

29th ANNUAL REPORT 2019 -20



ADTECH

SYSTEMS LIMITED

An ISO 9001:2005 Company

We deliver products that help secure the world

Business Today award for Best CEO Award from Future Kerala Newspaper - 2017

Dahua Technology Excellence Awards 2018

Tech Mahindra Ehatvam 2018

Top Retail Minds from Asia Retail Congress 2019

CORPORATE INFORMATION

BOARD OF DIRECTORS & COMMITTEES

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 AnandavallyAmmal
 Independent Director

Company Secretary

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.AnandavallyAmmal

**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

**Stakeholders Relationship
 Committee**

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

Statutory Auditors

M/s Mahadev & Co, Chartered Accountants,
 M.M.Complex, 57,Kodambakkam High Road, T.Nagar,
 Chennai 600 017
 (Firm Regn No 001924S)

Secretarial Auditor

M/s Sajee & Associates, Company Secretaries
 Sree Sankaram, First Floor
 KRA 74, Opp. Kaithamukku P.O.
 Athanilane, Trivandrum 24

| | |
|--|--|
| Bankers | HDFC Bank Limited State Bank of India |
| Registrar & Share Transfer Agents | M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, North Usman Road T.Nagar, Chennai 600 017 |
| Registered Office | 2/796, Second Floor, Sakshi Towers First Main Road, Kazura Gardens Neelankarai, Chennai-600 041 Phone 91 44 2449 5156/2449 5157 |
| Corporate Office | 5/2523, Golf Links Road, Kowdiar P.O Trivandrum – 695 003 Phone 91 471 2433805/569 |
| Website | www.adtechindia.com |
| Email | mr@adtechindia.in |
| Shares Listed with | Metropolitan Stock Exchange of India Limited, Vibgyor Towers, 4th Floor, Plot No C-62, Opp Trident Hotel, Bandra Kurla Complex, Bandra Mumbai |
| Corporate Identity Number (CIN) | L33111TN1990PLC018678 |
| ISIN | INE257C01014 |
| GSTIN Numbers for | |
| KERALA | 32AAACA5355K1ZU |
| TAMILNADU | 33AAACA5355K1ZS |
| NEW DELHI | 07AAACA5355K1ZN |

APPEAL TO SHARE HOLDERS

1. Please demat your physical share certificates. Pursuant to notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, transfer of physical shares will not be processed by the company after December 05 2018, except for transmission or transposition.
2. Please encash your dividend cheques. Share holders may please contact the Company Secretary at balamuralis@adtechindia.in for duplicate dividend cheques

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of ADTECH SYSTEMS LIMITED will be held on **Wednesday, September 30, 2020 at 4.00 PM** by **Video Conferencing (VC)** to transact the following business.

ORDINARY BUSINESS

- Item No 1 Adoption of Audited Financial Statements
To receive, consider and adopt the Audited Balance Sheet as at 31st March 2020 the Audited Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, together with the reports of the Board of Directors and the Auditors thereon.
- Item No 2 Re-Appointment of a Director
To appoint a Director in place of Shri. M.R.Narayanan (DIN :00044926), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks reappointment.

SPECIAL BUSINESS

- Item No 3 To consider and, if thought fit, to pass with or without modification(s) the following as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of the Section 188 of the Companies Act, 2013 (The Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and read with Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company by way of an Ordinary resolution be and is hereby accorded to the Board of Directors (hereinafter called “the Board” which term shall be deemed to include any Committee which the Board may constitute for the purpose) for execution of contracts by the Company with Southern Floating Solar Private Limited , CIN U74999TN2018PTC123521 and with Trans Float Solar Private Limited, CIN U29309TN2019PTC132492 with whom the Company has common directorship to sell, purchase, or supply any goods or material and to avail or render any service of any nature, whatsoever, as Board in its discretion may deem proper, subject to complying with the procedures to be fixed by the Board or its Committee, up to an amount and as per the terms and conditions mentioned under item 3 of the explanatory statement with respect to transactions proposed, and annexed hereto with notice.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, things, deeds, matters, and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution”.

