

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**M.R.Subramonian**  
*Managing Director*

**M.R.Narayanan**  
*Director*

**M.R.Krishnan**  
*Executive Director*

**N.Suresh**  
*Independent Director*

**K.Manmathan Nair**  
*Independent Director*

**P.K. Anandavally Ammal**  
*Independent Director*

**Company Secretary  
and Compliance Officer**

**S.Balamurali**

**Chief Financial Officer**

**P Vinaya Chand**

**Audit Committee**

**Shri. N.Suresh (Chairman)**  
**Shri.M.R.Subramonian**  
**Smt.P.K.Anandavally Ammal**

**Nomination & Remuneration  
Committee**

**Shri.N.Suresh (Chairman)**  
**Shri.M.R.Narayanan**  
**Smt.P.K.Anandavally Ammal**

**Corporate Social Responsibility  
Committee**

**Shri.M.R.Narayanan(Chairman)**  
**Shri.M.R.Subramonian**  
**Shri.N.Suresh**

**Shareholders Grievance/Share  
Transfer Committee**

**Shri.M.R.Narayanan (Chairman)**  
**Shri.M.R.Subramonian**  
**Shri.N.Suresh**

**Statutory Auditors**

**M.R.RAMACHANDRAN & Co**  
**Chartered Accountants**  
**9/1, Lynwood Avenue**  
**Mahalingapuram, Chennai-34**  
**Firm Regn. No. 0028735**

**Bankers**

**HDFC Bank Limited**  
**State Bank of India**  
**Axis Bank Limited**

**Register & Share Transfer Agents**

**M/s Integrated Enterprises (India) Limited**  
**2<sup>nd</sup> Floor, Kences Towers, North Usman Road**  
**T.Nagar, Chennai 600 017**

<b>Registered Office</b>	2/796, First Floor, Sakshi Towers First Main Road, Kazura Gardens Neelankarai, Chennai- 600 041 Phone 91 44 2449 5156/2449 5157
<b>Corporate Office</b>	5/2523, Golf Links Road, Kowdiar P.O Trivandrum – 695 003 Phone 91 471 2433805/569
<b>Website</b>	<b><a href="http://www.adtechindia.com">www.adtechindia.com</a></b>
<b>Email</b>	<a href="mailto:adtech@md2.vsnl.net.in">adtech@md2.vsnl.net.in</a>
<b>Shares Listed with</b>	In the Dissemination Board of NSE
<b>Corporate Identity Number (CIN)</b>	L33111TN1990PLC018678
<b>ISIN</b>	INE257C01014

## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of ADTECH SYSTEMS LIMITED will be held on Friday the 30th September 2016 at 3.00 pm at 2/796, First Floor, A Wing, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041 to transact the following business.

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, and the reports of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Shri. M.R.Narayanan (DIN :00044926), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of M/s M.R.Ramachandran & Co as Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s M.R. Ramachandran & Co, Chartered Accountants (ICAI firm registration No 002873S), 9/1, Lynwood Avenue, Mahalingapuram, Chennai 600 034 as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company to be held in 2017 on such remuneration as shall be mutually agreed upon between the Board of Directors and the Statutory Auditors”.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution  
RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with schedule V and Article 169 of the Articles of Association, the Company hereby approves the re-appointment and increase in remuneration of Shri.M.R.Subramonian, Managing Director of the company for a period of five years from 01.09.2016 and that remuneration be paid to him as under:
  - (a) By way of maximum managerial remuneration, not exceeding 5% of the net profits for each year from 2016-2021 OR
  - (b) By way of minimum managerial remuneration in the event of absence or inadequacy of net profits in any of years during the period 2016-21, when the managerial remuneration exceeds 5% of the net profits, subject to the limits, terms and conditions detailed in schedule V of the Companies Act, 2013 as amended from time to time and contained in the draft agreement between the company and Shri.M.R.Subramonian, Managing Director placed on the table and initialed by the Chairman for the purpose of identification”

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution

RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with schedule V and Article 169 of the Articles of Association, the Company hereby approves the re-appointment and increase in remuneration of Shri.M.R.Krishnan, Executive Director of the company for a period of five years from 01.09.2016 and that remuneration be paid to him as under:

- (a) By way of maximum managerial remuneration, not exceeding 5% of the net profits for each year from 2016-2021 OR
- (b) By way of minimum managerial remuneration in the event of absence or inadequacy of net profits in any of years during the period 2016-21, when the managerial remuneration exceeds 5% of the net profits, subject to the limits, terms and conditions detailed in schedule V of the Companies Act, 2013 as amended from time to time and contained in the draft agreement between the company and Shri.M.R.Krishnan, Executive Director placed on the table and initialed by the Chairman for the purpose of identification”

By order of the Board of Directors  
For Adtech Systems Limited

sd/

Place : Trivandrum

S.BALAMURALI

Date: 20.08.2016

Company Secretary

#### NOTES

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business set out is annexed thereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. The proxies, in order to be valid, must be received at the Registered office of the Company not less than 48 hours before the commencement of the meeting.  
Pursuant to Section 105 of the Companies Act, 2013, Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form (Form MGT 11) is annexed to this report.  
Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.  
In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. Members/proxies are requested to bring their Annual Report copies, and the duly filled in attendance slips sent herewith be handed over at the entrance of the Meeting Hall.
4. While members holding shares in physical form may write to the Company or to the Share Transfer Registrars M/s Integrated Enterprises India Ltd, 2<sup>nd</sup> Floor, Kences Towers, North Usman Road, T.Nagar, Chennai 600 017 for any changes pertaining to their address and email address, bank account details, mandates, nominations etc, members holding shares in electronic form may write to their depository participants for immediate updation.
5. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered. For effecting any changes, members may give instructions to their DPs. TCompany will not entertain any direct request from such Members for change/deletion in details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.
6. **The Register of Members and Share Transfer Books Shall remain closed from 16<sup>th</sup> September 2016 to 30<sup>th</sup> September 2016 (both days inclusive) .**

7. The amount of dividend declared upto and including for the financial year ended 31st March 2008, remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company was transferred to Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) starting from the financial year ended 31st March 2009 onwards, are requested to make their claims to the Company accordingly, without any delay.

8. Investor grievances/complaints may please be mailed to [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in).
9. Members are requested to register their e-mail addresses with the Company/Share Transfer agent or with their Depositories
10. A. Pursuant to Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide the facility to Members to exercise the right to vote by electronic means. The Company has arranged this facility in the CDSL Platform. The Members whose names appear in the Register of Members/List of Beneficiary Owners as on 23<sup>rd</sup> September 2016, ie, the cutoff date are entitled to vote on the resolutions set forth in the notice.

#### **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM)/ EGM/ EOGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27 September, 2016 (9:00 am) and ends on 29 September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently
- V. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- VI. Procedure for evoting is as given below

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (i) Click on Shareholders.
- (ii) 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.
- (iii) Next enter the Image Verification as displayed and Click on Login.

- (iv) 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.

- (v) 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> <ul style="list-style-type: none"> <li>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, mentioned in the address slip and also pasted at the end of this notice at page number 12, in the PAN field.</li> <li>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.</li> </ul>
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> <ul style="list-style-type: none"> <li>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 (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) **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.
- (xix) 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)
- VII A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM)
- VIII A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr.Krishna Prasad R S, Company Secretary in Practice (Membership No FCS 7080) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X, The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM) but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM), a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company –[www.adtechindia.com](http://www.adtechindia.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

#### Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

##### Item No 4

Shri. M.R.Subramonian was reappointed as the Managing Director of the Company in the 20<sup>th</sup> Annual General Meeting. The current tenure of Shri.M.R.Subramonian is upto 31<sup>st</sup> August 2016. Section 196 and 197 read with Schedule V of the Companies Act, 2013 requires payment of minimum remuneration in case of lack or inadequacy of profits to be approved by the Members by way of Special Resolution for a period not exceeding three years.

It is considered to be in the interests of the Company to reappoint Shri. M.R.Subramonian as Managing Director since he devotes his entire time and attention to development of Company’s business. Under the leadership of Shri M.R.Subramonian as promoter and Managing Director, the Company has developed tremendously with adequate profits and with good track record of Dividend Payment. The Nomination and Remuneration Committee and the Board of Directors have approved the appointment and payment of remuneration pursuant to the provisions of Schedule V of The Companies Act, 2013 . it is proposed to seek the approval of Members for the re-appointment of Shri.M.R.Subramonian as Managing Director with the following remuneration structure:

(a). In case of adequate profits: Not exceeding 5 percent of the net profits of the Company as per section 198 of the Companies Act, 2013 payable by way of salaries,allowances, perquisites, commission as determined by the Nomination and Remuneration Committee from time to time.

(b)Minimum Remuneration in case of lack or inadequacy of profits :



Where in any financial year during the currency of the tenure of Managing Director, profits are inadequate, remuneration shall be paid as under;

1. Remuneration payable not exceeding the limits prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.
2. Perquisites shall be valued as per provisions of Income Tax Rules.
3. Managing Director shall not be entitled to any sitting fee for attending meetings of Board or Committee.

The re-appointment and remuneration proposed fulfil the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Central Government is not required. A copy of the agreement containing the terms and conditions of re-appointment of Shri. M.R.Subramonian is available for inspection without any fee by the Members at the Registered Office of the Company during business hours on any working day pursuant to provisions of Section 190 of the Companies Act, 2013.

Information required under Section II, Part II of Schedule V of The Companies Act, 2013.

Shri.M.R.Subramonian, aged 56 years is the son of Shri,M.N.Ramakrishnan(Late), has a Bachelors Degree in Electronics Engineering and has more than 30 years of professional experience in the overall managerial and marketing areas. He is a member of the Board of M/s APT Micro Solutions Limited . He holds 556,865 shares representing 23.37 percent of paid up share capital of the Company.

1.General Information	
Nature of Industry	Electronic Surveillance Systems
Date or expected date of commencement of commercial production	Company was incorporated on 05 <sup>th</sup> February 1990 and the Certificate of Commencement of Business was dated 14 <sup>th</sup> November 1990.
In the case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
Financial performance based on given indicators	Details of financial performance of the Company for the years 2014-15 and 2015-16 are provided in the Annual Report 2016 which accompanies this Notice
Foreign investments or collaborations, if any	Nil
II. Information about the appointee	
Background details	Shri.M.R.Subramonian is the Managing Director of the Company
Past remuneration	Rs. 275,000 per month as salary, One month salary as bonus, use of Company Car with Driver , medical reimbursement of upto one months salary , Leave travel concession as per Company rules as applicable to other employees, and reimbursement of house electricity and water charges .



Recognition of Awards	<p>Under the leadership of Shri. M.R.Subramonian, the Company got awarded as under during the past 5 years</p> <ol style="list-style-type: none"> <li>1. Best SME award from Business Today in 2015</li> <li>2. One of the best 50 retails Professionals in India by ET Now and Asia Retail Congress 2013</li> <li>3. Managerial Excellence award from Madras Management Association 2013</li> <li>4. Kerala State best productivity performance award 2012-12</li> <li>5. Partner of the year Award from Mobotix Germany for 2011, 2012 and 2013</li> <li>6. Invue USA- Outstanding Asia Pacific Performance Award 2013</li> <li>7. Tyco -Sensormatic Outstanding Performance Award 2013.</li> <li>8. Invue Presidents club winner 2007, 2008, 2010, 2011</li> </ol>
Remuneration Proposed	Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013, read with Schedule V and is comparable to the remuneration of MD level of similar sized companies in the same field.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Besides the remuneration and holding of 23.37 percent of shares in the Company, Shri. M.R.Subramonian does not have any other pecuniary relationship with the Company. He is also the promoter of the Company along with his brothers Mr. M.R. Narayanan, Chairman and Shri. M.R. Krishnan, Executive Director
III Other Information	
Reasons of loss of inadequate profits	Due to sizeable fall in exports due to intense competition, the Company's revenue and profits declined. The Company has also invested in marketing infrastructure and in appointing of marketing heads in order to increase revenue. The Company had also diversified into floating solar projects which required initial investment in trial projects.
Steps taken or proposed to be taken for improvement	Appointment of marketing personnel will increase the revenue. Steps are being taken to increase export revenue by exploring new avenues. Solar project has started giving results with the Company being awarded with a Rs. 9 crore order from Kerala State Electricity Board.
Expected increase in productivity and profits in measurable terms	The aforementioned steps taken/to be taken by the Company are expected to improve the Company's performance and profitability in future.
IV Disclosure: As required, information is provided under Corporate Governance Section of Annual Report 2016.	

None of the Directors and Key Managerial Personnel except Shri M.R.Subramonian as appointee and Shri.M.R.Krishnan, Executive Director and Shri M.R.Narayanan, Director as relatives are concerned or interested in the Resolution.

#### Item No 5

Shri. M.R.Krishnan was reappointed as the Executive Director of the Company in the 20<sup>th</sup> Annual General Meeting. The current tenure of Shri.M.R.Krishnan is upto 31<sup>st</sup> August 2016. Section 196 and 197 read with Schedule V of the Companies Act, 2013 requires payment of minimum remuneration in case of lack or inadequacy of profits to be approved by the Members by way of Special Resolution for a period not exceeding three years.

It is considered to be in the interests of the Company to reappoint Shri. M.R.Krishnan as Executive Director since he devotes his entire time and attention to development of Company's business. Under the leadership of Shri M.R.Krishnan as promoter and Executive Director, the Company has developed tremendously with adequate profits and with good track record of Dividend Payment. The Nomination and Remuneration Committee and the Board of Directors have approved the appointment and payment of remuneration pursuant to the provisions of Schedule V of The Companies Act, 2013 . it is proposed to seek the approval of Members for the re-appointment of Shri.M.R.Krishnan as Executive Director with the following remuneration structure:

(a). In case of adequate profits: Not exceeding 5 percent of the net profits of the Company as per section 198 of the Companies Act, 2013 payable by way of salaries, allowances, perquisites, commission as determined by the Nomination and Remuneration Committee from time to time.

(b) Minimum Remuneration in case of lack or inadequacy of profits :

Where in any financial year during the currency of the tenure of Managing Director, profits are inadequate, remuneration shall be paid as under;

1. Remuneration payable not exceeding the limits prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.

2. Perquisites shall be valued as per provisions of Income Tax Rules.

3. Executive Director shall not be entitled to any sitting fee for attending meetings of Board or Committee.

The re-appointment and remuneration proposed fulfil the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Central Government is not required. A copy of the agreement containing the terms and conditions of re-appointment of Shri. M.R.Krishnan is available for inspection without any fee by the Members at the Registered Office of the Company during business hours on any working day pursuant to provisions of Section 190 of the Companies Act, 2013.

Information required under Section II, Part II of Schedule V of The Companies Act, 2013.

Shri.M.R.Krishnan, aged 53 years is the son of Shri,M.N.Ramakrishnan(Late), has a Bachelors Degree in Electrical Engineering and has more than 30 years of professional experience in the overall managerial and marketing areas. He holds 521,915 shares representing 21.90 percent of paid up share capital of the Company.

1.General Information	
Nature of Industry	Electronic Surveillance Systems
Date or expected date of commencement of commercial production	Company was incorporated on 05 <sup>th</sup> February 1990 and the Certificate of Commencement of Business was dated 14 <sup>th</sup> November 1990.
In the case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable

Financial performance based on given indicators	Details of financial performance of the Company for the years 2014-15 and 2015-16 are provided in the Annual Report 2016 which accompanies this Notice
Foreign investments or collaborations, if any	Nil
II. Information about the appointee	
Background details	Shri.M.R.Krishnan is the Executive Director of the Company
Past remuneration	Rs. 275,000 per month as salary, One month salary as bonus, use of Company Car with Driver , medical reimbursement of upto one months salary , Leave travel concession as per Company rules as applicable to other employees, and reimbursement of house electricity and water charges .
Recognition of Awards	Under the leadership of Shri. M.R.Krishnan, the Company got awarded as under during the past 5 years 1.Best SME Award from Business Today 2015 2.One of the best 50 retails Professionals in India by ET Now and Asia Retail Congress 2013 3.Managerial Excellence award from Madras Management Association 2013 4. Kerala State best productivity performance award 2012-12 5.Partner of the year Award from Mobotix Germany for 2011,2012 and 2013 6.Invue USA- Outstanding Asia Pacific Performance Award 2013 7.Tyco -Sensormatic Outstanding Performance Award 2013. 8.Invue Presidents club winner 2007,2008,2010,2011.
Remuneration Proposed	Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013, read with Schedule V and is comparable to the remuneration of MD level of similar sized companies in the same field.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Besides the remuneration and holding of 21.90 percent of shares in the Company, Shri. M.R.Krishnan does not have any other pecuniary relationship with the Company. He is also the promoter of the Company along with his brothers Mr.M.R.Narayanan, Chairman and Shri.M.R.Subramonian, Managing Director.
III Other Information	
Reasons of loss of inadequate profits	Due to sizeable fall in exports due to intense competition, the Company's revenue and profits declined. The Company has also invested in marketing infrastructure and in appointing of marketing heads in order to increase revenue. The Company had also diversified into floating solar projects which required initial investment in trial projects.

Steps taken or proposed to be taken for improvement	Appointment of marketing personnel will increase the revenue. Steps are being taken to increase export revenue by exploring new avenues. Solar project has started giving results with the Company being awarded with a Rs. 9 crore order from Kerala State Electricity Board.
Expected increase in productivity and profits in measurable terms	The aforementioned steps taken/to be taken by the Company are expected to improve the Company's performance and profitability in future.
IV Disclosure: As required, information is provided under Corporate Governance Section of Annual Report 2016.	

None of the Directors and Key Managerial Personnel except Shri M.R. Krishnan as appointee and Shri M.R. Subramonian, Managing Director and Shri M.R. Narayanan, Director as relatives are concerned or interested in the Resolution

By order of the Board of Directors

For Adtech Systems Limited

sd/-

S. BALAMURALI

Company Secretary

Place : Trivandrum

Date: 20.08.2016

CIN L33111TN1990PLC018678

Registered Office

No 18,3rd Floor, RMS Apartments

12, Gopalakrishna Road

T. Nagar, Chennai 600 017

Tele fax 044 28150967

E-mail : adtech@md2.vsnl.net.in

Website: www.adtechindia.com

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2015-2016

To

The Members

Your Directors have pleasure in presenting the 25th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2016

**Financial Highlights of the Company** for the year under review are as under

(Rupees in Lakhs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Turnover	4395.72	6463.25
Profit/(Loss) before taxation	452.62	960.72
Less: Tax Expense	149.88	316.47
<b>Profit/(Loss) after tax</b>	<b>302.37</b>	<b>644.25</b>
Transfer to General Reserve	30.40	64.42
Proposed Dividend on Equity Shares@ 30 percent	59.57	71.48
Dividend Tax	12.13	14.55

### State of the Company's Affairs and Future Outlook

Highlights of the Company's performance for the year under review are as under

- Revenue from operations decreased 30.10 percent to Rs.4395.72 lakhs due to sharp drop exports to 1049.33 lakhs.
- Profit before taxes decreased by 51.71 percent to Rs. 452.62 lakhs
- Profit after taxes (Net Profit) decreased by 53.07 percent to Rs.302.27 lakhs

The Commercial Industrial division of the Company posted more or less stagnant growth .

