Central Sales Tax</i>	<i>21.48</i>	<i>September, 2010 to september, 2014</i>	<i>Not Paid</i>

- (b) According to the information and explanations given to us, followings dues are payable to concerned authorities on account of dispute as at 31st March, 2015.

Name of The Statute	Nature of the 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
Income Tax Act 1961	Tax on Regular Assessments U/s143(3)	8.78	2009-10	Not Paid

- (c) According to the information and explanations given to us, there were ₹ 13.91 Lacs ,which were required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Act, 1956(1 of 1956).
- viii. The Group does not have consolidated accumulated losses at the end of the financial year. Further, it has not incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
- ix. According to the information and explanations given to us the group has defaulted in repayment of dues to a bank the details of the same as on 31st March, 2015 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, 2015	3037.97	360.83
II	State Bank of Bikaner & Jaipur	Term Loan	April, 2011 to March, 2015	4000.00	2136.00
III	State Bank of Bikaner & Jaipur	Cash Credit A/c	April, 2011 to March, 2015	1479.28	624.41

The company did not borrow any money by way of debenture issues. The company had not taken loans from any financial institution during the year.

- x. The Group has given guarantee for loans taken by Associates 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
- xi. In our opinion, the term loans have been used for the purpose for which the same were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and its subsidiary companies incorporated in India and no material fraud on the Holding Company and its subsidiary companies incorporated in India has been noticed or reported during the year.

For GMJ & Co.
Chartered Accountants
Firm's Regn. No. 103429W

CA Haridas Bhat
Partner
M. No. 039070

Mumbai, 30th May, 2015

Consolidated Balance Sheet as at March 31, 2015

(₹ in Lacs)

	Note	As at March 31, 2015	As at March 31, 2014
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	2,203.76	2,203.76
Reserves and Surplus	3	38,890.27	39,525.94
		41,094.03	41,729.70
Non-Current Liabilities			
Long-Term Borrowings	4	-	-
Deferred Tax Liabilities (Net)	5	8.08	9.37
Other Long-Term Liabilities	6	114.35	114.35
Long-Term Provisions	7	68.81	65.61
		191.24	189.33
Current Liabilities			
Short-Term Borrowings	8	2,317.02	2,290.76
Trade Payables	9	17.30	14.69
Other Current Liabilities	10	13,591.65	13,670.96
Short-Term Provisions	11	1,031.27	984.13
		16,957.24	16,960.54
Total		58,242.51	58,879.57
Assets			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		344.33	353.02
Intangible Assets		2,609.88	8,204.03
Capital Work-in-Progress		2,831.19	2,831.19
Intangible Assets Under Development		19,910.32	19,910.32
Goodwill on consolidation		241.45	241.45
		25,937.17	31,540.02
Non-Current Investments	13	408.07	408.07
Long-Term Loans and Advances	14	4,304.61	4,305.16
Other Non-Current Assets	15	45.84	37.35
		30,695.69	36,290.60
Current Assets			
Inventories	16	84.95	82.30
Trade Receivables	17	27,413.86	22,467.75
Cash and Bank Balances	18	34.76	30.42
Short-Term Loans and Advances	19	13.06	8.38
Other Current Assets	20	0.20	0.12
		27,546.82	22,588.97
Total		58,242.51	58,879.57

The accompanying Notes ("1" to "44") 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

Place: Mumbai

Date: 30th May, 2015

Ranjit M Dhuru

Chairman & Managing Director

Place: Mumbai

Date: 30th May, 2015

Nitin K Shukla

Director - Finance

AFTEK LIMITED**ANNUAL REPORT 2014-2015****Consolidated Statement of Profit and Loss for the year ended March 31, 2015**

(₹ in Lacs except per share data)