By order of the Board

Place : Trivandrum
Date:27.08.2020

Sd/-
S.BALAMURALI
Company Secretary
M.No.ACS 11779

NOTES

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. In view of the COVID 19 Pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated 05.05.2020 read with Circulars dated 08.04.2020 and 13.04.2020 and (collectively referred to as “MCA Circulars”) permitted the holding of Annual General Meeting (“AGM”) by VC/OAVM without the physical presence of the members at a common venue. Accordingly, in compliance with the said provisions read along with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020, the AGM of the Company shall be held through VC.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Annual Report 2019-20 which includes the Notice of the AGM, Board’s Report, Financial Statements and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.adtechindia.com website of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited www.msei.in and on the website of CDSL <https://www.evotingindia.com/>
4. Attendance of members through VC shall be counted for quorum under Section 103 of the Act.
5. The VC facility shall be kept open at least 15 minutes before the scheduled time of the AGM and shall not be closed till expiry of 15 minutes after the conclusion of the scheduled time for the AGM.
6. The meeting through VC facility shall allow two way teleconferencing for the ease of participation of the member, besides having a facility to allow 1000 members to participate on first come first served basis.
7. **The Company notifies Closure of Register of Members and Share Transfer Books thereof from 16th September 2020 to 30th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.**
8. The Company has appointed Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, North Usman Road, T Nagar, Chennai as the Registrar and Share Transfer Agent of the Company to deal with the physical as well as electronic share registry.
9. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter, shall be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Dividend paid during the year 2012- 13 and remaining unpaid and unclaimed shall be transferred to IEPF fund by 07th November 2020
10. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
11. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of dematted shares.
12. Members may kindly update their email address with the Company/Registrar-Integrated Registry Management Service Private Limited such that correspondence reaches members without fail.
13. Members are requested to furnish details of their nominee in the nomination form that can be obtained from the Company on request

14. Members are requested to note that transfer/trading of Company's shares through Stock Exchange is permitted only in electronic/demat form. Those members who have not yet converted their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.

General Information :

15. Members desiring any information as regards the accounts are requested to write to the Company so as to reach the Registered Office at least 5 days before the date of meeting to enable the management to keep the information ready.
16. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

VOTING THROUGH ELECTRONIC MEANS

- ❖ In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services including remote e-voting provided by Central Depository Services Limited (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:
- ❖ The remote e-voting period commences on Sunday, September 27, 2020 (9:00 a.m. IST) and ends on Tuesday September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- ❖ The Board of Directors has appointed Mr. P. Sajee Nair FCS (FCS No 8705) and (C.P. No. 12772) Practising Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- ❖ The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC but shall not be entitled to cast their vote again.
- ❖ The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" module.
- (iii) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log in at <https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| | For Shareholders holding shares in Demat Form and Physical Form |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company / RTA.. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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<ADTECH SYSTEMS LIMITED> 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". The m-Voting app can be downloaded from the PlayStore. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to Company at balamuralis@adtechindia.in/RTA at srirams@integratedindia.in
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to Company at balamuralis@adtechindia.in/ RTA at srirams@integratedindia.in
3. The Company/RTA (Integrated Registry Management Services Private Limited) shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Desktops/Laptops/IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of glitches.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least five (5) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (balamuralis@adtechindia.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance five (5)days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company email id (balamuralis@adtechindia.in). These queries will be replied to by the Company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting @cdslindia.com](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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; balamuralis@adtechindia.in (designated email address by Company), if they have voted from individual desktop/ laptop/tab & not uploaded same in the CDSL e-voting system, for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or by sending an email to helpdesk.evoting@cdslindia.com or calling 1800225533.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of 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 authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.adtechindia.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to MSEI Limited, where the shares of the Company are listed.
3. Investor grievances/complaints may please be mailed to balamuralis@adtechindia.in.
4. Members are requested to register their e-mail addresses with the Company/Share Transfer agent or with their Depositories
5. Members still holding shares in physical form are requested to kindly demat their shareholdings by contacting your share brokers.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item 3

APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTION BY THE COMPANY

The Companies Act, 2013 aims to ensure transparency in the transaction and dealings between related parties of the Company. The provisions of Section 188 (1) of the Companies Act, 2013 that govern the Related Party Transactions, require that for entering into any contract or arrangement as mentioned therein, with the Related Party(s), the Company must obtain prior approval of the Board of Directors. As per provisions of Section 188 of Companies Act, 2013 and Rules thereunder, amended, if the value of the sale transactions together with the value of transactions entered so far during the year amounts to 10% or more of the turnover of the Company as per the previous audited financial statement in respect of Related Party or Rupees One Hundred Crores whichever is lower, the Company has to obtain prior approval of shareholders by way of Ordinary Resolution. Further third proviso of Section 188 (1) provides that nothing in that Sub-Section shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis. As per Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, even if the related party transaction is material by reason that it amounts to 10% or more of the annual consolidated turnover (taken individually or together), only an approval by way of Ordinary Resolution, need be obtained from the Shareholders of the Company. In the light of the provisions of the Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its related parties for the period 01.10.2020 to 30.09.2021. All the prescribed disclosures as required to be given under the provisions of the Companies Act 2013 and the Rules thereunder are given below in tabular format for kind perusal of members approval:

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2020 TO 30.09.2021 FOR THE PURPOSE OF APPROVALS U/s 188 OF THE COMPANIES ACT, 2013

(TRANSACTIONS/CONTRACTS CARRIED OUT IN THE ORDINARY COURSE OF BUSINESS)

| Name of Related Party | Director/KMP related and nature of relation ship | Nature of Transaction | Maximum Value of Transaction (in Rs Lakhs) | Period of Transaction |
|---|--|---------------------------------|--|-----------------------|
| Southern Floating Solar Private Limited | M.R.Narayanan, Director of Southern Floating Solar Private Limited | Purchase/Sale of Goods | 2500 | 01.10.2020 to |
| | M.R.Subramonian, Relative of Director / PAC | Availing /Rendering of Services | 1500 | 30.09.2021 |
| | M.R.Krishnan, Relative of Director/ PAC | | | |

| | | | | |
|-----------------------------------|--|---------------------------------|------|---------------|
| Trans Float Solar Private Limited | M.R.Narayanan, Director of Trans Float Solar Private Limited | Purchase/Sale of Goods | 3500 | 01.10.2020 to |
| | | Availing /Rendering of Services | 2000 | 30.09.2021 |
| | M.R.Subramonian , Relative of Director / PAC | | | |
| | M.R.Krishnan, Relative of Director/ PAC | | | |

Members are hereby informed that pursuant to second proviso of section 188(1) of the Act, no member of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors of your Company has approved this item and recommends the resolution as set out in the notice for approval of members of the Company as Ordinary Resolution.

Except Promoter Directors (to the extent of shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives is concerned or interested financially or otherwise in passing of this resolution.

INFORMATION REQUIRED TO BE FURNISHED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 ON GENERAL MEETINGS

As required Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2, particulars of Directors who are proposed to be appointed/reappointed at this Meeting are given below

| | |
|--|---|
| Name of the Director | Mr.M.R.Narayanan |
| DIN | 00044926 |
| Age | 69 Yrs |
| Date of Birth | 17 April 1951 |
| Nationality | Indian |
| Date of first appointment to the Board | 05 February 1990 |
| Relationship with Other Directors | Brother of Shri.M.R. Subramonian and Shri.M.R.Krishnan |
| Qualification | B Tech |
| Expertise in specific functional areas | Rich Experience of more than 35 years in technical matters, especially in electronics. Currently heads the Solar Project Division of the Company. |
| No of Shares and % of Holding | 2242825 shares.18.83 % shareholding. |

| | |
|--|---|
| List of Directorships in other Public Limited Companies | APT Micro Solutions Limited- Director |
| Chairmanships/Memberships of Committees in Other Public Limited Companies (includes Audit Committees and Stake Holder relationship Committees) | Chairman of APT Micro Solutions Limited- Director |
| No of Board Meetings attended during FY 2019 20 | Held 5 Attended 5 |