The Retail Division experienced negative growth mainly due to sharp drop in exports which is due to low cost grey market substitutes being available for overseas customers. Inland Retail division sales remained more or less stagnant due to sluggish growth in the brick and mortar stores under lifestyle, fashion and consumer electronic segments. We expect the situation to improve in the coming years .

Earnings per share( EPS) was Rs.12.69 per share for the year under review as against Rs. 27.04 in the previous year.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Future outlook for the Company is positive on account of the vision of your Company to continue and strengthen growth in coming years.

The Company tried to explore large projects by forming separate and dedicated marketing team in the Commercial Industrial Division which did not meet with desired success.

Diversification into floating solar projects has started yielding goods results with the Company bagging the prestigious work order from Kerala State Electricity Board for design, construction, installation, commissioning and handover of 500 KW Floating Solar Power Project in Banasurasagar Dam, Wayanad, Kerala. Work is going in full swing in this project and the Company expects more orders to be received in this division.

### DIVIDEND

The Company has, during the financial year 2015-16, paid an interim dividend of Rs. 2.50 per share (ie 25 percent dividend). This has resulted in a cash outflow of Rs.59.57 lakhs towards dividend payment and Rs.12.13 lakhs towards Dividend Distribution Tax. Your Directors recommend to ratify this interim dividend as the final dividend for the FY 2015-16.

As on 31<sup>st</sup> March 2016, an amount of Rs. 521,915/- is lying in the Unpaid Dividend Account with State Bank of India towards the dividend declared and paid but not claimed for the financial years from 2008-09 to 2014-15 as per details given in the notes on Account. Those Shareholders who have not encashed their dividend warrants are requested to immediately approach the corporate office of the Company for revalidation/reissue of the dividend warrants after which the warrants may be presented for payment. The unclaimed dividend up to and including the year 2007-08 has been transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

The Dividend payout for the year has been formulated keeping in mind the Company's ability to pay sustainable dividends vis a vis the requirement of funds for running business and the long term objectives which are to be met by internal cash accruals.

#### **Amounts transferred to Reserves**

The Board of Directors have decided to transfer an amount of Rs. 30.40 lakhs to General Reserve.

#### **Changes in Share Capital and Reserves**

During the year under review, there has been no change in the paid up share capital of the Company. The Capital and Reserves of the Company as on 31<sup>st</sup> March 2016 stood at Rs. 3084.12 lakhs as against that of Rs. 2853.44 lakhs as on the corresponding day of the previous year

#### **GENERAL**

Your Directors also state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review

1. Disclosure regarding Issue of Equity Shares with differential rights as stated in Rule 4(4) of Companies (Share Capital and Debenture Rules, 2014)
2. Details relating to deposits covered under Chapter V of the Companies Act, 2013
3. Disclosure regarding issue of Employee Stock Options as stated in Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014)
4. Disclosure regarding issue of Sweat Equity Shares as specified in Rule 8 (13) of Companies (Share Capital and Debenture Rules, 2014)
5. Receipt of Commission or Remuneration by the Managing Director nor the Whole-time Directors of the Company from subsidiaries, since the Company does not have any subsidiary.
6. No significant or material order which impact the going concern status and Company's operations in future were passed by the Regulators or Courts or Tribunals.

Extract of Annual Return, in format MGT-9, for the financial year 2015-16 is annexed to the Board's report as Annexure-B

#### **CORPORATE GOVERNANCE**

Provisions in the listing agreement relating to report on Corporate Governance are not mandatory to the Company since, as on 31<sup>st</sup> March 2016 the Company is not listed in any recognised stock exchange. However, keeping in view that the Company is planning to apply for listing, detailed report on Corporate Governance along with certificate on Corporate Governance from Statutory Auditors is forming part of this Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)**

The Management Discussion and Analysis Report for the year under review is forming part of this Report.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal control systems and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this report.

#### **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION,PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has 07 women employees in various cadres as on 31<sup>st</sup> March 2016. Your Company has zero tolerance towards sexual harassment at the work place. The Company has constituted an Internal Complaint Committee in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

## DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors state that

- In the preparation of annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;  
The Directors have selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2016 and of the profit of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Details on Board Meetings held during the year under review

During Financial year 2015 -16, 5 meetings on Board of Directors were held on the following dates 30<sup>th</sup> May, 2015, 13<sup>th</sup> August 2015, 14<sup>th</sup> November 2015, 12<sup>th</sup> February 2016 and 18 March 2016.

Attendance of Directors at each meeting of Board of Directors are as follows

Date of Meeting> Name of Director	30 May 2015	13 Aug 2015	14 Nov 2015	12 Feb 2016	18 March 2016	Total Number of Meetings Attended
M.R.Subramonian	Yes	Yes	Yes	Yes	Yes	5
M.R.Narayanan	Yes	Yes	No	Yes	Yes	4
M.R.Krishnan	No	Yes	No	No	No	1
N.Suresh	No	Yes	Yes	Yes	Yes	4
K.Manmathan Nair	Yes	Yes	Yes	No	No	3
P.K.Anandavally Ammal	No	Yes	No	Yes	Yes	3

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions with related parties entered into by the Company during the financial year were in the ordinary course of business and are on arm's length. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. All related party transactions were at arms length and in the ordinary course of business and conforming to the requirements of Companies Act, 2013. Omnibus approval is taken from the Board of Directors meeting for approval of transactions what are of a repetitive nature. Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013, read with rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure -C

## PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS UNDER SECTION 186

The Company has made an inter corporate deposit with a non banking finance company viz M/s Muthoot Capital Services Limited for an amount of Rs. 140.85 lakhs as an investment for a period of 3 months at a rate of interest of nine percent per annum, under Section 186 of the Companies Act, 2013. The investment is made in the ordinary course of business with the view to investing surplus funds of the Company to get the maximum returns. Other than the above, the Company has not given any loans, guarantees or investments under Section 186 to any party during the period under review.

## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

### A. CONSERVATION OF ENERGY

The business of the Company is not power intensive, being an electronic equipment integration unit. Even then, the Company continues to accord high priority to conservation of Energy. Systems are in force to closely monitor energy usage.



## B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

The Company has efficient R & D department which closely observes and suggests cost effective changes in components for integration of Access Control Systems.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO.

### i. Earnings in Foreign Currency

Head of Earnings	2015-16 in Rs Lakhs	2014-15 in Rs Lakhs
Export Sales	1049.33	2940.09
Sales Incentives on Direct orders placed on overseas principals	48.87	137.30

### ii. Expenditure in Foreign Currency

Head of Expenditure	2014-15 in Rs Lakhs	2014-15 in Rs Lakhs
Foreign Travel Expenses	22.19	20.74
Import Purchases	667.17	549.16

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions 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, there are no employees of the Company drawing remuneration in excess of the limits set out in the said rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure D. Your Company does not have any subsidiaries, joint ventures or associates and there are no details to be disclosed.

## RISK MANAGEMENT POLICY

Your Company has constituted a risk management committee comprising of the Managing Director, Executive Director, Company Secretary, Chief Financial Officer and Head of Marketing and which assists the Board of Directors in overseeing and approving the Company's enterprise wide risk management framework and to be in a constant watch mode so as to identify all risks that the Organisation faces viz financial, strategic, market, liquidity, security, property, legal and regulatory. There is a constant process of management and reporting of principal risks and uncertainties in the Company.

By having transparent policies and system of reporting firmly in place, the elements of risks are identified at earlier stages which enables the Organisation to control the effects. Risk management committee is fully in sync with the Audit Committee and with the Internal Control and Internal Audit teams with the aim of early identification of risks. The Board believes that effective control of internal activities and procedures will mitigate the chances of risks from within the organisation which is achieved by laying of procedures and codes of conduct and by constant interaction with employees and other stake holders of the Company.

## INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the financial year, such controls were tested and no material weakness in the design or operation were observed. Internal Auditors M/s Roy Varghese and Associates, a reputed audit team confirms that the activities are in compliance with the Companies policies and that no material deviations were detected. Internal Auditors review systems and operations of the Company and ensure that the Company is functioning within the limits of all applicable statutes. Any internal control weaknesses, non-compliance with statutes and suggestions on improvement of existing practices form part of internal audit report. The Audit committee reviews the internal audit report and compliance report and ensures that the observations pointed out in these reports are addressed in a timely and structured manner by the Management. The Internal Audit report is also reviewed by the Statutory Auditors.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company is committed to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns without fear of punishment or unfair treatment. The Company has a proper vigil mechanism and whistle blower policy in place pursuant to Section 177(9) and 177(10) of the Companies Act, 2013 and as per Regulation 4(2)(d) (iv) and 34(3) read with Para 10 of part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The mechanism also provides for adequate safeguards against victimisation of Directors and employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in special cases. The said policy is available in the website of the Company [www.adtechindia.com](http://www.adtechindia.com)

## LISTING WITH STOCK EXCHANGES

Shares of the Company were listed in the regional stock exchanges of Madras Stock Exchange, the Cochin Stock Exchange Limited and the Ahmedabad Stock Exchange Association Limited which were closed down pursuant orders issued by the Securities and Exchange Board of India (SEBI). Shares of the Company are moved to the dissemination board of National Stock Exchange (NSE). The Company is in the process of listing its shares in Stock Exchange which meets the criteria prescribed by SEBI and has commenced steps.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri. M.R.Narayanan, Director(DIN 00044926) of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment. Your Board of Directors recommend the re-appointment of Shri.M.R.Narayanan as a Director of the Company.

The Board of your Company consists of six directors as on the date of this report as follows

Name of Director	Category
Shri.M.R.Subramonian, Managing Director	Executive Directors
Shri.M.R.Krishnan, Executive Director	
Shri.M.R.Narayanan, Chairman	Non Executive –Non Independent Director
Shri.N . Suresh	Non- Executive Independent Directors
Shri.K.Manmathan Nair	
Shri.P.K.Anandavally Ammal	

All the Directors have rich experience and specialized knowledge in various areas of relevance to the Company. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board. The composition of the Board is as per the Companies Act, 2013 and the SEBI (Listing obligation and Disclosure Regulation) Regulation, 2015.

## CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE YEAR 2015-16

During the year under review, there has been no change in Directors or Key Management Personnel.

Following persons are the Key Managerial Persons of the Company as recorded by the Board

1. Shri.M.R.Subramonian - Managing Director
2. Shri.S.Balamurali - Company Secretary & Compliance Officer.
3. Shri.P.Vinaya Chand - Chief Financial Officer.

## WOMAN DIRECTOR

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and clause 49 of the SEBI (Listing obligation and Disclosure Regulation) Regulation, 2015, Company shall have at least one Woman Director on the Board and accordingly, your Board has Ms P.K.Anandavally Ammal as Woman Director.

Declaration by Independent Director(s) and re-appointment, if any

The Company has three Independent Directors on the Board. The Company has received declaration from each

Independent Director of the Company under Section 149(7) of the Companies Act, 2013 on 01<sup>st</sup> April 2015 that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and subsequently the same was placed at the Board Meeting held on 30<sup>th</sup> May 2015.

A declaration by the Managing Director confirming receipt of this declaration from Independent Directors is annexed to this report as Annexure A

**COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND OTHER MATTERS AS PROVIDED UNDER SECTION 178 (1) AND 178 (3) OF THE COMPANIES ACT, 2013.**

The Company has formulated a familiarization programme for its Directors which gives proper guidance into the history of the Company, its promoters, performance of the Company over the previous years, products and services dealt with by the Company, its Auditors and the top management. The familiarization programme is posted on the website of the Company. During the year, the Company had conducted a refresher programme for its Independent Directors.

Policy for bringing diversity to the Board includes the following

- Diversity is ensured through consideration of a number of factors including but not limited to skills, specialization and industry experience. Factors based on the business model and specific needs from time to time are also considered.
- The Nomination and Remuneration Committee shall drive the process for Board appointment and for identifying and nominating, for approval of the Board, candidates for appointment to the Board
- Benefits of experience/knowledge in the areas relevant to the Company continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board
- Board appointments are purely based on merit, having due regard to for the benefits of diversity on the Board.

**NOMINATION AND REMUNERATION COMMITTEE AND POLICIES**

The Board had constituted a Nomination and Remuneration Committee on 14<sup>th</sup> August 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

The Committee met once during the financial year on 12 September 2015. The composition of the Nomination and Remuneration Committee is as under. All the committee members attended the meeting held on 12<sup>th</sup> September 2015.

Name of the Members	
Shri.N.Suresh	Chairman
Shri.M.R.Narayanan	Member
Smt.P.K.Anandavally Ammal	Member

Pursuant to the provisions of Section 178 and 134 (3(e) and Rule 8 (4) of the Companies (Accounts) Rules, 2014, Companies Act, 2013 and the SEBI (Listing obligation and Disclosure Regulation) Regulation, 2015, the Committee was constituted with the following terms of reference.

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Directors, Chairman, Managing Director and Executive Director, Board as a whole and various Committees of the Board. Based on the recommendations of the Committee, the said Policy on Nomination and Remuneration and Evaluation of Directors was adopted by the Board.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down.

The Committee has adopted the following criteria for selection of Members on the Board of Directors of the Company and also candidates eligible to be appointed in the Senior Management of the Company

**(i)Criteria for Selection of Directors**

Before making a recommendation to the Board for appointment of any Director, the Committee shall ensure that

- The candidate possesses appropriate skills experience and knowledge in one or more fields of managerial/

business/administrative/legal/finance qualifications and experience over two decades ;

- (b) The candidate shall be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;
- (c) In the case of appointment of an Independent Director, the candidate meets the conditions of being independent as stipulated under Companies Act, 2013 and the SEBI (Listing obligation and Disclosure Regulation) Regulation, 2015.
- (d) The candidate also complies with the “Fit and Proper” criteria as laid down by the policy of the Company.

(ii) Criteria for Selection of Senior Management Personnel

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013

The Committee shall, before making any recommendation to the Board for appointment, should ensure that the candidate has the attributes set forth below

- (a) The candidate should have a minimum experience of 10 years in any of the areas viz electronic security related, financial management, legal, sales, marketing, procurement, research, technical operations or such other areas which in the opinion of the Committee are relevant for the Company’s business; and
- (b) The candidate should possess qualities that demonstrate leadership skills, effective communication skills, hard work, commitment and such other attributes which in the opinion of the Committee are in the interest of the Company.

The Committee makes its recommendation to the Board if it finds that a candidate meets the criteria for appointment.

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the provisions of Section 178(3) of the Companies Act, 2013. All the Directors have provided inputs to the questionnaire seeking information on criteria such as Board Composition and structure, Board Processes and procedures, effectiveness of the Board, etc

The Board and Nomination and Remuneration Committee reviewed the performance of the individual Directors inter alia, on the basis of understanding and knowledge of the market in which the Company is operating, ability to appreciate the working of the Company and the challenges it faces, attendance to meetings, extend of participation and involvement in the meetings and ability to convey one’s views and flexibility to work with others. The performance of the Committees was evaluated by the based on the composition of the Committees, effectiveness of the Committee meetings with respect to the terms of reference and conduct of the meetings and the procedures followed.

Separate meeting of Independent Directors was conducted during the year, to review the performance of the Board as a whole, performance of Non Independent Director and Chairman and assess the quality, quantity, timelines of flow of information from the Management to the Board of Directors.

#### REMUNERATION POLICY

The Committee has formulated policies on remuneration of Directors, KMP and other employees, features of the same are as under

(i) Remuneration of Managing Director and Executive Director

Committee takes into consideration the performance of the Company, the ability to lead the team, past remuneration, the comparative remuneration profile in the industry subject to the condition that overall remuneration shall be in accordance and within the limits stipulated under the Companies Act, 2013

(ii) Remuneration to Non Executive Directors

Remuneration to Non Executive Director is paid subject to the limits stipulated under the Companies Act, 2013 and based on level of participation in the affairs of the Company.

Remuneration to Independent Directors is restricted to sitting fees for attending meetings of the Board of Directors .

The Company does not at present have a provision of stock options.

(iii) Remuneration of Senior Management Personnel and KMP

The Remuneration of the Senior Management Personnel and KMP shall be in accordance with the Policy of the Company as is applicable to the employees. Performance of the business/function under his control is also considered while deciding remuneration.

Details of remuneration paid to Directors and KMP are mentioned elsewhere in this report.

Audit Committee

Composition of the Audit Committee is as follows

Name of the Members	
Shri.N.Suresh	Chairman
Shri.M.R.Subramonian	Member
Smt P.K.Anandavally Ammal	Member

The Audit committee consists of two Non-Executive Independent Directors, one of whom is the Chairman. All the members of the Committee possesses accounting or related financial management expertise. The Committee met five times during the financial year 2015-16 on 30<sup>th</sup> May 2015, 13<sup>th</sup> August 2015, 14<sup>th</sup> November 2015, 12<sup>th</sup> February 2016 and on 18 March 2016, in which meetings, all the members were present.

The terms of reference of Audit committee in accordance with Section 177(4) of the Companies Act, 2013 and the listing agreement are as under

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process and discussions thereon;
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and or debt;
9. Discussion with internal auditors of any significant findings and follow up thereon;
10. To review the functions of Whistle Blower mechanism;
11. To carry out such other functions as may be referred to it.

There was no situation where the Board has not accepted the recommendation of the Audit Committee.

The Company has in place a Code of Conduct intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct.

The Company has also in place a Code of Conduct for Prevention of Insider Trading for its designated Persons, in compliance with the SEBI (Prohibition of Insider Trading ) Regulations, 1992. The code advises them on the procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them of the consequences of violations. The Code of Conduct for Directors and Senior Management is placed in the website of the Company. However, since the company is not listed in NSE or BSE, there is no trading in shares of the Company.