	Note	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Operations	21	5,259.97	7,574.87
Other Income	22	746.46	1,489.81
Total Revenue		6,006.44	9,064.69
Expenses			
Cost of Materials Consumed & Software Development Expenses	23	76.46	742.28
Changes in Inventories of Finished Goods, Work-in-Progress	24	(0.83)	0.60
Employee Benefits Expense	25	82.09	306.79
Finance Costs	26	778.22	782.85
Depreciation and Amortisation Expense	27	5,602.85	7,759.52
Other Expenses	28	104.61	1,364.21
Total Expenses		6,643.41	10,956.25
Profit Before Tax		(636.97)	(1,891.56)
Tax Expense			
Income Tax:			
Current Year		-	-
Earlier Years		-	-
Deferred Tax Credit		(1.29)	(53.30)
Profit for the Year		(635.68)	(1,838.27)
Earnings Per Equity Share [Nominal Value Per Share: ₹ 2 (Previous Year: ₹ 2)]			
Basic and Diluted	29	(0.58)	(1.67)

The accompanying Notes ("1" to "44") 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

Place: Mumbai

Date: 30th May, 2015

Ranjit M Dhuru

Chairman & Managing Director

Place: Mumbai

Date: 30th May, 2015

Nitin K Shukla

Director - Finance

Consolidated Cash Flow Statement for the year ended March 31, 2015

(₹ in Lacs)

	Year ended March 31, 2015		Year ended March 31, 2014	
A. Cash flow from operating activities				
Net profit before tax		(636.97)		(1,891.56)
Adjustments for:				
Depreciation	5,602.85		7,759.52	
Interest income	(0.57)		(0.09)	
Finance costs	778.22		782.85	
Liabilities no Longer Required Written Back	(157.03)		(4.74)	
Provision for Gratuity and Leave Encashment	3.20		4.60	
Unrealised foreign exchange (gain)/ loss	(585.17)	5,641.51	(1,482.75)	7,059.40
Operating profit before working capital changes		5,004.54		5,167.83
Changes in working capital:				
Increase / (Decrease) in trade payables	2.65		6.35	
Increase / (Decrease) in short-term provisions	35.31		92.71	
Increase / (Decrease) in long-term provisions	(0.00)		11.07	
Increase / (Decrease) in other current liabilities	40.74		177.27	
(Increase) / Decrease in trade receivables	(5,090.21)		(5,490.07)	
(Increase) / Decrease in inventories	(2.65)		6.57	
(Increase) / Decrease in short-term loans and advances	(4.68)		(3.38)	
(Increase) / Decrease in long-term loans and advances	0.55		11.92	
(Increase) / Decrease in other current assets	(0.08)		-	
(Increase) / Decrease in other non-current assets	(8.49)		9.61	
		(5,026.87)		(5,177.95)
Operating profit after working capital changes		(22.33)		(10.11)
Direct taxes paid (net of refund)		(0.17)		(0.68)
Net cash from operating activities (A)		(22.50)		(10.80)
B. Cash flow from investing activities				
Sale of Investment in Subsidiary Company		-		150.00
Interest received		0.57		0.09
Net cash used in investing activities (B)		0.57		150.09

(₹ in Lacs)

	Year ended March 31, 2015	Year ended March 31, 2014
C. Cash flow from financing activities		
Interest and financial charges paid	-	(3.00)
Proceeds / (Repayment)short-term borrowings (Net)	26.26	(140.28)
Net cash from financing activities (C)	26.26	(143.27)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	4.33	(3.98)
Cash and cash equivalents at the beginning of the year	10.19	14.17
Cash and cash equivalents at the end of the year	14.52	10.19
Net increase/ (decrease) in cash and cash equivalents	4.33	(3.98)
Cash and cash equivalents comprise of:		
Cash on Hand	12.30	8.01
Bank Balances:		
In Current Accounts	2.22	2.18
In Fixed Deposits with original maturity less than 3 months		
Cash and cash equivalents at the end of the year	14.52	10.19

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 113 of The Companies Act, 2013, 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

For and on behalf of the Board of Directors

Haridas Bhat

Partner

Membership No. 039070

Place: Mumbai

Date: 30th May, 2015

Ranjit M Dhuru

Chairman & Managing Director

Place: Mumbai

Date: 30th May, 2015

Nitin K Shukla

Director - Finance

Notes to Consolidated Financial Statements for the year ended March 31, 2015**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 Principles of consolidation

The consolidated financial statements relate to the Company and all of its subsidiary companies and companies controlled, that is, companies over which the Company exercises control / joint control over ownership and voting power and the associates and joint venture (herein after collectively referred to as the "Group"). The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses in accordance with the Accounting Standard - 21 "Consolidated Financial Statements" prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Central Government.