By order of the Board of Directors
For Adtech Systems Limited

Sd/-

S. Balamurali
Company Secretary

Place :Trivandrum
Date: 27.08.2020

CIN U33111TN1990PLC018678
Registered Office
2/796, Second Floor,A Wing
Sakshi Towers, First Main Road
Kazura Gardens, Neelankarai,
Chennai 600 041
E-mail :mr@adtechindia.in
Website: www.adtechindia.com

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2019-2020

To

The Members

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2020.

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

(Rupees in Lakhs)

| Particulars | Year ended 31 st March 2020 | Year ended 31 st March 2019 |
|---|--|--|
| Turnover | 4672.46 | 4925.64 |
| Profit/(Loss) before taxation | 351.59 | 567.56 |
| Income Tax Expense | 89.77 | 141.70 |
| Profit/(Loss) after tax | 250.40 | 401.91 |
| Transfer to General Reserve | 60.00 | 80.00 |
| Interim Dividend on Equity Shares @ 7 percent | 83.40 | 83.40 |
| Dividend Tax | 12.24 | 12.24 |

State of the Company's Affairs and Future Outlook

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

- ◆ Revenue decreased 05.14 percent to Rs 4672.46 lakhs
- ◆ Profit before taxes decreased by 38.05 percent to Rs. 351.59 lakhs
- ◆ Profit after taxes (Net Profit) decreased by 37.70 percent to Rs.250.40 lakhs

The Commercial Industrial division of the Company posted double digit growth

The year 2019-20 witnessed economic slow down due to various factors. Even though your Company was expecting an increase in turnover for the year ending March 2020 compared to the previous year, the Covid pandemic struck towards the last quarter and affected the Q4 revenues.

The Company posted annual revenues of 46.72 crores as against 49.25 cr. recorded last year. The reduction in turnover is primarily due to dispatches getting affected due to the nationwide lockdown declared in the country after the outbreak of the Coronavirus pandemic. The Company has 3 revenue segments – Retail, Commercial / Industrial and Solar. The retail segment recorded a dip of 16.94 percent over last year. Within retail segment the sale of antishiplifting systems recorded a dip of 23.93 over last year. The dip in turnover was primarily due to change in indirect sales method by our principals. Exports took a hit from revenues dipping from 693.26 lacs of last year to 274.89 lacs this year primarily due to US – China trade sanctions.

The commercial / industrial segment recorded a mild increase from revenues of 885.41 lacs of last year to Rs. 1012.79 lacs this year primarily due to large corporate orders

The solar segment did 617.78 lacs this year as against 78.54 lacs last year. We were able to successfully shift technology from Ferro cement technology to plastic floats technology for floating solar farm. The solar division has already received several major orders in the current financial year and be able to bring substantial revenues in the

next financial year.

Earnings per share(EPS) was Rs. 2.10 per share for the year under review as against Rs. 3.37 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, except the loss of revenue due to Covid19 pandemic which led to lockdowns across the country, thereby severely affecting retail industry, which is a major customer base for the Company.

The outlook for 2020 is really promising in spite of the Covid set back. Your company has bagged a Rs.15 Crore order from KSEB for hi-end CCTV Systems to be installed in all the major dams in Kerala. This is to be executed before December 2020. Your Company has also received two large orders from BHEL and Tata Solar for supply of Floating Solar Platforms and for engineering in connection with anchoring and mooring the floating solar farms. These orders when executed will be a great boost to take the revenues past the One Billion rupee mark, this financial year. This will certainly lead to greater opportunities in bagging larger orders from the Security Systems and Floating Solar verticals.

