

INDEPENDENT AUDITOR'S REPORT

To
Board of Directors of AFTEK LTD

1. We have audited the accompanying Statement of Standalone Financial Results of **AFTEK LIMITED** ("**the company**") for the year ended 31st March, 2015 ("the Statement"), being submitted by the Company pursuant to the clause 41 of the Listing Agreements with the stock exchanges, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the statement, based on our audit of the said financial statements.
2. We conducted our audit of the statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - 3.1 *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;*
 - 3.2 *The 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.*
 - 3.3 *Without qualifying our opinion, we draw attention to the Liability if any of the pending assessment under Income Tax, Sales tax (including interest, if any) which are presently not ascertainable;*



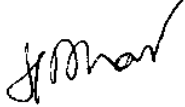
3.4 *Without qualifying our opinion, we draw attention to Intangible Assets under development for various ongoing projects. Due to the delay in the projects, Intangible Assets under development for Rs.19910.32 are yet to be put to use as on the date of balance sheet. The company is of the opinion that with the improved market conditions all the Assets under development will be profitably used by the company in the future projects.*

4. Based on our audit conducted as above, *except for the possible effects of the matters described in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchanges including the manner in which it is to be disclosed or that it contains any material misstatement.

For GMJ & Co.

(Firm Registration Number: 103429W)

Chartered Accountants



Haridas Bhat

Partner

(Membership Number:-039070)

Mumbai, 30th May, 2015