Investments in subsidiaries are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiaries are recognised as goodwill or capital reserve, as the case may be.

The difference between the proceeds from disposal of investment in a subsidiary or in a company, controlled by the Company, and the proportionate carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss as the profit or loss on disposal of investment in subsidiaries.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's stand alone financial statements.

1.3 Significant Accounting Policies**(a) Basis of Accounting and Preparation of Consolidated Financial Statements**

The consolidated financial statements have been prepared and presented on the historical cost convention on accrual basis and comprises mandatory accounting standards as prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

(b) Use of Estimates

The preparation of the consolidated 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 on straight-line basis at the rates specified in Schedule II of the Companies Act, 2013 except for the following assets which are depreciated as follows:

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 consolidated 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 group 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 group'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 consolidated 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 group.

(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 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.

	As at March 31, 2015	As at March 31, 2014
2 Share Capital		
Authorised		
125,000,000 (Previous Year: 125,000,000) Equity Shares of ₹ 2 each	2,500.00	2,500.00
Issued		
11,01,88,091 (Previous Year: 11,01,88,091) Equity Shares of ₹ 2 each	2,203.76	2,203.76
Subscribed and Paid up		
11,01,88,091 (Previous Year: 11,01,88,091) Equity Shares of ₹ 2 each fully paid-up	2,203.76	2,203.76
	2,203.76	2,203.76

(a) Reconciliation of number of shares

	As at March 31, 2015		As at March 31, 2014	
	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	110,188,091	2,203.76	93,530,789	1,870.62
Add: Shares issued during the year	-	-	16,657,302	333.15
Add: Bonus Shares issued during the year	-	-	-	-
Balance as at the end of the year	110,188,091	2,203.76	110,188,091	2,203.76

(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 :-

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares				
Elara Capital PLC	15,540,759	14.10%	15,540,759	14.10%

(d) Shares allotted (during 5 years preceding March 31, 2015)

i	The Company had issued 15,06,581 (P.Y 10522890) shares of ₹ 2 each fully Paid up to issued against conversion of 300 (P.Y 2270) 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
iv	The Company had issued 1,66,57,302 shares of ₹ 2 each fully Paid up to issued against conversion of 526 FCCB's Bonds.	16,657,302
	Closing No.of Share	110,188,091

	As at March 31, 2015	As at March 31, 2014
3 Reserves and Surplus		
Capital Reserve		
As per last Balance Sheet	482.05	482.05
Securities Premium		
Balance as at the end of the year	2,741.12	2,741.12
General Reserve		
Balance as at the end of the year	6,132.36	6,132.36
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	30,170.41	31,667.42
Cessation of Subsidiary relation		
Effect on reserve on Cessation of Subsidiary relation	-	1,654.59
Investment written off	-	(1,313.33)
Profit for the year	(635.68)	(1,838.27)
Balance as at the end of the year	29,534.73	30,170.41
Total	38,890.27	39,525.94

4 Long-Term Borrowings

	Non-Current Portion		Current Maturities	
	As at March 31, 2015 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs
Bonds (Unsecured)				
Foreign Currency Convertible Bonds (FCCB) (Refer Note No.37)	-	-	1,925.38	1,925.38
Term Loan (Secured)				
from Banks:				
i) Bank of India - Jersey Channel Islands	-	-	3,037.97	3,129.47
ii) State Bank of Bikaner & Jaipur	-	-	4,000.00	4,000.00
Total	-	-	8,963.35	9,054.85

(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 repayable 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, 2015	
	Principal	Interest
Period of default		
April' 2011 to March' 2015	3,037.97	360.83