#### STATUTORY AUDITORS

The Auditors of the Company M/s M.R.Ramachandran and Co, Chartered Accountants, were appointed as Statutory Auditors of the Company during 23<sup>rd</sup> AGM held on 24<sup>th</sup> September 2014 for a period of three years. As per provisions of Section 139 of the Companies Act, 2013, the appointment need to be ratified at each AGM during their tenure and your Directors recommend ratification of the appointment of Statutory Auditors for the financial year 2016-17 in the ensuing AGM.

## AUDITORS REPORT

There are no qualifications or adverse remarks mentioned in the Auditors Report for the financial year 2015-16 except the mention of a delay of 53 days in transferring the unpaid dividend for the year 2007-08 of Rs. 18400 to the Investors Education and Protection Fund (IEPF). The Company has explained that the delay was due to a bank reconciliation issue and corresponding delay in preparing list of unclaimed shareholders. The notes on accounts forming part of financial statements are self explanatory.

## SECRETARIAL AUDITORS REPORT

Secretarial Auditors Report for the financial year 2015-16 as provided by M/s Krishna Prasad R.S & Co, Company Secretaries, T.C 12/1233, Law College Junction, Vanchiyoore PO, Near PMG, Trivandrum 695 035 is annexed to this report. There are no adverse comments or qualifications mentioned in the Secretarial Auditors Report except on the delay of 53 days in transferring an amount of Rs. 18400 to the Investors Education and Protection Fund (IEPF). The delay was explained as due to bank reconciliation problem and corresponding delay in preparing the list of unclaimed shareholders.

Details of remuneration and other particulars required under Section 197(12) of the Companies Act read with relevant rules are given as Annexure III

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has always believed in Social Responsibility and has been supporting the cause in a reasonable manner. The Company has taken up various activities in line with the business and requirements of the society in the locality. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure E to this report in the format prescribed in the Companies (Accounts) Rules, 2014. The policy is available in the website of the Company. The composition and other details of the CSR Committee is detailed here under

Name of the Members	
Shri.M.R.Narayanan	Chairman
Shri.M.R.Subramonian	Member
Shri.N.Suresh	Member

Reason for the Company not being able to spend 2 percent of the net profits for CSR activities.  
Pursuant to provisions of Section 135 of the Companies Act, the Company has to spend amount of 2 percent of the average net profits of the Company in the preceding 3 years calculated in accordance with the provisions of Section 198 on CSR activities. Accordingly, the amount to be spent during the financial year 2015-16 was Rs. 18,71,450. In order for the benefit of the locality in whose area the Company functions through its corporate office, the Company associated with the residential association in the area and maintained the children's park and bus stops which it constructed in 2014-15. In the year under review, the Company has associated with the residential association and constructed a public road by closing of an open drainage which was a long pending requirement of the residents in that area. Hence, instead of the required amount to be spend Rs. 18,71,450 the Company spend Rs. 18.35,000. The shortfall in spending of allotted CSR amount is due to strict implementation of cost control measures in the project. Detailed report on CSR policy of the Company and the activities/projects undertaken are provided in Annexure E.

## ACKNOWLEDGEMENTS

The Directors sincerely acknowledge the contribution and support from Customers, Shareholders, Bankers, Vendors, Business Associates and various Government as well as Regulatory Agencies for their valuable support for the Company's growth. Your Directors also wish to place on record their appreciation of the contribution by the employees whose dedication, hard work and commitment enables the Company to sustain growth.

For and on behalf of the Board of Directors

Place Trivandrum  
Date 30.05.2016

sd/  
M.R.Narayanan  
Chairman

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**ANNEXURE A**

**DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS**

I hereby confirm that, the Company has received from all the Independent Directors namely Shri.N.Suresh, Shri. K.Manmathan Nair and Smt. P.K.Anandavally Ammal, a certificate stating their independence as required under Section 149(6) of the Companies Act, 2013.

For an on behalf of the Board of Directors

Trivandrum  
30<sup>th</sup> May 2016

Sd/-  
M.R.Subramonian  
Managing Director



Annexure B

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) Corporate Identity Number (CIN) : L33111TN1990PLC018678  
 ii) Registration Date : 05/02/1990  
 iii) Name of the Company : ADTECH SYSTEMS LIMITED  
 iv) Category /Sub-Category of the Company : Limited By shares / Indian Non Government Company  
 v) Address of the registered office : 2/796, First Floor, A Wing, Sakshi Towers  
 First Main Road, Kazura Gardens  
 Neelankarai, Chennai 600 041 Tamil Nadu  
 vi) Whether listed company : Currently unlisted -  
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Integrated Enterprises (India) Limited  
 2<sup>nd</sup> Floor, Kences Towers, North Usman Road, T Nagar,  
 Chennai - 600 017

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% total turnover of the company
1	Supply, Installation, Testing, Commissioning, and maintenance of Electronic Security Systems	80200	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -NA**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual	1540565	42010	1582575	66.42	1550660	80540	1631200	68.46	2.04
b) Central Govt									
c) State Govt									
d) Bodies Corp									
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	1540565	42010	1582575	66.42	1550660	80540	1631200	68.46	2.04

(2) <b>Foreign</b> a) NRIs - Individuals b) Other – Individuals c) Bodies Corp. d) Banks / FI e) Any Other.... <b>Sub-total (A) (2):-</b> <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	Nil  Nil  1540565	Nil  Nil  42010	Nil  Nil  1582575	Nil  Nil  66.42	Nil  Nil  1550660	Nil  Nil  80540	Nil  Nil  1631200	Nil  Nil  68.46	--  -  2.04
<b>B. Public Shareholding</b> <b>1. Institutions</b> a) Mutual Funds b) Banks / FI c) Central Govt d) State Govts e) Venture Capital Funds f) Insurance Companies g) FIs h) Foreign Venture Capital Funds i) Others (specify)	20000	100000	120000	5.04	20000	0	20000	0.84	4.2
<b>Sub-total (B)(1):-</b>	20000	100000	120000	5.04	20000	-	20000	0.84	4.2
<b>2. Non-Institutions</b> a) Bodies Corp i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil   66200	350000   186150	350000   252350	14.69   10.59	100000   58305	350000   173660	450000   231965	18.89   9.74	4.2   0.85

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	77825	77825	3.27	Nil	49585	49585	1.19	2.08
c) Others (specify) <b>Sub-total (B)(2):-</b>	66200	613975	680175	28.54	158305	573245	731550	30.70	Nil
Total Public Shareholding B)=(B)(1)+ (B)(2)	86200	713975	800175	33.58	178305	573245	751550	31.54	2.04
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Grand Total (A+B+C)</b>	<b>1626765</b>	<b>755985</b>	<b>2382750</b>	<b>100</b>	<b>1728965</b>	<b>653785</b>	<b>2382750</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sl.no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M.R.SUBRAMONIAN	556965	23.38	99.98	556965	23.38	99.98	NIL
2	M.R.KRISHNAN	522015	21.90	99.98	522015	21.90	99.98	NIL
3	M.R.NARAYANAN	448565	18.83	99.84	448565	18.83	99.84	NIL
4	THANKAM RAMAKRISHNAN	12710	0.53	0.00	51240	2.15	0.00	1.61
5	SHOBHA KRISHNAN	10290	0.43	0.00	10290	0.43	0.00	NIL
6	RADHA NARAYANAN	17705	0.74	0.00	27800	1.17	0.00	0.43
7	ASHA SUBRAMONIAN	8095	0.34	0.00	8095	0.34	0.00	NIL
8	M.S.RAMAKRISHNAN	6230	0.26	0.00	6230	0.26	0.00	NIL
	TOTAL	1582575	66.42	0.00	1631200	68.46	0.00	NIL

(iii) **Change in Promoters' Shareholding** – 38530 shares were gifted to a person in the promoter group by close relative which represents 1.62 percent of the paid up capital of the Company. There was also an interse-purchase of 10095 shares a person in the promoter group from a relative which represents 0.44 percent of the paid up capital of the Company. There were no purchase or sale of shares from/to outside the promoter group/relatives.

**(iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	<b>For Each of the Top 10 Shareholders</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tops Security Limited	350000	14.69	350000	14.69
2	Small Industries Development Bank of India	100000	4.20	0	0
3	Muthoot Exim Private Limited	Nil	0	100000	4.20
4	Gayathri Ramesh	38530	1.62	0	0
5	Dhanlakshmi Bank Limited	20000	0.84	20000	0.84
6	Vijayakumar	16675	0.70	16675	0.70
7	Kunchitham M S	11510	0.48	11510	0.48
8	Vinaya Chand P	9250	0.39	9250	0.39
9	Lakshmi Viswanathan	8995	0.38	0	0
10	Chandrasanan K C	8325	0.35	8325	0.35
11	Thomas Alocious Fernandez	8325	0.35	8325	0.35
12	Thomas John Muthoot	8300	0.35	8300	0.35
13	Ravindran.T	8000	0.34	8000	0.34

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	<b>For each of the Directors and KMP</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	1. M.R.Subramonian	556865	23.37	556865	23.37
	2. M.R.Krishnan	521915	21.90	521915	21.90
	3. M.R.Narayanan	447865	18.80	447865	18.80
	4. S.Balamurali	1000	0.04	1000	0.04
	5. Vinaya Chand P	9250	0.39	9250	0.39
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year				
	1. M.R.Subramonian	556865	23.37	556865	23.37
	2. M.R.Krishnan	521915	21.90	521915	21.90
	3. M.R.Narayanan	447865	18.80	447865	18.80
	4. S.Balamurali	1000	0.04	1000	0.04
	5. Vinaya Chand P	9250	0.39	9250	0.39

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment -NIL

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount				
Interest due but not paid				
Interest accrued but not due				
<b>Total (i+ii+iii)</b>	0.00	0.00	0.00	0.00
<b>Change in Indebtedness during the financial year-</b>				
Addition	0.00	0.00	0.00	0.00
Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	0.00	0.00	0.00	0.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	0.00	0.00	
ii) Interest due but not paid	0.00	0.00	0.00	
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	0.00	0.00	0.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in Rs Lakhs)

Sl. no.	Particulars of Remuneration	M.R.Subramonian Managing Director	M.R.Krishnan Executive Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	33.00	33.00	66.00
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify Medical			
	<b>Total (A)</b>	<b>33.00</b>	<b>33.00</b>	<b>66.00</b>
	Ceiling as per the Act	66.00 lakhs as per provisions of Schedule V of the Companies Act, 2013		

**B. REMUNERATION TO OTHER DIRECTORS:**

In Rs Lakhs

Sl no.	Particulars of Remuneration	Name of Directors			Total Amount
		N Suresh	Manmathan Nair	P.K.Ananda Vally Ammal	
	1. Independent Directors- Fee for attending board committee meetings · Commission · Others, please specify	0.30	0.225	0.225	0.75
	Total (1)	0.30	0.225	0.225	0.75
	2. Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	M.R.Narayanan  Nil 5.15			5.15
	Total (2)	5.15			5.15
	Total (B)=(1+2)	5.90			
	Total Managerial Remuneration	Rs. 5.90			
	Overall Ceiling as per the Act	Rs. 6.17 lakhs being 1 % of net profits of the Company calculated as per Section 198 of the Companies Act, 2013 excluding sitting fee paid.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(in Rs Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	23.80	05.99	29.79
			Nil	Nil	Nil
2.	Stock Option		Nil	Nil	Nil
3.	Sweat Equity		Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...		Nil	Nil	Nil
5.	Others- Medical		0.55	0.20	0.75
	Total		24.35	6.19	30.54

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Sl.no	Type	Section	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD/ NCLT/COURT)	Appeal made if any

<b>A. COMPANY</b>		<b>NIL</b>				
Penalty						
Punishment						
Compounding						
<b>B. DIRECTORS</b>						
Penalty						
Punishment						
Compounding						
<b>C. OTHER OFFICERS IN DEFAULT</b>						
Penalty						
Punishment						
Compounding						



**ANNEXURE – C**

**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

1. Details of contracts or arrangements or transactions not at arm's length basis

All transactions entered into by the Company during the year with related parties were on an arms length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

The transactions entered into by the Company during the year with related parties on an arms length basis were not material in nature

Trivandrum  
30 May 2016

sd/  
M.R.Narayanan  
Chairman

**ANNEXURE D**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i)The ratio of remuneration of Managing Director/Executive Director to the median remuneration of the employees of the Company for the financial year ended 31 <sup>st</sup> March 2016	13.10
(ii) The ratio of remuneration of Non Executive Non Independent Director to the median remuneration of the employees of the Company for the financial year ended 31 <sup>st</sup> March 2016	2.34
(iii)The median remuneration of employees of the Company during the financial year	Rs252.000
(iv)Percentage increase in the median remuneration of the employees in the financial year 2015-16	0
(v)Number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March 2016	86
(vi)Explanation on relationship between average increase in remuneration and company performance	There was no increase in average increase in remuneration.
(vii)Average percentage increase in the salaries of the employees other than the managerial personnel in the last financial year and the percentile increase in the managerial remuneration	There is no increase in salaries of employees other than managerial personnel and 2.75 percent increase in salaries of managerial personnel during the year which is justifiable as to be in line with the industrial standards.
(viii)The Key parameters for any variable component of remuneration available by the Directors	There is no variable component in the remuneration of Directors
(ix)The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable

The percentage of increase in remuneration of Managing Director, Director, Company Secretary and Chief Financial Officer during the financial year 2015-16 and the comparison of remuneration of each KMP against the performance of the Company are as under

Sl No	Name of Director/Key Managerial Personnel and Designation	Remuneration for FY In Rs Lakhs		% increase for financial year 2015-16	Comparison of the remuneration against the performance of the Company
		2015-16	2014-15		
01	M.R.Subramonian, Managing Director	33.00	32.00	3.13%	Profits before tax decreased by 53.89% and Profits after tax decreased by 53 %
02	M.R.Narayanan, Director	05.90	09.50	(-)37.89%	
03	S.Balamurali, Company Secretary	24.35	21.28	14.42%	
04	P.Vinaya Chand, Chief Financial Officer	6.19	4.80	28.96 %	
		69.44	67.58		

Variations in

	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Market Capitalisation	Not Applicable	Not Applicable
Market Price	Not Applicable	Not Applicable
Earnings Per Share	Rs. 12.69	27.04
Price Earning Ratio	Not Applicable	Not Applicable
Net Worth	Rs.3084.12 lakhs	Rs.2853.44 lakhs

Note :Due to non-trading of Company's shares in the regional stock exchanges, details pertaining to Market Capitalisation, Market Price and Price Earning ratio are not available.

Due to the aforementioned reason, percentage increase or decrease in the market quotes of the shares of the Company in comparison to the rate at which the Company came out with the last public offer is unavailable.

It is hereby affirmed that the remuneration paid to KMP and other directors and employees is as per the Remuneration Policy of the Company.

## ANNEXURE E

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs

Main objective of the company is to undertake the social activities that focus in providing positive contribution towards the society as specified in Schedule VII (amended from time to time) and also as per Section 135 of the Companies Act, 2013 and such activities will be carried down in India. The company is also committed to the Triple bottom goals of the company i.e, Planet, People and Profit and the company's vision is in creating Just and Fair society.

The company's vision is to be responsible corporate and also to demonstrate

environmental, transparent and ethical behavioural practices which contributes towards the economical and sustainable development within the company, corporate world and society as a whole.

#### 4. SCOPE OF ACTIVITIES:

##### A. EDUCATION:

- i. Awareness Programmes on girl education
- ii. Promotion of Professional Education by way of conducting seminars and other activities
- iii. Adult literacy amongst those belonging to BPL

##### B. ENVIRONMENT

- i. Building of parks, gardens, roads ,closed drainage systems etc
- ii. Precautionary measure with respect in reducing pollutions.
- lii Social security by provision of surveillance in localities
- iv. Green Belt development
- v. Precautionary measures taken for animals

##### C. WATER SUPPLY :

- i. Digging or renovation of wells;
- ii. Instructions with regard to usage of Drinking water
- iii. Promoting rain water harvesting schemes;

##### D. HEALTH RELATED ACTIVITIES:

- i. Blood donations camps
- ii. Diabetic detection and camps for the same
- iii. Family welfare activities
- iv. Awareness regarding Nutrition and Diet for Children

##### E. SPORTS AND CULTURES ACTIVITIES:

- i. Promotions for State level teams
- ii. Development of Parks with regard to construction / repairing / extending the infrastructure facilities
- iii. Providing sports materials for Football, Volleyball, Hockey sticks etc. to the young and talented villagers

Weblink <http://www.adtechindia.com//>

#### 2. Composition of the CSR Committee

Name of the Members	
Shri.M.R.Narayanan	Chairman
Shri.M.R.Subramonian	Member
Shri.N.Suresh	Member

2. Average net profit of the Company for the last three financial years Rs.935.72.508

3. CSR Expenditure(2 % of the above) Rs. 18.71.450

4. Details of CSR spend for the financial year

a. Total amount to be spent for the financial year Rs.18.71.450

b. Amount spent for the financial year Rs. 18.35,000

c. Amount unspent, if any Rs.36,450

d. Manner in which the amount is spent during the financial year is detailed below

SI No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheading (1)Direct expenditure on projects or programs (2)Overheads	Cumulative Expenditure up to the reporting period	Amount Spent (a)Direct Or (b)through Implementing agency
01	Construction of proper road over open drainage, maintenance of bus shelters , childrens park and garden	Environment Schedule VII (iv)	1.Local Area 2.Kerala, Trivandrum	Rs.19,00,000	1.Rs.1835000 as direct expenditure 2.-	1.Rs.1835000	a.Rs,1835000 as direct expenditure

### Declaration

The implementation and monitoring of the CSR Policy is in compliance with CSR Objectives and policy of the Company.

sd/  
M.R.Subramonian  
Managing Director

sd/  
M.R.Narayanan  
Chairman, CSR Committee

## AUDITOR'S REPORT

To

The Shareholders,  
Adtech Systems Ltd  
Chennai-41

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Adtech Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 ON FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 specified under 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 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.

### AUDITOR'S 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 thereunder.

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 financial control relevant to the Company's preparation of the financial statements that gives 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 of whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016 and its Profit and its Cash Flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements:

1. As required by the Companies(Auditor's Report) Order, 2016 ("the Order"), as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the order.
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 it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, 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 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the 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 to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note (r) (b) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, require to be transferred to the other than a delay of 53 days in transferring an amount of Rs. 18400/-, being the unpaid dividend for 2007-08 which was explained to us as due to delay in getting the statements reconciled with that of the Unpaid Dividend account with the Bank, there has been no delay in transferring amounts, required to be transferred , to the Investor Education and Protection Funds by the Company.

