



**AFTEK LIMITED**

**28TH ANNUAL REPORT 2014-2015**

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#### **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

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**NOTICE**

NOTICE is hereby given that the 28th Annual General Meeting of the members of **AFTEK Limited** will be held as under:

**Day** : Thursday  
**Date** : 31st December, 2015  
**Time** : 11.00 a.m.

**Venue:** The Queenie Captain Auditorium, The NAB-Workshop for  
the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 25.

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:

<b>Name of Director</b>	<b>Miss Aditi Bhatt</b>
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](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* 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.</p> <p>* 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.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>* 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).</p>

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**DIRECTORS' REPORT**

To,  
The Members of Aftek 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)	<b>Basis for qualified opinion</b>	
	<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.	<b>Emphasis of matter</b>	
2.	<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.
	<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)	<b>ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT</b> 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](http://www.aftek.com)