	As at March 31, 2015	As at March 31, 2014
(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 repayable 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, 2015	
	Principal	Interest
Period of default		
April' 2011 to March' 2015	4,000.00	2,136.00
5 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities:		
Depreciation	66.79	1,178.76
Deferred Tax Assets:		
Provision for Doubtful Debts	-	-
Unabsorbed Depreciation adjusted for timing difference	(478.38)	209.44
Disallowances u/s Income tax Act,1961	1,432.16	959.94
	<u>953.77</u>	<u>1,169.39</u>
Deferred Tax Liabilities (Assets)(Net) *	<u>8.08</u>	<u>9.37</u>
* However, in the absence of virtual certainty the recognition of deferred tax asset is restricted to the extent of timing difference of depreciation. Hence, no deferred tax asset is created during the year.		
6 Other Long- term liabilities		
Creditors for Capital Assets	114.35	114.35
	<u>114.35</u>	<u>114.35</u>
7 Long-Term Provisions		
Provision for Employee Benefits:		
Provision for Gratuity	65.06	63.06
Provision for Compensated Absences	3.75	2.55
	<u>68.81</u>	<u>65.61</u>
8 Short-Term Borrowings		
Secured		
Cash Credit from State Bank of Bikaner & Jaipur (Secured by hypothecation of Raw Materials and Book Debts)	1,479.28	1,479.28
Unsecured		
Loans:		
From IDBI Bank (Term Loan)	146.68	146.68
From Related Parties:		
Directors	156.72	148.07
Shareholders	534.33	516.73
	<u>2,317.02</u>	<u>2,290.76</u>

	As at March 31, 2015	As at March 31, 2014
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, 2015	
Period of default	Principal	Interest
April' 2011 to March' 2015	1,479.28	624.41
(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 continued in books as demanded by the Bank.		
9 Trade Payables		
Sundry Creditors (Refer Note 42)	17.30	14.69
	<u>17.30</u>	<u>14.69</u>
10 Other Current Liabilities		
Current Maturities of Long-Term Borrowings (Refer Note 4)	8,963.35	9,641.32
Interest Accrued and due on Borrowings	3,174.54	2,459.58
Unpaid Dividends [Refer Note (a) below]	20.24	20.24
Advances from Customers	48.65	35.68
Security Deposits	1.50	1.50
Book Overdraft	2.37	3.26
Statutory Dues (including Provident Fund and Tax Deducted at Source)	288.40	331.55
Others (including Employee Benefits)	1,092.60	1,177.83
	<u>13,591.65</u>	<u>13,670.96</u>
(a) Rs.13.91 Lacs 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		
(a) Provision for employee benefits:		
Provision for Bonus	29.67	28.23
(b) Provision - Others:		
Provision for Income Tax	116.87	117.04
Provision for Premium Payable on Redemption of FCCBs	505.49	505.49
Provision for Expenses	379.24	333.37
	<u>1,031.27</u>	<u>984.13</u>

12. Notes to Consolidated Financial Statements for the year ended March 31, 2015

(₹ in Lacs)

A. Tangible Assets

Particulars	Gross Block			Depreciation			Net Block	
	Asat April 1, 2014	Additions	Disposal/ Transfer	Asat March 31, 2015	For the Year	Disposal/ Transfer	Asat March 31, 2015	Asat March 31, 2014
Land:								
Leasehold	101.13	-	-	101.13	1.06	-	10.13	91.00
Building	82.91	-	-	82.91	0.18	-	82.91	0.18
Office Building	309.64	-	-	309.64	4.02	-	56.31	253.33
Plant and Machinery	13.05	-	13.05	-	0.95	13.05	-	0.95
Computers	1.69	-	1.69	-	0.24	1.69	-	0.24
Office Equipment	1.76	-	1.76	-	0.33	1.76	-	0.33
Furniture and Fixtures	5.25	-	5.25	-	1.92	5.25	-	1.92
Vehicles	-	-	-	-	-	-	-	-
Total	515.42	-	21.75	493.67	8.70	21.75	149.35	353.02
Previous Year	614.08	-	98.65	515.42	10.23	98.65	162.40	363.25

B. Intangible Assets

(₹ in Lacs)

Particulars	Gross Block			Depreciation			Net Block	
	Asat April 1, 2014	Additions	Disposal/ Transfer	Asat March 31, 2015	For the Year	Disposal/ Transfer	Asat March 31, 2015	Asat March 31, 2014
Computer Software	5,404.91	-	-	5,404.91	1,801.64	-	4,481.88	2,724.66
IPR	11,961.35	-	7,046.44	4,914.92	3,792.52	7,046.44	3,228.06	5,479.37
Total	17,366.26	-	7,046.44	10,319.82	5,594.15	7,046.44	7,709.95	8,204.03
Previous Year	24,625.04	4,914.92	12,173.69	17,366.26	7,749.30	12,169.15	9,162.23	11,042.95

Note:- Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the Profit and Loss Account.