Date : 30th May 2016  
Place : Chennai

For M.R.RAMACHANDRAN &Co  
CHARTERED ACCOUNTANTS  
Firm Regn No. 0028735  
sd/  
M.R.RAMACHANDRA WARRIER  
Partner  
MEMBERSHIP No.FCA 4601



**ANNEXURE A**  
**TO THE INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirement" of the ourreport of even date to the financial statements of the company for the year ended 31<sup>st</sup> March, 2016.**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.  
(b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification of fixed assets in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.  
(c) On the basis of our examination of records, the title deeds of immovable properties are held in the name of the Company.
2. (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year and no material discrepancies were noticed during such verification. In our opinion the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted or has taken any loans secured or unsecured to companies, firms or other parties in the register maintained under Section 189 of the Companies Act, 2013.  
(b) Since the company has not granted any loans to parties in the register maintained under Section 189 of the Companies Act, 2013, the question of receipt of principal and interest regularly is not applicable.  
© Since no loans have been granted as above, there is no overdue amount and question of reasonable steps taken by the company to recover principal and interest does not arise.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, as applicable, in respect of loans, investments, guarantees and security.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. In respect of statutory dues  
(a) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise Duty, Value Added Tax cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no undisputed outstanding statutory dues as on 31<sup>st</sup> of March, 2016 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes as on 31<sup>st</sup> March 2016 except the following.

Name of the Statute	Nature of Dues and financial year to which it pertains	Forum where dispute is pending	Amount involved	Security Deposit made
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs .15,95,326	Rs. 478,598
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 149,260	Rs. 44,778
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs.47,21,776	Rs. 14,16,533
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 38,84,056	Rs. 11,65,217
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 18,84,438	Rs. 565,332
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 20,89,713	Rs.626,914
Total			Rs.143,24,569	Rs.42,97,372

© Based on our examination of the records and the information and explanations gives to us, the Company has transferred an amount of Rs.18400 lying in the unpaid dividend account to the Investor Education and Protection Fund (dividend declared for FY 2007-08) which transfer was delayed by 53 days from the due date due to delay in reconciling data with bank statements, in accordance with the relevant provisions of the Companies Act, 1956 and the rules framed thereunder.

- (a) The Company has no accumulated losses at the beginning of the financial year. The company has not incurred any cash losses during the financial year or the immediately preceding financial year.
8. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The company has not issued any debentures as of date.
9. Based on our audit procedures and according to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, the Company has utilized the moneys raised by way of public issue of shares and term loans for the purpose for which they were actually obtained.
10. Based on our audit procedures performed and according to the information and explanations given to us, we have not noticed or have not been reported of any fraud on or by the Company during the year.
11. Based on our audit procedures and according to the information and explanations, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xiii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the the Order are not applicable to the Company.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not engaged in the business of Non-Banking Financial institution and is hence not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M.R.RAMACHANDRAN&Co

CHARTERED ACCOUNTANTS  
Firm Regn No 002873S

Date :30<sup>th</sup> May 2016  
Place : Chennai

sd/  
M.R.RAMACHANDRA WARRIER  
Partner  
MEMBERSHIP No.FCA 4601

**ANNEXURE B**  
**TO THE INDEPENDENT AUDITOR'S REPORT**

Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act)

We have audited the internal financial controls over financial reporting of Adtech Systems Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls:**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion of the Company's internal financial control systems over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that ;

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the “internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

For M.R.RAMACHANDRAN&Co

CHARTERED ACCOUNTANTS

Firm Regn No 002873S

sd/

M.R.RAMACHANDRA WARRIER

Partner

MEMBERSHIP No.FCA 4601

Date :30<sup>th</sup> May 2016

Place : Chennai

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2016

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

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2016**

To,

The Members  
ADTECH SYSTEMS LIMITED  
2/796, Kazura Gardens  
First Main Road,  
Second Floor, Sakshi Towers  
Neelankarai, Chennai  
Tamil Nadu 600041

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Adtech Systems 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.

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 conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Adtech Systems Limited for the Financial Year ended 31<sup>st</sup> March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and overseas direct investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Other laws as may be specifically applicable to the company
- I have also examined compliance with the applicable clauses of the following
- i. Secretarial Standards 1 issued by the Institute of Company Secretaries of India
  - ii. Secretarial Standards 2 issued by the Institute of Company Secretaries of India
  - iii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - iv. Tripartite Agreement between the Company, Registrar & Transfer Agent and Depositories

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has transferred an amount of Rs.18400 lying in the unpaid dividend account to the Investor Education and Protection Fund (dividend declared for FY 2007-08) with a delay of 53 days from the due date

#### **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 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

I further report that during the audit period the company has not entered into any of the following transactions:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc;
- ii. Redemption / buy-back of securities;
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;
- iv. Merger / amalgamation / reconstruction, etc;
- v. Foreign technical collaborations.

Place: Trivandrum  
Date :06.08.2016

sd/  
Krishna Prasad R S  
Company Secretary in Practice  
FCS No: 7080, C P No.: 7379

**ADTECH SYSTEMS LIMITED**

2/796, First Floor, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041

**Balance Sheet as at 31st March, 2016**

	Note No	As at the end 31st March 2016	As at the end 31st March 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Share holders' Fund</b>			
(a) Share Capital	3	2,77,81,490.00	2,77,81,490.00
(b) Reserves and Surplus	4	2,80,630,558.86	2,575,62,792.51
<b>2 Non- Current Liabilities</b>			
(a) Long Term Borrowings	5	0.00	0.00
(b) Deferred Tax Liabilities (Net)	6	3,632,632.70	35,95,746.70
<b>4 Current Liabilities</b>			
(a) Short Term Borrowings	7	0.00	0.00
(b) Trade Payables	8	38,125,658.21	1,148,44,254.68
(c) Other Current Liabilities	9	7,179,511.29	67,37,366.73
(d) Short term Provisions	10	1,14,800,288.00	1,087,57,199.00
<b>Total</b>		<b>4,72,150,139.06</b>	<b>5,192,78,849.62</b>
<b>B ASSETS</b>			
<b>1) Non Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	21,371,526.19	1,98,91,603.24
(b) Other Non Currents Assets	12	0.00	
<b>2) Current Assets</b>			
(a) Inventories	13	90,942,411.10	1,278,40,914.50
(b) Trade Receivables	14	1,02,679,551.39	1,418,01,454.21
(c) Cash & Cash Equivalents	15	1,08,332,501.98	1,097,38,022.69
(d) Short Term Loans & Advances	16	1,48,824,148.40	1,200,06,854.98
<b>Total</b>		<b>4,72,150,139.06</b>	<b>5,192,78,849.62</b>

in terms of our report attached

for M.R.Ramachandran & Co  
Chartered Accountants  
Firm Regn. No. 0028735

sd/

M.R.Ramachandra Warriar  
Partner  
Membership Number FCA 4601  
Place : Chennai  
Date : 30 May 2016

for and on behalf of the  
Board of Directors

sd/

M.R.Subramonian  
Managing Director

sd/

S.Balamurali  
Company Secretary

sd/

M.R.Krishnan  
Executive Director

sd/

P.Vinaya Chand  
Chief Financial Officer



**ADTECH SYSTEMS LIMITED**

2/796, First Floor, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041

**Statement of Profit and Loss for the year ending 31st March 2016**

	Note No.	For the year ended 31-Mar-16 Rs.	For the year ended 31-Mar-15 Rs.
Revenue From Operations	1	4,30,079,507.08	6,341,36,766.37
Other Income	2	9,492,428.91	1,21,88,600.08
<b>Total Revenue (1+2)</b>		<b>4,39,571,935.99</b>	<b>6,463,25,366.45</b>
<b>Expenses</b>			
(a) Cost of material consumed	3	<b>2,72,696,600.51</b>	<b>4,947,21,895.75</b>
(b) Change in Inventories of finished goods, work in progress, stock in trade	4	<b>40,108,81.80</b>	<b>-231,91,702.50</b>
(c) Employee Benefit Expenses	5	42,787,810.00	3,97,50,045.81
(d) Finance Cost	6	1,99,221.54	1,45,759.36
(e) Depreciation and amortisation expense		1,010,490.05	14,69,648.53
(f) Other expenses	7	37,506,690.74	3,96,92,574.41
<b>Total Expenses</b>		<b>3,94,309,694.64</b>	<b>5,525,88,221.36</b>
<b>Profit/(Loss) before exceptional and extraordinary items and Tax (3-4)</b>		<b>45,262,241.35</b>	<b>9,37,37,145.09</b>
Exceptional Items			
<b>Profit/(Loss) before extra ordinary items and Tax (5+6)</b>		<b>45,262,241.35</b>	<b>9,37,37,145.09</b>
Extra Ordinary items		0.00	28,048.00
Prior Period Income		0.00	23,62,516.98
<b>Profit/(Loss) before Tax (7+-8)</b>		<b>45,262,241.35</b>	<b>9,60,71,614.07</b>
<b>Tax Expense :</b>			
(a) Tax expense for Current Year		14,988,000.00	3,17,58,644.00
(b) (Less): MAT Credit (where applicable)			
(c) Current tax expense relating to prior years			
(d) Net current tax expense		14,98,000.00	317,58,644.00
(e) Deferred tax		36,886	-1,11,701.00
<b>Profit / (Loss) for the year</b>		<b>30,237,355.35</b>	<b>6,44,24,671.07</b>
<b>Earnings per equity share in Rs:</b>			
(1) Basic	8	12.69	27.04
(2) Diluted	8	12.69	27.04
Corporate Information and Significant accounting policies	1 & 2		

for and on behalf of the  
Board of Directors

in terms of our report attached  
for M.R.Ramachandran & Co  
Chartered Accountants  
Firm Regn. No. 0028735

sd/  
M.R.Subramonian  
Managing Director

sd/  
M.R.Krishnan  
Executive Director

sd/  
M.R.Ramachandra Warriar  
Partner  
Membership Number FCA 4601  
Place : Chennai  
Date :30 May 2016

sd/  
S.Balamurali  
Company Secretary

sd/  
P.Vinaya Chand  
Chief Financial Officer

**Note 3 : Share Capital**

	As at 31 March 2016	As at 31 March 2015
<b>Authorised Shares</b>		
36,00,000 Equity Shares of Rs.10 each	36,000,000.00	36,000,000.00
Issued, Subscribed and fully paid up shares	23,827,500.00	23,827,500.00
<b>Total Issued Subscribed and fully paid up Shares</b>	<b>23,827,500.00</b>	<b>23,827,500.00</b>

**a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

No shares were issued during the reporting period and hence reconciliation of the shares outstanding at the beginning and at the end of the reporting period is not applicable

**b. Terms/rights attached to equity shares**

The Company has only one class of shares viz equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and interim dividend is declared. by the Board of Directors at their duty convened meeting.

During the year ended 31st March 2016, the amount of interim dividend per share distributed to shareholders is Rs.2.50 per share.(Previous year ended 31st March 2016 dividend was Rs.3.00/- per share)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

c. No bonus shares were issued and no shares were issued for consideration other than cash during the period of five years immediately preceding the reporting date.

d. Details of shareholders holding more than 5 % Shares in the Company (Equity shares of Rs.10 each fully paid)

	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M.R.Narayanan	448565	18.83	448565	18.83
M.R.Subramonian	556965	23.37	556965	23.37
M.R.Krishnan	522015	21.91	522015	21.91
Tops Security Limited	350000	14.69	350000	14.69
e. Forfeited Shares (Amount Originally paid up)		39,53,990.00	39,53,990.00	

**Note 4 : Reserves and Surplus**

<u>Reserves &amp; Surplus</u>		31-Mar-16	31-Mar-15
<b>a. Capital Reserves</b>			
Balance as per last financial statements		53,37,500.00	53,37,500.00
(+) Current Year Transfer			
Closing Balance		53,37,500.00	53,37,500.00
<b>b. Revaluation Reserve</b>			
Balance as per last financial statements		17,220.00	17,220.00
(+) Current Year Transfer			
(-) Written Back in Current Year			
Closing Balance		17,220.00	17,220.00
<b>c. General Reserve</b>			
Opening Balance		30,554,744.00	24,112,283.00
Add Transfer from current year profits		3,040,463.00	6,442,461.00
(-) Written Back in Current Year			
Closing Balance		33,595,207.00	30,554,744.00
<b>d Surplus/(deficit) statement in the statement of Profit and Loss</b>			
Balance as per last financial statements		221,653,328.51	172,744,956.46
Add : Profit for the current year		30,237,355.35	64,424,671.07
Less : Appropriations			
Proposed final dividend @Rs 3 per share (PY Rs.5.5 per share)		5,956,875.00	7,148,250.00
Tax on proposed dividend		1,212,714.00	1,455,211.00
Transfer to General Reserve		3,040,463.00	6,442,461.00
Adjustment on account of change in residual value of fixed assets			4,70,377.02
Net surplus in the statement of profit and loss		241,680,631.86	2216,53,328.51
<b>Total Reserves and Surplus</b>		<b>280,630,558.86</b>	<b>2575,62,792.51</b>

Note 5 : Long Term Borrowings	As at 31 March 2016	As at 31 March 2015
<b>Total Long term Borrowings</b>	<b>0.00</b>	<b>0.00</b>
Note 6: Deferred Tax Liabilities (Net)		
Deferred Tax Liability (opening balance)	37,07,447.70	37,07,447.70
Less: Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting	36,886.00	1,11,701.00
Deferred Tax Liabilities (Net)	<b>3,632,632.70</b>	<b>35,95,746.70</b>
<b>Note 7 Short Term Borrowings</b>		
Short term loan Unsecured	0.00	0.00
Note 8 : Trade Payables		
(a) Creditors for Purchases	28,731,219.93	1055,27,965.25
(b) Creditors for Expenses	8,098,931.45	77,51,595.04
© Advance against supply of goods	1,295,506.83	15,64,694.39
<b>Total Trade Payables</b>	<b>38,125,658.21</b>	<b>1148,44,254.68</b>
<b>Note 9 Other Current Liabilities</b>		
Current maturities of Loan Borrowings	0.00	0.00
(a) Statutory dues payable	4,868,712.29	40,73,804.73
(b) Employee related Payables	2,089,490.00	20,02,443.00
(c) Income received in advance	221,309.00	6,61,119.00
<b>Total Other current liabilities</b>	<b>7,179,511.29</b>	<b>67,37,366.73</b>

Notes forming part of the financial statements for the year ended  
(All amounts are in Indian Rupees, unless otherwise stated)  
**Note 11 Fixed Assets**

	Gross Block				Depreciation Block			Net Block	
Particulars	At cost as 31.3.2015	Additions	Sale/ Transfer/ Write off	At cost as 31.3.2016	Up to 31.03.2015	For the Period	Up to 31.03.2016	As at 31.03.2015	As at 31.03.2016
Furniture & Fittings	534800.63	44900.00	0.00	579700.63	277690.93	52304.42	329995.42	257109.70	249705.21
Computer Systems	1482063.71	195700.00	0.00	1677763.71	738974.02	378360.28	1117334.30	743089.69	560429.41
Tools & Fixtures	171159.35	0.00	0.00	171159.35	162564.35	0.00	162564.35	8595.00	8595.00
Power Control Accessories	76850.00	104600.00	0.00	181450.00	28592.94	17145.86	45738.80	48257.06	135711.20
Office Equip	244966.00	190035.00	0.00	435001.00	68339.12	49265.42	117604.54	176626.88	317396.46
Motor Car	4356757.00	0.00	0.00	4356757.00	1517587.42	415025.86	1932613.28	2839169.58	2424143.72
EPBEX	33404.06	60704.00	0.00	94108.06	31222.06	1494.66	32716.72	2182.00	61391.34
Building Renovation A/c	377238.99	623225.00	0.00	1000463.99	354475.99	13301.16	367777.15	22763.00	632686.84
Software Development	238059.00	0.00		238059.00	130308.67	75599.84	205908.51	107750.33	32150.49
Land	15686060.00	0.00	0.00	15686060.00	0.00	0.00	0.00	15686060.00	15686060.00
Building Construction	0.00	95776.00		95776.00			0.00	0.00	95776.00
Plant and Machinery	0.00	1158330.00	0.00	1158330.00	0.00	5529.52	5529.52	0.00	1152800.48
Testing Equipments		17143.00		17143.00		2462.96	2462.96	0.00	14680.04
	23201358.74	2490413.00	0.00	25691771.74	330955.50	1010490.05	4320245.55	19891603.24	21371526.19

<b>Note 10 Short Term Provisions</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>(a) Provision for employee benefits</b>		
Provision for Leave Encashment (non funded)	17,04,850.00	16,24,650.00
Provision for Bonus	22,22,000.00	26,43,650.00
<b>Total provisions for employee benefits</b>	<b>39,26,850.00</b>	<b>42,68,300.00</b>
<b>(b) Other Provisions</b>		
Provision for Taxation	1108,73,438.00	958,85,438.00
Provision for Dividend	0.00	71,48,250.00
Provision for Dividend Tax	0.00	14,55,211.00
<b>Total other provisions</b>	<b>1108,73,438.00</b>	<b>1044,88,899.00</b>
<b>Total Short Term Provisions</b>	<b>1148,00,288.00</b>	<b>1087,57,199.00</b>
<b>Note 12 Non current assets</b>	0.00	0.00
<b>Note 13 : Inventories</b>		
<b>Inventories at Trivandrum</b>		
EAS Systems	568,99,824.10	981,55,694.97
Invue Systems	202,63,842.23	198,47,886.34
CCTV & Alarm Systems	32,92,766.96	57,68,878.20
Access Control Systems & Cables	15,92,864.26	19,67,432.46
Solar 500 KW Work In Process	42,71,319.40	0.00
Vertical Wind Mill	2,49,194.00	0.00
<b>Total Inventories at Trivandrum</b>	<b>865,69,810.95</b>	<b>1257,39,891.97</b>
<b>Inventories at Delhi &amp; Chennai</b>	<b>43,72,600.15</b>	<b>21,01,022.53</b>
<b>Total Inventories</b>	<b>909,42,411.10</b>	<b>1278,40,914.50</b>
<b>Note 14 : Trade Receivables</b>		
Receivables Outstanding for a period more than 6 months - unsecured, Considered good	70,13,196.60	105,33,611.39
Receivables Outstanding for a period more than 6 months - Unsecured,Doubtful	6,10,559.89	30,587.00
Receivables Outstanding for a period less than 6 months- Unsecured, Considered Good	950,55,794.90	1312,37,255.82
<b>Total Trade Receivables</b>	<b>1026,79,551.39</b>	<b>1418,01,454.21</b>
<b>Note 15 Cash and Cash Equivalents</b>		
Cash in Hand	56,504.46	85,544.46
Balances with scheduled banks on current accounts	558,80,840.10	497,36,044.99
Balances with scheduled banks on deposit accounts	523,95,157.42	599,16,433.24
<b>Total Cash and Cash Equivalents</b>	<b>1083,32,501.98</b>	<b>1097,38,022.69</b>