	As at March 31, 2015	As at March 31, 2014
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
	<u>408.07</u>	<u>408.07</u>
14 Long-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Capital Advances (Refer Note. No. 40)	4,144.01	4,144.01
Other Loans and Advances:		
Balances with Government Authorities	30.21	31.17
Others Loans and Advances- Considered Good to Related Parties :-		
Aftek Employees' Welfare Trust	10.45	10.45
Digihome Solutions Pvt Ltd.	119.94	119.53
	<u>4,304.61</u>	<u>4,305.16</u>
15 Other Non-Current Assets		
[Unsecured, Considered Good (unless otherwise stated)]		
Fixed Deposits with original maturity Morethan One Year	5.23	5.23
Other Deposit	40.60	32.12
	<u>45.84</u>	<u>37.35</u>
16 Inventories		
Raw Materials		
Spyguard Components & Others	57.69	55.87
	<u>57.69</u>	<u>55.87</u>
Work-in-Progress		
Spyguard Components & Others	27.26	26.43
	<u>27.26</u>	<u>26.43</u>
	<u>84.95</u>	<u>82.30</u>
17 Trade Receivables		
Unsecured, considered good:		
Outstanding for a period exceeding six months from the date they are due for payment (Refer Note. 39)	25,048.09	19,207.86
Others - Outstanding for a period of less six months	2,365.77	3,259.90
	<u>27,413.86</u>	<u>22,467.75</u>

	As at March 31, 2015	As at March 31, 2014
18 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	12.30	8.01
Bank Balances in :		
Current Accounts	1.17	1.17
EEFC Accounts	1.06	1.02
Fixed Deposits with original maturity Lessthan 3 Month	-	-
	<u>14.52</u>	<u>10.19</u>
Other Bank Balances		
Unpaid Dividend Accounts	20.24	20.24
	<u>20.24</u>	<u>20.24</u>
	<u>34.76</u>	<u>30.42</u>
19 Short-Term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Advance to Suppliers	12.78	8.23
Other Loans and Advances:		
Loan to Employees	0.15	0.15
Prepaid Expenses	0.13	-
	<u>13.06</u>	<u>8.38</u>
20 Other Current Assets		
[Unsecured, Considered Good (unless otherwise stated)]		
Interest accrued on Deposits	0.20	0.12
	<u>0.20</u>	<u>0.12</u>

	Year Ended March 31, 2015	Year Ended March 31, 2014
21 Revenue from Operations		
Sale software Products & Services:		
Information technology Services	5,086.42	6,174.49
Products Development		
a) Software Products - Powersafe	-	1,212.89
b) Software Products - PDA	44.91	52.43
c) Others Sales	128.64	135.05
	<u>5,259.97</u>	<u>7,574.87</u>
22 Other Income		
Interest Income From		
Banks FD	0.08	0.09
Others	0.49	-
Gain on Foreign Exchange (Net)	584.02	1,484.96
Profit on Sale of Fixed Assets	4.82	
Liabilities no Longer Required Written Back	157.03	4.74
Miscellaneous Income	0.02	0.03
	<u>746.46</u>	<u>1,489.81</u>
23 Cost of Materials Consumed & Software Development Expenses		
Raw Material Consumed		
Opening Inventory	55.87	61.84
Add: Purchases	78.28	69.21
Less: Closing Inventory	57.69	55.87
	<u>76.46</u>	<u>75.18</u>
Cost of Raw Materials Consumed during the year	76.46	75.18
Software Development Expenses	-	667.10
	<u>76.46</u>	<u>742.28</u>
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	27.26	26.43
Traded Goods	-	-
	<u>27.26</u>	<u>26.43</u>
Stock at the beginning of the year:		
Finished Goods	-	-
Work-in-progress	26.43	27.03
Traded Goods	-	-
	<u>26.43</u>	<u>27.03</u>
(Increase)/ Decrease in Stocks	<u>(0.83)</u>	<u>0.60</u>

	Year Ended March 31, 2015	Year Ended March 31, 2014
25 Employee Benefits Expense		
Salaries, Wages and Bonus	73.24	157.49
Directors Remuneration	-	133.63
Contribution to Provident and Other Funds	3.44	7.63
Gratuity	2.00	3.00
Compensated Absences	1.31	2.72
Staff Welfare Expenses	2.10	2.33
	<u>82.09</u>	<u>306.79</u>
26 Finance Costs		
To Banks		
Interest on Term Loan	646.22	657.85
Interest on Cash Credit	120.00	110.00
To Others		
Interest on FCCB	-	-
Interest on Statutory Dues	12.00	12.00
Others	-	3.00
	<u>778.22</u>	<u>782.85</u>
27 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	8.70	10.23
Amortisation on Intangible Assets	5,594.15	7,749.30
	<u>5,602.85</u>	<u>7,759.52</u>
28 Other Expenses		
Electricity Expenses	2.42	4.59
Repairs and Maintenance:		
Computers	0.34	0.35
Building	0.08	0.06
Others	0.67	1.64
Rent (Refer Note 36)	20.22	37.07
Rates and Taxes	7.57	5.96
Insurance	0.20	0.49
Communication Charges	2.76	6.09
Printing and Stationery	0.79	13.07
Travelling, Conveyance and Car Expenses	19.76	20.77
Postage & Telegram	0.01	5.80
Legal, Professional and Secretarial Expenses	1.97	4.84
Auditors' Remuneration	32.00	40.00
Commission on Sales	0.03	0.11
Doubtful Debts written off	4.76	1,205.91
Miscellaneous Expenses	11.03	17.45
	<u>104.61</u>	<u>1,364.21</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(₹ 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, 2015	Year Ended March 31, 2014
I. Profit Computation for both Basic and Diluted Earnings Per Share of ₹ 2 each: Net Profit as per the Consolidated Statement of Profit and Loss available for Equity Shareholders (in Lacs)	(635.68)	(1,838.27)
II. Weighted average number of Equity Shares for Earnings Per Share computation: Number of shares for Basic and Diluted Earnings Per Share	110,188,091	110,188,091
III. Earnings Per Share:		
Basic (in ₹)	(0.58)	(1.67)
Diluted (in ₹)	(0.58)	(1.67)

30 The list of subsidiary companies and associates which are included in the consolidation and the Company's holdings therein are as under:

a Name of the Subsidiary	Company of Incorporation	Proportion of ownership interest	
		March 31, 2015	March 31, 2014
Mihir Properties Private Limited	India	100%	100%
b Name of the Associates			
Digihome Solutions Private Limited	India	46%	46%

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, 2015	Year Ended March 31, 2014
Employers' Contribution to Provident Fund *		
[Includes Employers' Contribution to Employee's Pension Scheme 1995]	3.44	6.90
Employers' Contribution to Employee's State Insurance Commission*	-	0.72
* Included in Contribution to Provident and Other Funds (Refer Note 25)		

II Defined Benefit Plan

A	Gratuity	Year Ended March 31, 2015	Year Ended March 31, 2014
i	During the year, company has not made Acturial Valuation, therefore figures are provided in below table are provisional.		
ii	Changes in the Present Value of Obligation		
	Present Value of Obligation at the beginning of the year	63.05	60.06
	Interest Cost	-	-
	Current Service Cost	2.00	3.00
	Benefits Paid	-	-
	Actuarial (Gain)/ Loss	-	-
	Present Value of Obligation at the end of the year	65.05	63.05
	Non-Current Liabilities	65.06	63.06
	Current Liabilities	-	-

(₹ in Lacs)

iii	Amount recognised in the Balance Sheet	Year Ended March 31, 2015	Year Ended March 31, 2014
	Present Value of Obligation at the end of the year	65.05	63.05
	Fair Value of Plan Assets	-	-
	Net Liability recognised at the end of the year	65.05	63.05
iv	Percentage of each category of plan assets to total fair value of plan assets as at March 31, 2015:	Year Ended March 31, 2015	Year Ended March 31, 2014
	Administered by Life Insurance Corporation of India	100%	100%
v	Expenses recognised in the Profit and Loss Account	Year Ended March 31, 2015	Year Ended March 31, 2014
	Current Service Cost	2.00	3.00
	Interest Cost	-	-
	Expected Return on Plan Assets	-	-
	Actuarial (Gain)/ Loss	-	-
	Total Expenses recognised in the Profit and Loss Account	2.00	3.00
vi	Expected Contribution to Gratuity Fund for the next year ₹ Nil lacs (Previous Year: ₹ Nil lacs).		
vii	Details of Present Value of Obligation, Plan Assets and Experience Adjustment are not applicable for the current year.		