<b>Note 16 Short Term Loans and Advances</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
Advance for Expenses, Unsecured, considered good	4,36,639.38	96,834.66
Advance for Purchases, Unsecured, considered good	35,65,845.83	2,21,009.05
Earnest Money Deposit	6,92,785.00	1,41,775.00
Intercompany Deposit with Muthoot Capital Services Ltd	140,85,420.00	130,00,000.00
Security Deposit	45,91,843.94	45,09,900.82
Rental Deposits	6,78,440.00	8,57,000.00
Tax Deducted at Source	96,79,000.41	72,63,386.32
Advance Income Tax	1103,25,005.00	886,33,865.00
Advance for land to related party (unsecured, considered good) *	33,05,662.00	33,05,662.00
Other Loans and advances, Unsecured, considered good	14,63,506.84	19,77,422.13
<b>Total Short Term Loans and advances</b>	<b>1488,24,148.40</b>	<b>1200,06,854.98</b>

\* Ref note 2

#### **Note 17 Revenue from Operations**

##### **(a) Revenue from Sale of Products**

Interstate Sales -Kerala	2529,86,052.12	2635,37,748.02
Interstate Sales -Tamilnadu	10,98,500.00	
Interstate Sales- Delhi	13,81,342.00	36,60,814.00
Local sales-Kerala	182,11,011.00	211,14,614.40
Local Sales Tamilnadu	88,97,557.00	36,05,950.00
Local Sale -Delhi	22,35,925.00	38,04,535.00
Export sales	1049,33,482.76	2940,08,747.76
	3897,43,869.88	5897,32,409.18
Less Sales Returns		
<b>Revenue from Sale of Products</b>	<b>3897,43,869.88</b>	<b>5897,32,409.18</b>

##### **(b) Revenue from Sale of Service and Maintenance**

AMC received	211,72,171.52	155,30,204.37
Forwarding & Handling Charges	1,87,075.80	2,04,565.01
Income from services	12,03,386.88	11,67,189.81
Installation Charges received	120,96,586.00	137,72,155.00
Marketing Incentives on Direct Orders	56,76,417.00	137,30,243.00
<b>Revenue from Sale of Service and Maintenance</b>	<b>403,35,637.20</b>	<b>444,04,357.19</b>
<b>Total Sales and Service Income</b>	<b>4300,79,507.08</b>	<b>6341,36,766.37</b>

**Note 18 . Other Income**

	31 March 2016	31 March 2015
Interest on Deposits	57,67,379.60	47,89,153.00
Foreign Exchange Gain	37,25,049.31	73,13,707.98
Dividend from SBI Mutual Fund	0.00	85,739.10
<b>Total Other Income</b>	<b>94,92,428.91</b>	<b>121,88,600.08</b>

Notes forming part of the financial statements for the year ended  
(All amounts are in Indian Rupees, unless otherwise stated)

**Note 19. Purchases**

Local Purchases Kerala	923,13,022.55	806,16,194.69
Local Purchases Delhi	1,47,995.00	4,80,000.00
Local Purchases Tamilnadu	21,81,834.80	15,58,653.00
Interstate Purchases Kerala	876,66,352.49	3452,34,538.86
Interstate Purchases Tamilnadu	9,43,402.00	
Import Purchases Tamilnadu	30,55,776.00	
Imported Purchases Kerala	863,88,217.67	668,32,509.20
<b>Total purchases of Stock in Trade</b>	<b>2726,96,600.51</b>	<b>4947,21,895.75</b>

**Note 20 Changes in Inventories**

Opening Stock of Stock in Trade	1278,40,914.50	1046,49,212.00
Less Closing Stock of Stock in Trade	877,32,032.70	1278,40,914.50
<b>Change in Inventory of stock in trade</b>	<b>-401,08,881.80</b>	<b>231,91,702.50</b>

**Note 21 :Employee benefits expense**

Bonus	22,60,000.00	26,45,150.00
ESI Contribution	1,93,514.00	2,26,658.00
Gratuity	1,52,757.00	7,09,912.00
Contribution to Workers Welfare Fund	9,120.00	7,360.00
Leave Encashment	7,40,535.00	9,43,915.00
Leave Travel Concession	3,69,371.00	5,99,886.00
Medical reimbursement	12,32,050.00	10,48,558.81
PF Contribution	20,04,049.00	16,48,733.00
Salaries - Directors	71,15,250.00	70,67,420.00
Salaries - Others	287,11,164.00	248,52,453.00
<b>TOTAL</b>	<b>427,87,810.00</b>	<b>397,50,045.81</b>

**Note 22 . Finance Charges**

Interest Paid on overdraft	67,778.00	0.00
Bank Charges and Commission	1,31,443.54	1,45,759.36
<b>TOTAL</b>	<b>1,99,221.54</b>	<b>1,45,759.36</b>



Notes forming part of the financial statements for the year ended  
(All amounts are in Indian Rupees, unless otherwise stated)

31 March 2016

31 March 2015

**Note 23 : Other Expenses**

**(a). Administrative Expenses**

AMC Paid	2,70,229.00	72,661.00
Anniversary Expenses	0.00	2,12,479.00
Audit Fee	2,87,500.00	2,80,900.00
Tax Audit Fee	1,14,500.00	1,12,360.00
Books and Periodicals	27,374.00	60,732.00
Consultancy Charges	2,59,120.00	4,01,954.00
Conveyance	14,40,152.50	15,39,798.79
Corporate Social Responsibility Expenses	18,35,000.00	10,91,136.00
Demat Charges	48,835.00	40,965.00
Electricity and Water Charges	5,56,917.00	4,45,116.00
Filing Fee	42,000.00	4,200.00
Foreign Travel Expenses	22,18,665.54	20,74,092.93
Insurance	1,94,082.50	1,99,728.98
Internal Audit Fee	2,28,500.00	2,24,720.00
Listing Fee	7,079.00	25,394.00
Loss on sale of Motor Car		0.00
Membership fee	1,53,035.00	3,75,416.00
Office Expenses	4,95,654.34	2,11,004.00
Pooja Expenses	7,424.00	2,153.00
Postage and Telegram	86,548.00	38,061.00
Printing and Stationery	5,28,470.00	5,11,184.50
Professional Charges	6,80,950.10	2,67,584.80
Rent A/c	20,92,160.00	18,26,200.00
Repairs and Maintenance	8,28,458.00	4,52,842.00
Sales tax Expenses	15,431.00	47,250.00
Secretarial Audit Fee	70,000.00	
Security Service Charges	1,52,874.30	1,50,573.00
Service Charges	10,98,154.00	15,61,147.00
Service Expenses	10,79,182.00	10,22,775.36
Software License Fee		91,800.00
Staff Welfare Expenses	3,02,754.00	2,31,648.50
Telephone, Fax and Email	14,77,757.87	15,12,412.01
Training Expenses	1,24,350.00	2,56,909.00
Travelling Expenses	53,15,961.72	62,32,214.36
<b>TOTAL</b>	<b>220,39,118.87</b>	<b>215,77,412.23</b>

Notes forming part of the financial statements for the year ended  
(All amounts are in Indian Rupees, unless otherwise stated)

31 March 2016

31 March 2015

**(b) Selling Expenses**

Advertisement	2,92,977.00	1,83,091.00
Bad Debts written off	2,00,897.11	11,27,248.60
Carriage Outwards	30,85,247.32	33,44,921.46
Commission	67,49,511.00	52,84,675.82
Courier Charges	2,66,947.18	3,14,930.76
Exhibition Expenses	5,32,357.00	4,49,656.00
Freight on Export	14,31,781.34	33,59,830.95
Installation Expenses	20,81,720.79	30,77,935.31
Liquidated Damages	2,34,964.00	0.00
Marketing Expenses	1,62,071.00	5,95,205.00
Marketing Incentive	1,62,293.00	96,245.00
Packing Materials	1,15,806.00	96,754.70
Rates and Taxes	73,325.00	1,18,536.00
Rebates and Discount	71,047.13	17,431.58
Sales Promotion Expenses		0.00
Seminar Expenses		23,385.00
Tender Form Purchased	6,627.00	25,315.00
<b>TOTAL</b>	<b>154,67,571.87</b>	<b>181,15,162.18</b>
<b>Total Other Expenses</b>	<b>375,06,690.74</b>	<b>396,92,574.41</b>

**Note 24 : EPS**

Basic and Diluted EPS is calculated by dividing the net profit after taxes for the year under review with the number of outstanding shares

Net profit after taxes	302,37,355.35	644,24,671.07
Number of Shares	23,82,750.00	23,82,750.00
<b>Earnings per Share</b>	<b>12.69</b>	<b>27.04</b>

**ADTECH SYSTEMS LIMITED**

2/796, First Floor, Sakshi Towers, First Main Road, Kazura Gardens,  
Neelankarai, Chennai 600 041

**CASH FLOW STATEMENT**

(All amounts are in Indian Rupees, unless otherwise stated)

Cash Flow Statement as at	31st March 2016	31st March 2015
<b>Cash Flow from Operating Activities</b>		
Net profit before tax as per Statement of Profit and Loss	<b>452,62,241.35</b>	<b>960,71,614.07</b>
<b>Adjustments to reconcile profit before tax to cash generated by operating activities</b>		
Depreciation	10,10,490.05	14,69,648.53
Loss on sale of Motor Car	-	-
Provision for Leave Encashment	-	-
Provision for Bonus	-	-
Finance Costs	67,778.00	-
Bad Debts Written Off	2,00,897.11	11,27,248.60
Exchange Fluctuation	(37,25,049.31)	(73,13,707.98)
Dividend from SBI Mutual Fund	-	(85,739.10)
Interest Income	(57,67,379.60)	(47,89,153.00)
Operating Profit before Working Capital Changes	<b>370,48,977.60</b>	<b>864,79,911.12</b>
<b>Adjustments for:</b>		
Increase or decrease in inventory	368,98,503.40	(231,91,702.50)
Increase or decrease in receivables	389,21,005.71	(69,88,669.53)
Increase or decrease in other short term advances	(288,15,733.42)	(329,60,661.20)
Increase or decrease in other Long Term Deposits	-	-
Increase or decrease in trade payables	(767,18,596.47)	(109,81,721.52)
Increase or decrease in short term borrowings	-	(24,635.00)
Increase or decrease in other payables	4,40,584.56	(20,03,154.21)
Increase or decrease in Short term provisions	60,43,089.00	171,31,492.00
<b>Cash Generated from Operations</b>	<b>138,17,830.38</b>	<b>274,60,859.16</b>
Direct Tax paid	(149,88,000.00)	(317,58,644.00)
<b>Net Cash flow from Operating activities</b>	<b>(11,70,169.62)</b>	<b>(42,97,784.84)</b>
<b>Cash Flow from Investing Activities</b>		
Employees Gratuity Trust Fund		
Purchase of Non-Current Assets	(24,90,413.00)	(6,67,945.71)
Sale of Non-Current Assets	-	-
Deposit with Muthoot Capital Services Limited	-	(130,00,000.00)
Interim Dividend & Dividend Distribution Tax	(71,69,589.00)	-
Dividend from SBI Mutual Fund	-	85,739.10
Interest received	57,67,379.60	47,89,153.00
<b>Net Cash flow from Investing Activities</b>	<b>(38,92,622.40)</b>	<b>(87,93,053.61)</b>
<b>Cash Flow from Financing Activities</b>		
Repayment of loans	-	-
Exchange Fluctuations	37,25,049.31	73,13,707.98
Finance Costs	(67,778.00)	-
<b>Net cash flow from financing activities</b>	<b>36,57,271.31</b>	<b>73,13,707.98</b>
Net Increase/Decrease in Cash	(14,05,520.71)	(57,77,130.47)
Add: Cash and Cash Equivalents at beginning (Opening Balance)	1097,38,022.69	1155,15,153.16
<b>Cash and Cash Equivalents as at end (Closing Balance)</b>	<b>1083,32,501.98</b>	<b>1097,38,022.69</b>

for and on behalf of the Board of Directors

as per our report of even date for  
M.R.Ramachandran & Co Chartered Accountants  
Firm Regn No 0028735

sd/  
M.R.Subramonian  
Managing Director

sd/  
M.R.Krishnan  
Executive Director

sd/  
M.R.Ramachandra Warrrier  
Partner Membership Number FCA 4601

Place : Chennai  
Date : 30 May 2016

sd/  
S. Balamurali  
Company Secretary

sd/  
Vinaya Chand P  
Chief Financial Officer

Schedules forming part of the financial statements  
(All amounts are in Indian Rupees, unless otherwise stated)

Segmental Reporting	EAS		CCTV/ACS(C/I)		Others		Amt in Rs Lakhs	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>1. Segment Revenue</b>								
(a) External Sales	3238.23	5292.13	1061.81	1049.24	37.25	98.74	4337.29	6440.11
(b) Inter-Segment Sales								
© Total Revenue	3238.23	5292.13	1061.81	1049.24	37.25	98.74	4337.29	6440.11
2. Total Revenue of each segment as a percentage of total revenue of all segments	74.66	82.17	24.48	1	0.86	1.53	100.00	100.00
				6.29				
3. Segment Result [Profit/(Loss)]	535.59	941.08	120.23	205.17	37.25	98.74	693.07	1,244.99
4. Unallocated Corporate expenses							296.50	330.70
5. Operating Profit							396.57	914.29
6. Interest Expense					1.99	1.46	1.99	1.46
7. Interest Income					0	0	57.67	47.89
8. Net Profit							452.25	960.72
9. Segment Assets	1,484.38	2,380.97	432.16	318.39	0	0	1,916.54	2,699.36
10. Segment assets as a percentage of total assets	31.44	45.85	9.15	6.13	0.00	0.00	0.00	100.00
11. Unallocated Corporate Assets					0	0	2,804.96	2,493.43
12. Total Assets							4,721.50	5,192.79
13. Segment Liabilities	286.38	1,080.55	44.55	31.00	0	0	330.93	1,111.55
14. Unallocated Corporate liabilities							1,306.45	1,227.79

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

### **Note 1 : Corporate Information**

Adtech Systems Limited (formerly Adtech Power Systems Limited) (hereinafter referred to as “ASL” or “the Company”) was incorporated on 05<sup>th</sup> February 1990 in Chennai, Tamilnadu. The Company is an electronic system integrator and provides a wide range of solutions in electronic security systems with a pan India presence . Corporate Identity Number (CIN) is L33111TN1990PLC018678. Paid up Share Capital of the Company is Rs. 238. 2 lakhs divided into 2382750 equity shares of Rs. 10/- each fully paid up.

### **Note 2 :Significant Accounting Policies.**

The financial statements for the year ended 31<sup>st</sup> March 2016 have been prepared under the historical cost convention and on an accrual basis. The financial statements of the Company have been prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the mandatory and relevant Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year,

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of its business and of the services provided, the Company has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities into current and non-current as per the requirement of Schedule III of the Companies Act, 2013.

The Significant accounting policies followed by the Company are stated below.

#### **(a) Disclosure and Presentation of financial statements and use of estimates**

Preparation of the financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years. The financial statements for the year ended 31<sup>st</sup> March 2016 are prepared and presented in the format prescribed in Schedule III of the Companies Act, 2013. Previous year's figures have also been reclassified in accordance with the disclosure and presentation requirements applicable for the current year.

#### **(b) Fixed Assets**

Expenditure which are of a capital in nature are capitalised at a cost, which comprises of purchase price, import duties, levies and any directly attributable cost of bringing the assets to its working conditions for the intended use. None of the fixed assets have been revalued during the year under consideration.

#### **(c) Depreciation**

Depreciation on assets held for own use of the Company is provided on written down value method as per the useful years of life of the assets and in the manner prescribed under Schedule II of the Companies Act, 2013.

The Company has adopted the following as the useful years of life to provide depreciation on its fixed assets as provided in Schedule II of the Act.

Sl No	Description of the Asset	Useful years of life
01	Furniture and Fittings	10 years
02	Computer Systems	3 years
03	Tools and Fixtures	5 years
04	Power Control Accessories	5 years
05	Office Equipments	5 years
06	Motor Car	8 years
07	EPBEX	5 years
08	Building Renovation	10 years
09	Software	3 years

[d] Inventory Valuation

Inventories are stated at cost or net realisable value whichever is less and are based on physical verification conducted by the management.

[e] Cash and cash equivalents (for purposes of Cash Flow Statement]

Cash and cash equivalents in the Cash Flow Statement comprise cash in hand, deposits with bank and cash equivalents with an original maturity of three months or less held for the purpose of meeting short term cash commitments.

[f] Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past future cash receipts or payment. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

[g] Investments

The Company has made an inter corporate deposit with M/s Muthoot Capital Services Limited of Rs140.85 lakhs on 30<sup>th</sup> March 2016 for a period of 3 months which carries an interest rate of 9 percent per annum out of the surplus funds. The deposit is classified under the head "Short Term Loans and Advances" in the Balance Sheet.

[h] Foreign exchange transactions :

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.

(b) Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates. The Gain/loss on settlement /reinstatement are capitalized if such liability relates to acquisition of fixed assets and charged to revenue in other cases.

[i] Prior period income and Extraordinary items

Prior period income Rs Nil lakhs (PY Rs.23.63lakhs)represents sundry outstanding unclaimed balances written back to revenue account and recovery of bad debts.

[j] Revenue recognition

1. Revenue on sale of goods on acceptance by the transferee of receipt of goods and terms and conditions of sale.
2. Service income is recognised on redressal of customer complaint and acceptance of service charges.
3. Revenue from Annual Maintenance contract are recognized pro-rata over the period of contract and to the extent to which it is applicable for the year under consideration.