III Other Employee Benefit Plan

Liability for compensated absences as at year end is ₹ 3.75 Lacs (Previous Year: ₹ 2.55 Lacs).

32 Related Party Disclosures**(a) Names of related parties and nature of relationship**

	Year Ended March 31, 2015	Year Ended March 31, 2014
(i) Associates of the Company	% of Holding	
Digihome Solutions Private Limited Associates	46%	46%
(ii) Other Significantly influenced 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)	
(iii) 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:

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Loan & Advance Given								
Digihome Solutins Private Limited	0.41	-	-	-	-	-	0.41	-
Total	0.41	-	-	-	-	-	0.41	-
Loan Taken								
Key management persons	-	-	-	-	17.35	4.09	17.35	4.09
others	-	-	19.98	-	-	-	19.98	-
Total	-	-	19.98	-	17.35	4.09	37.33	4.09
Remuneration to Directors								
	-	-	-	-	-	133.63	-	133.63
Total	-	-	-	-	-	133.63	-	133.63

(ii) Year End Balance:

Name of the Party	Outstanding Amount		Maximum Balance Outstanding at any time during the year	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Year end Balance				
Digihome Solutions Private Limited	119.94	119.53	119.94	119.53
Aftek Employees' Welfare Trust	10.45	10.45	10.45	10.45
Key management persons	156.72	148.07	156.72	148.07
Total	287.11	278.05	287.11	278.05

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, 2015 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount	Foreign Currency Amount	Amount
		March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
Sundry Debtors	USD	348.97	21,011.23	300.38	18,052.94
	EURO	68.01	4,595.10	53.26	4,398.71
Secured Loan - Ecb	Euro	45.00	3,037.97	45.00	3,715.94
UnSecured Loan - Fccb	USD	35.40	1,925.38	35.40	1,925.38

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

34 Capital Commitments & Contingent liabilities not provided for :	Year Ended March 31, 2015	Year Ended March 31, 2014
(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	Nil
(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 assesment 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, 2015		Year ended March 31, 2014	
	(₹ in Lacs)	%	(₹ in Lacs)	%
America	3,458.87	65.76%	5,541.04	73.15%
Europe	1,450.02	27.57%	1,335.85	17.64%
Japan	177.53	3.38%	510.49	6.74%
India	98.73	1.88%	96.97	1.28%
Others	74.82	1.42%	90.52	1.20%
Total Revenue	5,259.97	100.00%	7,574.87	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, 2015	Year Ended March 31, 2014
a) Lease payments recognised in the Statement of Profit and Loss during the year	20.22	37.07
b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:		
- Not later than one year	9.12	29.60
- Later than one year and not later than five years	36.48	128.40

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 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.

No FCCBs were converted during the year. 354 FCCBs were outstanding which, if converted into GDRs/Equity Shares at the reset conversion price of ₹ 13.76 would result into issuance of additional 1,12,10,428 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.

Nil GDRs (PY Nil GDRs) were outstanding as at March, 2015.

As stated at Note No. 37, above, 354 numbers of 1% Foreign Currency Convertible Bonds Due 2010 were outstanding as at March, 31, 2015. If these FCCBs are converted into GDRs, it would result into issuance of 37,36,809 numbers of GDRs representing 1,12,10,428 numbers of equity shares of ₹ 2/- each at the reset conversion price of ₹ 13.76.