[k] Taxation

Tax expense (tax saving) is the aggregate of the current year tax and deferred tax charged (Debited) to the statement of Profit and Loss for the year.

Current income tax is measured at the amount expected to be paid to the Income Tax authorities in accordance with the Income –tax Act,1961. Provision for Income Tax for the period comes to Rs.149.88lakhs (PY Rs.317.59lakhs).

Deferred tax :The company provides for deferred tax liabilities on the basis of the tax effect of the timing differences resulting from the recognition of items in the financial statement and in estimating its current income tax provision. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future. An amount of Rs. 0.37lakhs has been debited to the statement of Profit and Loss on account of deferred tax .

[l] Employee Retirement and other Benefits.

- (i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the fund maintained by the Central Government is due. There is no other obligation other than the contribution payable to the trust.

- (ii) Gratuity

Liability for Gratuity in respect of employees of the Company has been covered under the Group Gratuity cum Assurance Scheme by the Life Insurance Corporation of India and the Contribution is recognized in the Statement of Profit and Loss. The Company has made provision for gratuity for a total amount of Rs.33.13lakhs (current year provision Rs.1.53lakhs) as per actuarial valuation made by LIC of India. An amount of Rs.33.13lakhs has been paid by the Company to LIC of India Group Gratuity Fund (current year contribution 1.53lakhs). Value of the Gratuity Fund as on 31<sup>st</sup> March 2016 is Rs.43.12 lakhs which includes interest credited to fund by LIC year on year.

- (iii) Leave Encashment Benefit

The Company has a leave encashment policy whereby leave not availed of can be carried forward/encashed for a period not exceeding forty days. The unavailed leave can either be utilized by the employee or encashed within a period of 3 years from the date on which it has fallen due. The liability on account of such unavailed/unencashed leave salary as on 31<sup>st</sup> March 2016 is Rs17.05 lakhs (PY 16.25lakhs) For which provision has been made in the accounts.

- (iv) Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Contributions to the provident fund are charged to the Statement of Profit and Loss for the year when the contributions are due in accordance with the fund rules. The Company has no obligation other than the contribution payable to the provident fund.

- (v) The Company also contributes to the Employees State Insurance Corporation on behalf of its employees.

- (vi) The Company does not have any other employee retirement benefit schemes other than those listed above.

(m) Segment Accounting Policies

The Company operates mainly in one single segment viz Supply and integration of Electronic Security Systems. Though not strictly necessary, the Company has, for as a measure of providing greater understanding, divided this segment into two viz the “Electronic Article Surveillance Systems “(EAS) used for providing security to the retail segment and the “Commercial Industrial (C/I) for providing security solutions for industrial use. Segment accounting policies are in line with the accounting policies of the Company. The following specific accounting policies have been followed for segment reporting.

- (i) Segment revenue includes sales, service and other income directly attributable to the segment. Income which cannot be allocated to segments is included in “Unallocated Corporate Income”.
- (ii) Expenses that are directly allocable to segments are considered for determining the segment result. The expenses which relate to the company as a whole and not allocable to segments are included under “Unallocable Expenditure”
- (iii) Segment assets and liabilities are those which are directly identifiable with the respective segments. Unallocable corporate assets and liabilities are those which relate to the company as a whole and not allocable to any segment.

(n) Impairment of Assets

The Company has reviewed the carrying amounts of assets at each Balance Sheet date to ascertain impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use.

In the opinion of the Management, on the basis of an assessment of the net selling price, there is no impairment in the value of fixed assets of the Company within the meaning of Accounting Standard -28 in Impairment of Assets issued by the Institute of Chartered Accountants of India.

(o) Related party transactions

Disclosures are made as per the requirements of the Accounting Standard 18 'Related Party' read with the clarifications issued by the Institute of Chartered Accountants of India.

During the year, the Company has entered into certain transactions with related parties. Those transactions along with the related balances as at March 31<sup>st</sup>, 2016 and for the year then ended are presented in the following table:

The Company does not have any subsidiary.

Promoters and Key Management Personnel

Mr.M.R.Subramonian, Managing Director  
Mr.M.R.Krishnan, Executive Director  
MrM.R.Narayanan, Chairman  
S.Balamurali, Company Secretary  
P.Vinaya Chand, Chief Financial Officer

Associates/entities owned or significantly  
Influenced by key management personnel or their  
Relatives

Transdot Private Limited  
APT Micro Solutions Limited  
Floatels India Pvt Limited  
Hoteltek Beverages Pvt Ltd  
KK Assets Private Limited  
Floatels Engineering Pvt Ltd  
PR Holiday Homes Pvt Ltd  
Poovar Ayurveda Centre&HotelsPvt Ltd  
Perumbalam Resorts Pvt Ltd  
Peldrive Security Solutions Pvt Ltd  
Ramakkal Resorts P Ltd  
Sesa Food P Ltd  
Star Micronix

Summary of transactions with the above related parties during the year is as follows

Amount in Rs Lakhs

Sl No	Nature of Transaction (Excluding Reimbursements)	Associates	Key Managerial Personnel/Relative	Others	Total
01	Sales 2015-16 2014-15	33.49 25.01	-	---	33.49 25.01
02	Purchases/services 2015 - 2016 2014-15	0.00 0.22	-	--	0.00 0.22
03	Payment to Key Managerial Person/Relative 2015 16 2014-15		111.28 89.25	----	111.28 89.25



The only major transaction with related party during the year is the sale transaction with M/s APT Micro Solutions Ltd for Rs. 32.83 lakhs (Previous year 25.08 lakhs)

Balance as on 31<sup>st</sup> March 2016

Sl No	Nature of Transaction	Associates	Key Managerial Personnel/Relative	Others	Total
01	Trade Receivables 2015-16	32.83`	-	---	32.83
	2013-14	38.41			38.41
02	Land Advance	33.06			33.06
		33.06			33.06

(p) An amount of Rs. 5.22 lakhs is lying in the Unpaid Dividend Account with State Bank of India on 31<sup>st</sup> March 2016 towards the dividend declared and paid but not claimed for the financial years as detailed below.

Financial Year	Amount Unclaimed
2008-09	39,225.00
2009-10	25,150.00
2010-11	79,025.00
Interim Dividend 2012	45,300.00
2011-12	25,400.00
2012-13	62,040.00
2013-14	134,475.00
2014-15	111,300.00

Previous year's figures have been regrouped and reclassified wherever necessary to facilitate easy comparison.

[q] Sales and Service Income

	As at 31.03.2016 Value in Rs Lakhs	As at 31.03.2015 Value in Rs. lakhs
(a) Sale of goods		
Electronic Security goods traded	3897.43	5897.32
(b) Service and Maintenance Income	403.36	444.04
Total Sales and Service Income	4300.79 =====	6341.36 =====

[r]Contingent Liabilities not provided for :

- Liabilities against bank guarantees issued on behalf of the company for participating in tenders and given as performance guarantee comes to Rs98.20lakhs( Previous year Rs.5.70 lakhs-).Banks have marked lien on Company's fixed deposits to the extent of outstanding bank guarantee amount.
- The Company has received assessment orders for Kerala State VAT and CST for the years 2010-11, 2011-12 and 2012-13 demanding amounts as detailed in below statement due to non-submission of exemption forms and other reasons. The

Company has preferred appeals against each assessment order and has given security deposit of 30 percent of the demand before the Deputy Commissioner (Appeals) as per details given in the table below. As the Company is confident that it will be able to submit the exemption forms before the appellate authority and is confident of a favourable verdict, it does not feel that the amounts demanded will be payable, due to which no provision is made in the accounts

Name of the Statute	Nature of Dues and financial year to which it pertains	Forum where dispute is pending	A m o u n t involved In Rs Lakhs	S e c u r i t y Deposit made In Rs lakhs
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	15.95	4.79
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	1.49	0.45
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	47.22	14.17
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	38.84	11.65
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	18.84	5.65
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	20.90	6.27
Total			143.25	42.97

- c. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil (Previous Year Rs.Nil)
- d. There is no outstanding (Previous year Rs.Nil/-) as on 31<sup>st</sup> March 2016 towards letters of credit opened by the Company for purchases effected during the year.

[s]Expenditure in Foreign Currency

	2015-2016 inRs. Lakhs	2014-15 in Rs Lakhs
(a) Foreign Travel Expenses	22.19	20.74
(b) Amount paid for import of raw materials	667.17	549.16
	<b>689.36</b>	<b>569.90</b>

[t] Earnings in Foreign Currency

Export Sales	1049.33	2940.09
Sales Incentives on Orders placed by Customers on Overseas Principals	48.87	137.30

[u]Value of imports calculated on CIF basis

(a) Purchases	894.44	668.33
(b) Capital Goods	Nil	Nil
	<b>894.44</b>	<b>668.33</b>
	=====	=====

[v] Percentage of Consumption of traded goods

	Value In Rs lakhs Current year	% to total Consumption	Value in Rs.lakhs Previous Year	% to total consumption
Imported	885.01	28.29	758.31	16.08
Indigenous	2243.05	71.71	3596.99	83.92
	-----	-----	-----	-----
	3128.05	100.00	4715.30	100.00
	=====	=====	=====	=====

There are no individual items accounting for more than 10% of traded goods.

[w] Managerial Remuneration

As per resolution adopted at the 20<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2011 the Managing Director and Executive Director are to be remunerated as per Section 309 read with Section 198 of the Companies Act, 1956 subject to overall ceiling of 5 percent of the net profits for the year per managerial person to be calculated in the manner set out in Section 349 of the Companies Act, 1956. As adequate profits are not available, the managerial remuneration has been provided within the limits specified under and in compliance with Schedule V of the Companies Act, 2013

Managerial Remuneration Paid	2015-16	2014-15
M.R.Subramonian	33.00 lakhs	32.00 lakhs
M.R.Krishnan	33.00 lakhs	32.00 lakhs
Commission/Sitting fee to non working Directors (including service tax)	5.15 lakhs	10.67 lakhs
	-----	-----
	71.15 lakhs	74.67 lakhs
	=====	=====
[x] Auditors Remuneration	2015-16	2014-15
Audit Fee	Rs.2.88 lakhs	Rs.2.81 lakhs
For Taxation	Rs.1.15 lakhs	Rs.1.12 lakhs
Internal Audit Fee	Rs.2.29 lakhs	Rs.2.02 lakhs

[y] Balances under Debtors, Creditors and Loans and advances are subject to confirmation and reconciliation.

[z] Bad Debts :

An amount of Rs.2.01 lakhs has been written off as bad debts during the financial year (P.Y 11.27 Lakhs)

[za] Provision for Income Tax for the period comes to Rs.149.88 lakhs (P.Y Rs.317.59 Lakhs).

[zb] Loans & Advances

The Company has entered into an agreement with M/s Star Micronix, a firm in which the Directors are interested, for the purchase of fixed assets of Star Micronix and an advance of Rs.33,05,662.00 has been made. The same is yet to be registered in the company's name.

[zc] The company estimates deferred tax charge/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and the estimated taxable income for the current year. The net accumulated tax liability as at 31<sup>st</sup> March 2016 provided in the balance sheet is Rs.36.33 lakhs which is due to cumulative timing difference on account of depreciation.

[zd] Events occurring after the Balance Sheet Date

There are no material events that occurred after the Balance Sheet Date.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

The Management Discussion and Analysis Report (MDA) is an integral part of, and is to be read along with, the Company's financial statements and has been prepared by the Management as of 25<sup>th</sup> May 2016. The purpose of this MDA is to provide a descriptive explanation from the management's point of view, of how the company has performed in the past, its financial condition and its future prospects.

Some of the information contained in this MDA may contain forward looking statements. These forward- looking statements may include, among others, statements regarding our plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. Forward looking statements are based on information available at the time they are made, on the date of this report, and should not be read as guarantees of future performance or results as they are subject to risks and uncertainties, many of them beyond our control. We do not undertake any obligation to publicly update or revise any forward looking statement except as expressly required by applicable laws.

Adtech Systems Limited is a leading solution provider in electronic security/ surveillance industry. We provide our clients with cost effective solutions for total security protection and also efficient after sales service which is difficult to match.

The Company is a Public Limited Company having its registered office in Chennai, Tamilnadu. The Company had been listed in the regional stock exchanges of Cochin, Chennai and Ahmedabad all of which had to close down following exit order by the Securities and Exchange Board of India (SEBI) and as on date the Company is placed in the dissemination board of National Stock Exchange Limited (NSE) which does not provide any listed status to the Company. The Company is in the process of applying for listing in Stock Exchange having nationwide terminals.

Financial statements are prepared in accordance with applicable Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable. Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a change in an existing accounting standard requires a corresponding change in the accounting policy hitherto in use.

### GLOBAL ECONOMY

In the year under review, global economic activity stayed stagnant. Growth continued to decline, while modest recovery is expected in the coming years. This has affected our export revenues hard. Inflation stayed more or less constant and commodity prices show declining trend in the year to come.

### INDIAN ECONOMY

India's economy became the world's fastest growing economy and topped the World Bank's growth outlook during the financial year under review. Indian economy has grown 7.6 % during the financial year and is expected to grow at an increasing pace in FY 2016-17.

India followed the global stock markets and declined sharply during the middle of 2015 and the rupee depreciated further in the year under review, squeezing our margins.

### OUTLOOK ON INDUSTRY

With the turnaround in the Indian economy, Electronic Security has seen a higher demand from business such as Banks, Airports, Infra projects, Hospitality, Logistics, Retail industry, Software Companies.

Considering the above, spending on man power security, home land security and equipments purchase by the govt and private sector is expected to cross Rs. 54K Crore by 2016 and reach 80K Crores by 2020. Adtech is well poised to benefit and capture this market by expanding its sales / marketing team and also by adding new products which have very good market potential.

The new buzzword in the industry today is 'IOT' (Internet of Things) in which automated smart devices connected to the internet have improved efficiency compared to traditional systems. With this in mind, Adtech has partnered with TIS Automation and launched the TIS Intelligent Building Automation System which has wired and wireless control options. Our strategy is clear, to achieve higher levels of customer satisfaction and exceed customer expectations.

The Indian Electronic Security Market has continued to evolve through government funding and international cooperation. Future potential of the Indian Electronic Security Market has gained attraction among the foreign players as well for investors. This market has experienced an average annual growth rate of 31.8% over the period FY 2008 – FY 2013. The growing awareness about the benefits of electronic security equipment among the Tier 2 & 3 cities is expected to escalate the demand in the near future.

Video Surveillance System holds a high potential and will remain the largest segment. IP Surveillance will overtake the sales of analog systems.

#### **OUTLOOK OF ADTECH SYSTEMS LIMITED**

The last 2 years has been challenging in terms of the need to keep up the growth trend of 20 to 30%, as happened during the period 2010 to 2014. However, due to the effort of various factors like this incidence of online portals which affected the brick and mortar retail to a great extent the retail sales division of Adtech could not register the growth as in the previous years. Another important factor was steep decline in Exports. This was again a result of a recession in the APAC retail industry coupled with the availability of Chinese made Souce Tagging labels. Sensormatic, which enjoyed a patent regime in the past, could not prevent the Chinese labels entering the source tagging market and therefore lost its monopoly.

Adtech has therefore devised a multi point strategy to get the desired growth starting from 2017 as part of vision 2020 initiatives.

The Company has tied up with TIS Australia and launched a new line of Intelligent Building Automation Systems. This will help the Company to become a total solutions provider and can help the Company grow in the Home Automation, Hotel Automation and Commercial Building Automation market. The Company expects this product line to bring in a turnover of 2 Cr in the year 2017-18 and thereafter see a growth of 25% every year then on.

The Sales / marketing force will be strengthened in all the major metros with a view to grow the C/I sales revenues from the present 10 Cr to 25 Cr during the year 2017-2018. The Company is on the lookout for a National Sales Manager who could inturn expand the present sales team and bring in new customers.

The last 2 years has been challenging in terms of the need to keep up the growth trend of 20 to 30%, as happened during the period 2010 to 2014. However, due to the effort of various factors like this incidence of online portals which affected the brick and mortar retail to a great extent the retail sales division of Adtech could not register the growth as in the previous years. Another important factor was steep decline in Exports. This was again a result of a recession in the APAC retail industry coupled with the availability of Chinese made Souce Tagging labels. Sensormatic, which enjoyed a patent regime in the past, could not prevent the Chinese labels entering the source tagging market and therefore lost its monopoly.

Adtech has ventured into a relatively new segment – Renewable Energy. Under this the Company has introduced Solar and Micro Wind turbine products. The first taste of success has come in by way of the Company bagging a trial order for supply and installation of a 500 KW Floating Grid connected solar plant to the Kerala State Electricity Board. This order is valued at 9 Cr and expected to completed by December 2016.

Based on the success of this order, the Company expects KSEB to order for similar or larger capacity Floating Solar Pants for all the dams in Kerala.

Adtech is also doing trial of a Micro Wind Turbine for a resort in Trivandrum. Based on the success of this trial the Company expects an order for a 2 KW Wind Turbine farm in the resort. This will inturn pave way to such wind turbine farms coming up in other resorts in Kerala and outside Kerala.

Adtech expects a growth in revenue of atleast 75 Cr from the above 2 products within the next 2 years.

The above strategies will see Adtech growing multi fold reaching a target of 150 Cr revenues in the 2017-18 financial year and thereafter maintain an annual growth of 30% in subsequent years.

#### **OPPORTUNITIES AND THREATS**

The Company is engaged in providing sophisticated solutions in the electronic surveillance segment . Due to statutory requirements, need for protection by way of electronic security solutions is increasing not only among corporates but also among individuals. The Company seeks to make full use of this growing awareness of the requirement of electronic security protection. The Company provides integrated solution and employs professional work force. We now cater to numerous

corporates as their exclusive electronic security solutions provider which position is not unassailable. Constant attempts both from the organised and unorganised sector remains a threat to our business and earnings. The Team works hard to retain the customers which affects the margins considerably and also is required to provide constant service support which is a cost.

The Company has diversified into the business of providing floating solar power projects and has already bagged a prestigious order from Kerala State Electricity Board Limited (KSEBL), the construction of which is in full swing. The Company expects its floating solar business to become a major segment of revenue in the coming years.