- 39** In view of the on-going slowdown in the European and US markets, there have been delays in receivables. Considering the size and standing of its debtors, the Company has not made any provision at this stage towards amount of ₹ 22,398.36 Lacs outstanding for a period of more than 12 months.
- 40** The company has given certain capital advances and made some investments totaling to ₹ 6975.20 Lacs 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, IPRs are yet to be put to use as on the date of balance sheet amounting to ₹ 19,910.32 Lacs which includes the software services sold which is called back. 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.
- Amount due and outstanding to MSME suppliers as at the end of the accounting year.
 - Interest paid during the year to MSME.
 - Interest payable at the end of the accounting year.
 - 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** Confirmation letters have been sent to the debtors, creditors and to parties to whom advances have been given, and their balances are subject to reconciliation and consequent adjustments, if any.
- 44** Previous year's figures have been regrouped or reclassified to conform with the current years' presentation wherever considered necessary.

Signatures to Notes "1" to "44" forming 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 Chairman & Managing Director

Membership No. 039070

Place: Mumbai

Date: 30th May, 2015

Ranjit M Dhuru Nitin K Shukla
Director - Finance

Place: Mumbai

Date: 30th May, 2015

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

(₹ in Lacs)

Sr No	Details	Mihir Properties Private Limited
1	Reporting Currency	INR
2	Exchange Rate	-
3	Share Capital	145.00
4	Reserves & Surplus	101.81
5	Total Assets	256.22
6	Total Liabilities	9.41
7	Details of investment other than investment in subsidiary	-
8	% of holding	100
9	Turnover	-
10	Profit before taxation	(4.18)
11	Provision for taxation	(1.29)
12	Profit after taxation	(2.89)
13	Proposed Dividend	-
14	Country	INDIA

ATTENDANCE SLIP



AFTEK LIMITED

CIN: L57220MH1986PLC039342

REGISTERED OFFICE: 16/A 2ND FLR PRABHADEVI INDUSTRIAL ESTATE THE ENTERPRISES, C0- OP.SOC.LTD,
408 VEER SAVARKAR MARG PRABHADEVI, DADAR-400025

28th Annual General Meeting – 31st December 2015

Name of the Member:

DPID :		CLIENT ID/Folio No.	
Number of Shares held			

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 28th Annual General Meeting of the Company on 31st December 2015 at 11.00 a.m. at The Queenie Captain Auditorium, The NAB-Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 025

.....

Name of the member / proxy
(in BLOCK letters)

.....

Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

PROXY FORM



AFTEK LIMITED

CIN: L57220MH1986PLC039342

REGISTERED OFFICE: 16/A 2ND FLR PRABHADEVI INDUSTRIAL ,ESTATE THE ENTERPRISES, C0- OP.SOC.LTD,
408 VEER SAVARKAR MARG PRABHADEVI, DADAR-400025

28th Annual General Meeting – 31st December 2015

Name of the Member:

DPID :		CLIENT ID/Folio No.	
--------	--	---------------------	--

I/We _____ of _____
_____ being a Member/ Members of
Aftek Limited hereby appoint _____

(or failing him) _____ as my/our proxy to attend and
vote for me/us and on my/our behalf at Annual General Meeting of the company to be held on 31st December 2015 at
11.00 A.M at The Queenie Captain Auditorium, The NAB-Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi,
Mumbai – 400 025 or at any adjournment thereof in respect of such resolutions as are indicated below.

Sr. NO	Resolutions	For	Against	Abstain
1	Adoption of Audited Annual Accounts of the company for the year ended 31st March, 2015			
2	Ratification of appointment of M/s. GMJ & Co. and fix their remuneration			
3	Appointment of Miss Aditi Bhatt as an independent director			

AS WITNESS my hand /our hands this _____ day of _____ 2015.

Rs. 1/-
Revenue
Stamp

Signed by the said _____

Note: The proxy form must be deposited at the Registered office of the company not less than 48 hours before the time of
the holding the meeting. The proxy need not be a member of the company.

DP ID/Folio No: _____

Signature:

Name of the Shareholder (s): _____

Name of Proxy Holder

Book-Post

If undelivered, please return to:



AFTEK LIMITED

CIN: L57220MH1986PLC039342
16/A 2ND FLR PRABHADEVI INDUSTRIAL ESTATE THE ENTERPRISES,
C0- OP.SOC.LTD, 408 VEER SAVARKAR MARG PRABHADEVI,
DADAR, MUMBAI-400025