#### **RISK FACTORS AND CONCERNS**

Our success largely depends on the continued services and performance of our management, our technical team and other key personnel as our business is revolving around technical capabilities of our personnel's which is human approach to be precise with. The loss of service of the management, our technical team and key personnel could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

The growth of our business depends on the operations to realize our vision of attaining size and to improve our cost competitiveness. In order to achieve such future growth, we need to effectively manage our new project, our resources and accurately assess new markets, attract new customers, obtain sufficient financing, control our input costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions and keep on learning and inventing on technology. We expect our growth to place significant demands on our management and other resources. Any inability to manage our growth could have an adverse effect on our business, financial condition and results of operations.

The cost of implementing any new technologies could be significant and could adversely affect our business and financial condition. While we regularly upgrade our technology, the emergence of newer technologies could render our current technology ineffective or obsolete and may adversely affect the cost structure and competitiveness of our products and services. Changes in technology with which we are unable to keep pace, or which render our products and services less useful to customers and the market, could affect our growth, business, financial condition and results of operations.

We commit resources to projects prior to receiving advances or other payments from customers in amounts sufficient to cover expenditures on projects as they are incurred. We may be subject to working capital shortages due to delays or defaults in customer payments. If customers default in their payments on a project to which we have devoted significant resources or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our business, financial condition and results of operations.

The input costs of the products/services of the Company may increase due to various reasons. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

Competition would have an adverse impact on our business and financial performance. The industry, in which we are operating, is highly and increasingly competitive and unorganized and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

#### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The Company operates in a single segment viz electronic security systems and hence there are no additional disclosures required under "Accounting Standard-17 Segment Reporting".

The Company operates primarily in India, hence there is no other significant geographical segment that requires disclosure.

#### **FINANCIAL PERFORMANCE**

Sale and service of Electronic Surveillance Systems and accessories form major portion of income for the Company.

Total Income was Rs. 4395.72 lakhs during the financial year 2015-16 as against Rs. 6463.25 lakhs for the previous year. The sharp drop in income is mainly due to fall in export turnover.

Total expenses for the year ended 31<sup>st</sup> March 2016 was Rs.3943.10 which consists of purchase cost of Rs. 318.05, employee benefit expenses 427.87 lakhs and other expenses Rs. 375.07 lakhs and depreciation Rs.10.10 lakhs.

The Company does not have any loan liability from banks or financial institutions.

The Company has total manpower of 86 employees as on 31<sup>st</sup> March 2016. The Company had made most of its recruitments in the Marketing and Engineering divisions. Company has a reasonable salary structure and provides attractive incentives to help employees to build a career in the Company. The Company imparts proper training and development to all the new recruits and also imparts periodic training sessions so that employees are abreast with technical updates and remain competent. Your Company considers its employees to be the most valuable asset of the Company and appreciates their dedicated hard work.

For and on behalf of the Board of Directors

Place Trivandrum  
Date 30<sup>th</sup> May 2016

Sd/-  
M.R.Narayanan  
Chairman



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance ensures transparency and accountability by the Company to its various stakeholders. The Board of Directors of your Company believe in good corporate governance since the good relationship between the Company Management and various stake holders of the Company is ensured by good corporate governance practices.

The Corporate Governance Report is pursuant to Regulation 27 of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 and contains the details of Corporate Governance systems and practices followed by Adtech Systems Limited (ASL).

### 1.COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE.

Your Company believes in creating wealth for all its shareholders. In pursuit of this objective, the Policies of the Company are designed to strengthen the ability of Board of Directors to supervise the management and to enhance long term shareholder value. All decisions are taken in the interests of the Shareholders. The Board and the management is aware of minority shareholder's interest and everything is done to enhance shareholders value.

The Company believes in and practices good corporate governance. The Company's philosophy is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Company believes in Integrity, Accountability, Transparency, Confidentiality, Control and Social Responsibility.

Your Company ensures that timely and accurate disclosure is made on all material regarding the corporation including the financial situation, performance, ownership and governance of the company. The Company believes that a strong and independent Board and transparent accounting policies will preserve the stakeholder value and enhance their trust and confidence.

Our corporate mission statement describes the future perspectives, strategy and values. We believe in practicing a set of values that form the basis of our actions and corporate culture.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

### 2.BOARD OF DIRECTORS

There are six Directors on the Board having vast knowledge and experience in different fields of marketing, finance, law and management. As required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has an optimum combination of executive and non- executive directors with three Independent Directors. As per Section 149(1) of the Companies Act,2013 and Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt P.K.Anandavally Ammal is appointed to the Board as Woman Director.

The Composition and category of Directors on the Board of the Company for the FY 2015-16 were as under

Name of Director	Category
Shri.M.R.Subramonian, Managing Director	Promoter and Executive Directors
Shri.M.R.Krishnan, Executive Director	
Shri.M.R.Narayanan, Chairman	Promoter, Non Executive –Non Independent Director
Shri.N . Suresh	Non- Executive Independent Directors
Shri.K.Manmathan Nair	
Shri.P.K.Anandavally Ammal	

Pursuant to Sections 149,150 and 152 of the Companies Act, 2013, the Company has three Independent Directors appointed at the 23<sup>rd</sup> Annual General Meeting held on 24<sup>th</sup> September 2014. The tenure of appointment is for a period of five years.



The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company [www.adtechindia.com](http://www.adtechindia.com)

As per Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Independent Directors of the Company shall meet once in a year without the presence of Non-Independent Directors and members of the management. Such meetings are conducted informally to discuss matters pertaining to the Company and to review the performance of Non- Independent Directors.

The Independent Directors of the Company met on 18<sup>th</sup> March 2016. The meeting has inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman and assessed the relevance and timeliness of flow of information from the management to the Board of Directors.

As per Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has familiarised the Independent Directors with the Company's policies and procedures by providing necessary documents, brochures, reports and internal policies. During the year, the Company imparted refreshment/development to its Independent Directors. Details of such programme is posted on the website of the Company.

Pursuant to Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Code of Conduct for Directors and Senior Management. The code is intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and helps to foster a culture of honesty and accountability.

Based on the confirmation certificate received from the Directors and Senior Management under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration by Managing Director confirming adherence to the Code of Conduct is enclosed herewith as Annexure 1. The Code of Conduct for Directors and Senior Management personnel is posted on the website of the Company.

#### Attendance and other relevant details of each Director

During Financial year 2015 -16, 5 meetings on Board of Directors were held on the following dates 30<sup>th</sup> May, 2015, 13<sup>th</sup> August 2015, 14<sup>th</sup> November 2015, 12<sup>th</sup> February 2016 and 18 March 2016.

Attendance at the Board meetings held during 2015-16 and last AGM and also the number of Directorships and Committee positions held by them in other Public Limited Companies are given below

Name of Directors	No of Board Meeting during FY 2015-16		Whether attended Last AGM	Sitting Fee paid during FY 2015-16	No of Directorships in other Public Limited Companies	No of Comittee positions in other Public Companies	
	Held	Attended				Chairman	Member
Mr.M.R.Narayanan	5	4	YES	NIL	1	0	0
Mr.M.R.Subramonian	5	5	YES	NIL	1	0	0
Mr.M.R.Krishnan	5	1	YES	NIL	0	0	0
Mr.N.Suresh	5	4	YES	30,000	0	0	0
Mr.K.M.Nair	5	3	YES	22,500	1	0	1
Ms.P.K. Anandavally Ammal	5	3	YES	22,500	0	0	0

Note: Independent Directors were paid sitting fee of Rs. 7500 per board meeting.

Based on the confirmation certificate received from all the Board members in accordance with the provisions of Section 165 of the Companies Act, 2013 and Regulation 25(1) and 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration by the Managing Director confirming the compliance of above provisions is enclosed herewith as Annexure 2.

### 3. Audit Committee

Composition of the Audit Committee is as follows

Name of the Members	
Shri.N.Suresh	Chairman
Shri.M.R.Subramonian	Member
Smt P.K.Anandavally Ammal	Member

The Audit committee consists of two Non-Executive Independent Directors, one of whom is the Chairman. All the members of the Committee possesses accounting or related financial management expertise. The Committee met five times during the financial year 2014-15 on 30<sup>th</sup> May 2015, 13<sup>th</sup> August 2015, 14<sup>th</sup> November 2015, 12<sup>th</sup> February 2015 and on 18 March 2016, in which meetings, all the members were present.

The terms of reference of Audit committee in accordance with Section 177(4) of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process and discussions thereon;
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and or debt;
9. Discussion with internal auditors of any significant findings and follow up thereon;
10. To review the functions of Whistle Blower mechanism;
11. To carry out such other functions as may be referred to it.

There was no situation where the Board has not accepted the recommendation of the Audit Committee.

The Company Secretary of the Company acts as Secretary to the Committee.

### 4. Nomination and Remuneration Committee and policies

The Board had constituted a Nomination and Remuneration Committee on 14<sup>th</sup> August 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Committee met once during the financial year on 12 September 2015. The composition of the Nomination and Remuneration Committee is as under. All the committee members attended the meeting held on 12<sup>th</sup> September 2015.

Name of the Members	
Shri.N.Suresh	Chairman
Shri.M.R.Narayanan	Member
Smt.P.K.Anandavally Ammal	Member

The Committee has the following terms of reference.

Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of Directors, Key Managerial Personnel and other employees.

- a. Formulation of criteria for evaluation of Directors, Chairman, Managing Director and Executive Director, Board as a whole and various Committees of the Board. Based on the recommendations of the Committee, the said Policy on Nomination and Remuneration and Evaluation of Directors was adopted by the Board.
- b. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down.

The Committee has adopted the following criteria for selection of Members on the Board of Directors of the Company and also candidates eligible to be appointed in the Senior Management of the Company

**(i) Criteria for Selection of Directors**

Before making a recommendation to the Board for appointment of any Director, the Committee shall ensure that

- (a) The candidate possesses appropriate skills experience and knowledge in one or more fields of managerial/business/administrative/legal/finance qualifications and experience over two decades ;
- (b) The candidate shall be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;  
©In the case of appointment of an Independent Director, the candidate meets the conditions of being independent as stipulated under Companies Act, 2013 and the Listing Agreement
- (d) The candidate also complies with the “Fit and Proper” criteria as laid down by the policy of the Company.

**(ii) Criteria for Selection of Senior Management Personnel**

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013

The Committee shall, before making any recommendation to the Board for appointment, should ensure that the candidate has the attributes set forth below

- (a) The candidate should have a minimum experience of 10 years in any of the areas viz electronic security related, financial management, legal, sales, marketing, procurement, research, technical operations or such other areas which in the opinion of the Committee are relevant for the Company’s business; and
- (b) The candidate should possess qualities that demonstrate leadership skills, effective communication skills, hard work, commitment and such other attributes which in the opinion of the Committee are in the interest of the Company.

The Committee makes its recommendation to the Board if it finds that a candidate meets the criteria for appointment.

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the provisions of Section 178(3) of the Companies Act, 2013. All the Directors have provided inputs to the questionnaire seeking information on criteria such as Board Composition and structure, Board Processes and procedures, effectiveness of the Board, etc

The Board and Nomination and Remuneration Committee reviewed the performance of the individual Directors interalia, on the basis of understanding and knowledge of the market in which the Company is operating, ability to appreciate the working of the Company and the challenges it faces, attendance to meetings, extend of participation and involvement in the meetings and ability to convey one’s views and flexibility to work with others. The performance of the Committees was evaluated by the based on the composition of the Committees, effectiveness of the Committee meetings with respect to the terms of reference and conduct of the meetings and the procedures followed.

**Remuneration Policy**

**(i) Remuneration of Managing Director and Executive Director**

Committee takes into consideration the performance of the Company, the ability to lead the team, past remuneration, the comparative remuneration profile in the industry subject to the condition that overall remuneration shall be in accordance and within the limits stipulated under the Companies Act, 2013

**(ii) Remuneration to Non Executive Directors**

Remuneration to Non Executive Director is paid subject to the limits stipulated under the Companies Act, 2013 and based on level of participation in the affairs of the Company.

Remuneration to Independent Directors is restricted to sitting fees for attending meetings of the Board of Directors .

The Company does not at present have a provision of stock options.

(iii) Remuneration of Senior Management Personnel and KMP

The Remuneration of the Senior Management Personnel and KMP shall be in accordance with the Policy of the Company as is applicable to the employees. Performance of the business/function under his control is also considered while deciding remuneration.

Details of remuneration paid to Directors and KMP are mentioned elsewhere in this report.

**Disclosures on remuneration and terms of appointment of Managing Director and Executive Director as stipulated in Section III of Part II of Schedule V of the Companies Act, 2013**

(a) All elements of remuneration package such as salary, benefits ,bonuses, stock options, pension, perquisites etc of all the Directors

Managing Director and Executive Director shall be paid remuneration as under:

In the event of adequate profits in a financial year, Managing Director and Executive Director shall be paid remuneration not exceeding the limits specified in Section 197 of the Companies Act, 2013 and as detailed below.

Where in any financial year during the currency of tenure of Managing Director or Executive Director, the Company has no profits or its profits are inadequate, following remuneration shall be paid to Managing Director and Executive Director as per terms of agreement executed with each of them subject to Section II Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

Salary 3,00,000 per month with an annual increase of upto 25 percent as recommended by the Nomination and Remuneration Committee.

Commission of upto 1 percent of net profits computed in the manner laid down in Section 198 of the Companies Act, 2013

Housing Rent Allowance, if applicable subject to 50 percent of salary.

Managing Director and Executive Director shall be eligible to avail Housing Loan as per rules of the Company as applicable to other employees

Medical reimbursement equal to one months salary in a year.

Leave Travel concession with family once in a year in accordance with rules of the Company.

Club fee subject to maximum of two clubs.

Leave on full pay as per rules of the Company.

Free Use of the Company's Car, free telephone facility and payment of electricity and water charges at residence, reimbursement of entertainment expenses incurred in the interests of the business of the Company.

(b) No severance fee or Notice period is provided.

Non Executive Non – Independent Directors shall be paid remuneration non exceeding 1 percent of the net profits of the Company computed as per provisions of Section 198 of the Companies Act, 2013.

Non Executive Independent Directors shall be paid only sitting fee for attending Board Meetings.

©The Company does not have any scheme for issue of Stock Options.

**5.Stakeholders' Relationship Committee**

Stakeholders' Relationship Committee was constituted pursuant to Section 178 (5)of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015. The Stakeholders' Relationship Committee comprises of the following directors:

During the year 2015-16, the Committee has met 4 times at the following dates.

30 <sup>th</sup> May 2015	13 August 2015	14 November 2015	18 March 2016
Name of the Member	Position	Number of meetings Held	Attended
Mr.M.R.Narayanan	Chairman	4	3
Mr.M.R.Subramonian	Member	4	4
Mr.N.Suresh	Member	4	3

The Company Secretary acts as the secretary of the Stakeholders' Relationship Committee.

The terms of reference, powers and scope of the Stakeholders' Relationship Committee include:

- (i) To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- (ii) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- (iii) To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and

The Company has a designated email id [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in) for handling investor complaints on which investors can lodge their complaints.

The Company has in place an investor grievance redressal policy for the redressal of investor complaints in a timely manner.

Mr.S.Balamurali, Company Secretary is the Compliance Officer of the Company. He reviews the investor complaints on a fortnightly basis to find out whether the grievance has been resolved within the time specified the Investor Grievance Redressal Policy of the Company.

Pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the status of investor complaints received and redressed during FY 2015-16 are as follows.

SL No	Particulars	No of Complaints
1.	Number of Investor Complaints pending at the beginning of the year (ie as on 01 April 2015)	Nil
2.	Number of Investor complaints received during the year	6
3.	Number of investor complaints redressed during the year	6
4.	Number of Investor complaints remaining unresolved at the end Of the year (ie as on 31st March 2016)	Nil

## 6. Corporate Social Responsibility (CSR)

As on 31<sup>st</sup> March 2016, the Corporate Social Responsibility (CSR) Committee of the Company, under Section 135 of the Companies Act, 2013, consists of two Non-Executive Directors, out of which one is Independent Director. The Committee has formulated a CSR Policy indicating the activities to be undertaken by the Company in accordance with Schedule VII to the Companies Act, 2013.

The CSR Policy of the Company, as approved and adopted by the Board, has been posted in the website of the Company.

In the year 2015-16, the committee met twice on the following dates and all the three committee members attended both meetings.

13<sup>th</sup> August 2015

18<sup>th</sup> March 2016

The Composition of the CSR Committee is given below.

Name of the Members	
Shri.M.R.Narayanan	Chairman
Shri.M.R.Subramonian	Member
Shri.N.Suresh	Member

The terms of reference of the CSR Committee in accordance with Section 135(3) of the Companies Act, 2013 are as under

- (1) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- (2) Recommend to the Board the amount of expenditure to be incurred on the CSR activities referred to in (1) above, and
- (3) Monitor the CSR Policy of the Company from time to time.

#### 7.Share Transfer Committee

The Stake holder's relationship Committee functions as the Share Transfer Committee in case of any disputes/clarifications that are received from Share Transfer agents of the Company. Share Transfers are delegated to the Share Transfer Registrar, who inspects the documents and registers all valid transfers within 30 days of receipt. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

#### 8.Vigil Mechanism/Whistle Blower Policy for Directors and employees.

The Company is committed to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards , the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns without fear of punishment or unfair treatment. The Company has a proper vigil mechanism and whistle blower policy in place pursuant to Section 177(9) and 177(10) of the Companies Act, 2013 and Regulation 4(2)(d) (iv) and 34(3) read with Para 10 of part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 . The mechanism also provides for adequate safeguards against victimisation of Directors and employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in special cases. The said policy is available in the website of the Company [www.adtechindia.com](http://www.adtechindia.com)

#### 9.GENERAL MEETINGS

Details of General Meetings held during the last three years are as follows

Financial Year ended	Date of meeting	Time	Venue
31 March 2015	30 September 2015	2.30 PM	Registered Office
31 March 2014	24 September 2014	4.00 PM	Registered Office
31 March 2013	30 September 2013	4.00 PM	Registered Office

Special Resolutions passed at the last three AGMs

SL No	Date of AGM	Special Resolution
01	30.09.2015	(i) Substitution of Articles of Association of the Company with new set of Articles of Association
02	24.09.2014	Nil
03	30.09.2013	Nil

#### 10.CEO/CFO Certification

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr.M.R.Subramonian, Managing Director and Mr.P.Vinaya Chand, Chief Finance Officer had provided CEO/CFO certificate for the quarter and year ended 31<sup>st</sup> March 2016 which is annexed herewith as **Annexure III**

## 11. QUARTERLY COMPLIANCE REPORT

A comprehensive report on the status of compliance with all the applicable corporate laws by the Company is placed before the Board on a quarterly basis for their information and review.

## DISCLOSURES

(a) There were no materially significant Related Party Transactions having potential conflict with the interests of the Company at large

(b) The Company has complied with all the applicable provisions of Companies Act, 2013, and Companies Act, 1956 to the extent applicable, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable acts/provisions

© The Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006 (as amended) in preparation of the financial statements

## 12. Means of Communication

(a) Quarterly and annual audited financial results of the Company were published in Trinity Mirror (English Daily) and Makkal Kural (Vernacular Language)

(b) The results are displayed on the company's website at [www.adtechindia.com](http://www.adtechindia.com).

## 13. REDRESSAL OF INVESTOR GRIEVANCES THROUGH SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

SCORES is a web based, centralised grievance redressal system of SEBI (<http://scores.gov.in>). SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online. This enables the market intermediaries and listed Companies to check the complaints online from investors, redress such complaints and report redressal online. All the activities starting from lodging of a complaint till its closure by SEBI would be handled in an automated environment and the complainant can view the status of his complaint online. An investor, who is not familiar with SCORES, or who does not have access to SCORES, can lodge complaints in physical form at any of the offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for processing.

## 14. UNCLAIMED DIVIDENDS

The Company had during the financial year 2015-16, transferred an amount of Rs. 18,400 to Investor Education and Protection FUND (IEPF), being the unclaimed dividend for the year 2007-08. Under the law, no claim for uncashed dividends can lie against either the Company or the IEPF after a period of seven years from the date of transfer to unclaimed dividend account. Therefore, shareholders who have not yet cashed their dividend cheques relating to the financial year 2008-09 and subsequent years are requested to contact the Company/Registrar and Share Transfer Agent.

## 15. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Compliance certificate on Corporate Governance provided by the Statutory Auditors of the Company confirming the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure IV**

The Company does not have stock option scheme and therefore the same is not applicable

## 16. DATE OF BOOK CLOSURE

The Register of Members and Transfer Books of the Company shall be closed from 16<sup>th</sup> September 2016 to 30<sup>th</sup> September 2016 (both days inclusive)

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) have been substantially complied with by the Company.

## 17. GREEN INITIATIVES BY MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the "Go Green" initiative, the Company proposes to send all correspondence/communications through email to those shareholders, who have registered their email id with their depository participants/Company's registrar and share transfer agent. In case the shareholders desire to have a printed copy of such communications, they may send requisitions to the Company. The Company shall forthwith send a printed copy of such communication to the respective shareholder.



## 18. GENERAL SHAREHOLDER INFORMATION

(a) 25<sup>th</sup> Annual General Meeting

Date	Time	Venue
30 <sup>th</sup> September 2016	3.00 PM	Registered Office of the Company

(b) Financial Year 01<sup>st</sup> April to 31<sup>st</sup> March

(c) Dividend Details Ratification of Interim Dividend declared on 18<sup>th</sup> March 2016 as final dividend.

(d) Listing details : The Company is not listed in any stock exchanges as on 31<sup>st</sup> March 2016 due to the closure of Chennai. Cochin and Ahmedabad Stock exchanges where the shares of the Company were listed. The shares are placed in the dissemination board of NSE. The Company plans to apply for listing in stock exchange/s having national wise terminals. Due to non-listing status, payment of listing fee is not applicable

(e) Registration details : The Company is registered in the state of Tamil Nadu as a public limited Company. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L 33111TN1990PLC018678.

(f) Reconciliation of Share Capital Audit: The Company has received certificate from a Company Secretary in practice on a quarterly basis for timely dematerialisation of the Company's shares and for reconciliation of the total equity capital with both the depositories and in physical mode with the total paid up capital as per books.

(g) Dematerialisation of Shares: The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of shares for scripless trading. 72.53 % of shares of the Company were held in dematerialised form as on 31<sup>st</sup> March 2016.

(h) Since shares of the Company are not traded in any stock exchange, comparison of high and low prices is not available.

(i) Distribution of Shareholding as on 31<sup>st</sup> March 2016

Sl No	Category	No of Holders	% Holders	Shares	% Shares
1	upto 100	6	2.36	600	0.03
2	100-500	99	38.98	42975	1.80
3.	501-600	19	7.48	11400	0.48
4	601-700	3	1.18	2100	0.09
5.	701-800	20	7.87	15550	0.65
6	801-900	4	1.57	3600	0.15
7	901-1000	48	18.90	48000	2.01
8	1001-2000	23	9.06	34015	1.43
9	2001-5000	11	4.33	36045	1.51
10	5001-10000	8	3.15	63195	2.65
11	10001-20000	7	2.76	97385	4.09
12	20001-50000	0	0	0	0
13	50001-100000	2	0.79	151240	6.35
14	Above 100000	4	1.57	1876645	78.76
Total		254	100	2382750	100



Investors may write to the Company at [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in) for any queries/grievances/communications

For any assistance regarding dematerialisation of Shares, share transfer, transmission, change of address, non receipt of dividend or any other query relating to shares or financial statements, the investors may contact

(a) S.Balamurali

Company Secretary  
Adtech Systems Limited  
T C 5/2523, Golf Links Road, Kowdiar PO,  
Trivandrum 695 003  
Tel 0471 2433805/2433569  
Email [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in)

(b) Integrated Enterprises (India) Limited

Registrar and Share Transfer Agents  
2<sup>nd</sup> Floor, Kences Towers, No 1, Ramakrishna Street  
Off North Usman Road, T.Nagar, Chennai 600 017  
Tel: 044028140801-803  
Email [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

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**Annexure I**

**Declaration regarding compliance by Board Members and  
Senior Management Personnel with the Company's Code of Conduct**

To  
The Members  
Adtech Systems Limited

I confirm that the Company has received from the members of the Board and Senior Management team of the Company, declarations of compliance with the Code of Conduct as applicable to them during the financial year ended 31<sup>st</sup> March 2016

Trivandrum  
30 May 2016

sd/-  
M.R.Subramonian  
Managing Director

**Annexure II**  
**Declaration**

To The Members of Adtech Systems Limited

I confirm that the Company has received from all the Directors, a declaration of compliance in accordance with the provisions of Section 165 of the Companies Act, 2013 and Regulation 25(1) and 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March 2016.

Trivandrum  
30 May 2016

sd/-  
M.R.Subramonian  
Managing Director

**Annexure III**

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER/CHIEF FINANCE OFFICER**

We hereby certify that for the quarter and financial year ended 31<sup>st</sup> March 2016, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (3) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (5) We further certify that;
  - (a) There have been no significant changes in internal control over financial reporting during the year;
  - (b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - © There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed Company's internal control system over financial reporting.

Trivandrum  
30<sup>th</sup> May 2016

Sd/-  
M.R.Subramonian  
Managing Director

sd/-  
P.Vinaya Chand  
Chief Finance Officer

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**ANNEXURE IV**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Adtech Systems Limited

We have examined the compliance of the conditions of Corporate Governance by Adtech Systems Limited (the Company) for the year ended 31<sup>st</sup> March 2016 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered by the Company with the stock exchange.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examinations has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For M.R.Ramachandran & Co  
Firm Regn No 002873S

sd/

M.R.Ramachandra Warriar  
Partner  
Membership No FCA 4601

Place Chennai  
Date 30<sup>th</sup> May 2016

## ADTECH SYSTEMS LIMITED

CIN L33111TN1990PLC018678

Regd Office: No.2/796, First Floor, A Wing, Sakshi Towers First Main Road  
Kazura Gardens, Neelankarai, Chennai- 600 041

### ATTENDANCE SLIP

TWENTY FIFTH ANNUAL GENERAL MEETING - 30<sup>th</sup> SEPTEMBER 2016 AT 3.00 PM

Regd Folio No/Client ID No.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the TWENTY FIFTH Annual General Meeting of the Company at NO.2/796, FIRST FLOOR, A WING, SAKSHI TOWERS FIRST MAIN ROAD KAZURA GARDENS, NEELANKARAI, CHENNAI- 600 041 on Friday 30<sup>th</sup> September 2016 at 3.00 PM.

.....  
Member's /Proxy's Name

.....  
Member's/Proxy's Signature

NOTE : Please fill this attendance slip and hand it over at the entrance of the hall.

.....Tear Here.....

### ADTECH SYSTEMS LTD

Regd Office: No.2/796, First Floor, A Wing, Sakshi Towers First Main Road  
Kazura Gardens, Neelankarai, Chennai- 600 041

### PROXY FORM

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN : L33111TN1990PLC018678

Name of the Company : Adtech Systems Limited

Registered Office : No.2/796, First Floor, A Wing, Sakshi Towers First Main Road, Kazura Gardens, Neelankarai, Chennai- 600 041

Name of the Member (s) :

Registered Address :

Email ID :

Folio/Client ID :

DP ID :

I / We, being the member(s) of ..... shares of the above named company, hereby appoint

1. Name :..... E-mail ID :.....

Address .....

.....  
..... Signature : ..... , or failing him

2. Name :..... E-mail ID :.....  
Address :.....

.....  
..... Signature : ..... , or failing him

3. Name :..... E-mail ID :.....  
Address :.....

.....  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on the 30<sup>th</sup> day of September 2016 at 3.00 p.m. at No.2/796, First Floor, A Wing, Sakshi Towers First Main Road Kazura Gardens, Neelankarai, Chennai- 600 041 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	For	Against
1. Adoption of Audited Statement of Profit and Loss for the year ended 31st March 2016 and Balance Sheet as at that date together with the Reports of the Directors and Auditors and Cash Flow Statement thereon	<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of Director in place of Shri.M.R.Narayanan who retires by rotation and is eligible for re-appointment	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Appointment of Statutory Auditors	<input type="checkbox"/>	<input type="checkbox"/>
4. Appointment and increase in remuneration of Shri.M.R.Subramonian as Managing Director	<input type="checkbox"/>	<input type="checkbox"/>
5. Appointment and increase in remuneration of Shri.M.R.Krishnan as Executive Director	<input type="checkbox"/>	<input type="checkbox"/>

Signed this .....day of .....2016

Signature of Shareholder.....

Signature of Proxy Holder .....

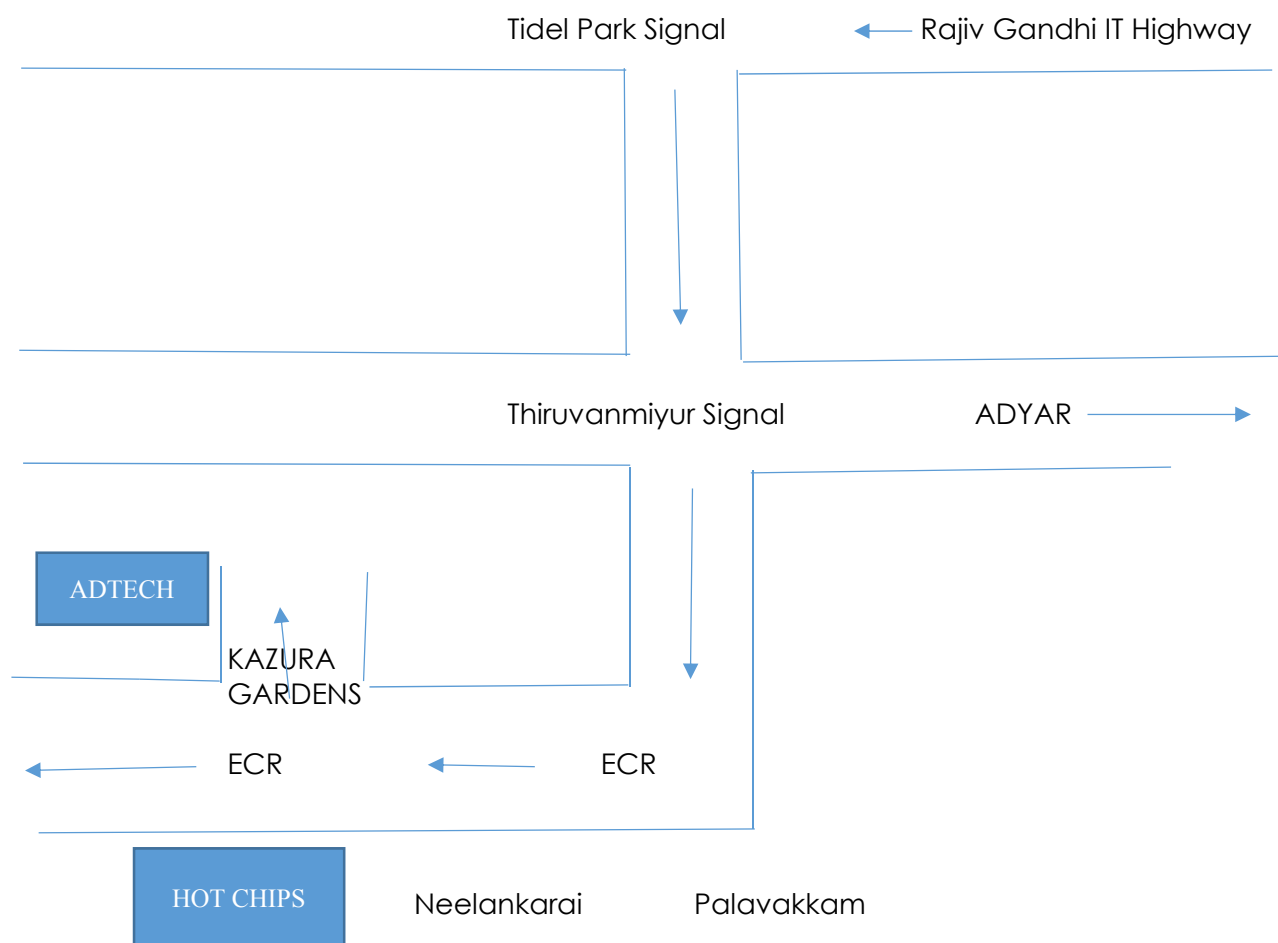


Note:- This form in order to be effective should be duly stamped, completed and must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

ADTECH SYSTEMS LIMITED  
Annual Report 2015-16

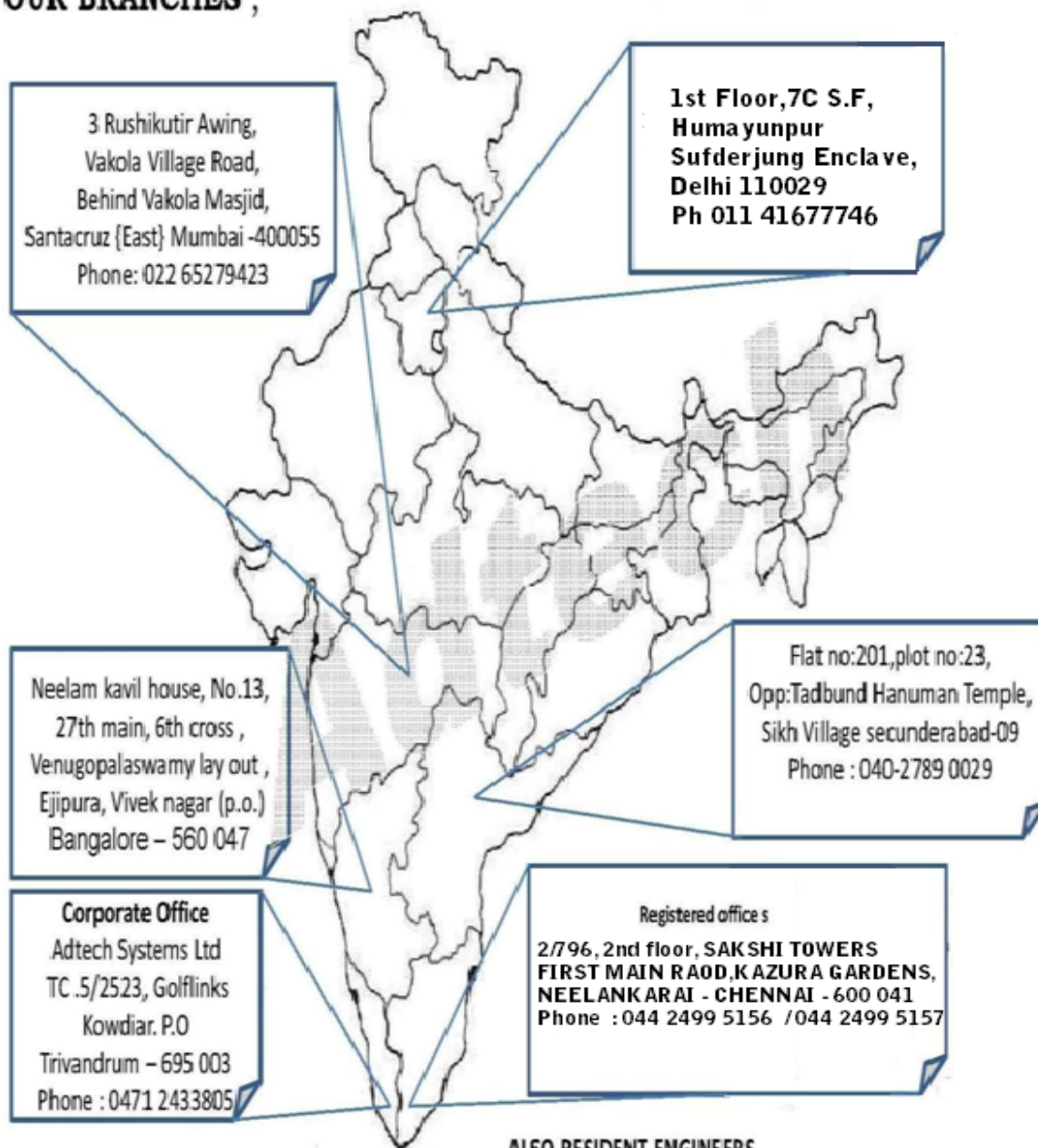
ADTECH SYSTEMS LIMITED  
2/796, FIRST FLOOR, A WING, SAKSHI TOWERS  
FIRST MAIN ROAD, NEELANKARAI, CHENNAI 600 041  
CIN L333111TN1990PLC018678  
LOCATION MAP of Venue of 25<sup>th</sup> Annual General Meeting

From Tidel Park Chennai



ADTECH SYSTEMS LIMITED  
Annual Report 2015-16

## OUR BRANCHES ,



ALSO RESIDENT ENGINEERS



KOLKATA, PUNE, RAJKOT, INDORE,  
COIMBATORE & COCHIN





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