The current slump in the retail business vertical due to Covid situation is expected to re bounce only by Q4 of 2020-21. Your company is however, bound to do well overall this financial year.

Future outlook for the Company is positive on account of the vision of your Company to continue and strengthen growth in coming years by addition of new products and by way of development of dealer network PAN India.

The Company has started receiving orders for Solar projects in the roof top, land and floating categories. Major tie-ups are envisaged for technology absorption in various types of floating platforms with a view to reduce cost of floating solar projects and faster execution.

DIVIDEND

Your Board of Directors at their meeting held on 07th March 2020 have declared an Interim dividend of 7 percent (Rs.0.70 per equity share of Rs. 10 each) on the 11913750 fully paid up equity shares which has already been paid to the shareholders whose name appeared in the Register of Members as on the record date and has resulted in a cash out flow of Rs. 83.40 lakhs towards dividend payment and Rs.17.15 lakhs towards Dividend Distribution Tax. Considering the prevailing situation, the Board has decided not to announce any further dividend for the financial year and the interim dividend be taken as the dividend for the year 2019-20 .

As on 31st March 2020, an amount of Rs. 686,653.50/- 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 2012-13 to 2018-19 as per details given in the notes on account , in addition to the dividend declared but remaining unclaimed for the year 2019-20. 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 2011-12 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. 60.00 lakhs to General Reserve out of the profits generated by the Company .

Changes in Share Capital and Reserves

The Capital and Reserves of the Company as on 31st March 2020 stood at Rs.4016.40 lakhs as against that of Rs. 3866.54 lakhs as on the corresponding day of the previous year.

WORKING CAPITAL

The Company has been sanctioned Cash Credit facility to the tune of Rs. 450 lakhs from SBI, SME Branch, Trivandrum, out of which an amount of Rs. 285.69 lakhs has been availed as on 31st March 2020.

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

- ❖ Disclosure regarding Issue of Equity Shares with differential rights as stated in Rule 4(4) of Companies (Share Capital and Debenture Rules, 2014)
- ❖ Details relating to deposits covered under Chapter V of the Companies Act, 2013
- ❖ Disclosure regarding issue of Employee Stock Options as stated in Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014)
- ❖ Disclosure regarding issue of Sweat Equity Shares as specified in Rule 8 (13) of Companies (Share Capital and Debenture Rules, 2014)
- ❖ 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.
- ❖ 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 2019-20 is annexed to the Board's report as Annexure-B.

CORPORATE GOVERNANCE

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 31st March 2020. Your Company has zero tolerance

towards sexual harassment at the work place. The Company has constituted an Internal Complaint Committee in line and in compliance 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

- (a) In the preparation of annual accounts for the year ended March 31, 2020, 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;
- (b) 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, 2020
- (c) and of the profit of the Company for the year ended on that date;
- (d) 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;
- (e) The Directors have prepared the annual accounts on a 'going concern' basis;
- (f) 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
- (g) 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 the Financial year 2019-20, 5 meetings of the Board of Directors were held on the following dates: 30th May 2019, 14th August 2019, 14th November 2019, 13th February 2020 and 07th March 2020.

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

| Date of Meeting Name of Director | 30 May 2019 | 14 Aug 2019 | 14 Nov 2019 | 13 Feb 2020 | 07 Mar 2020 | Total Number of Meetings Attended |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|--|
| M.R.Subramonian | Yes | Yes | Yes | Yes | Yes | 5 |
| M.R.Narayanan | Yes | Yes | Yes | Yes | Yes | 5 |
| M.R.Krishnan | Yes | No | No | Yes | No | 2 |
| N.Suresh | Yes | No | Yes | Yes | Yes | 4 |
| K.Manmathan Nair | Yes | Yes | Yes | No | Yes | 4 |
| P.K.Anandavally Ammal | Yes | Yes | Yes | No | Yes | 4 |

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 and Audit Committee 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. 176.04 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.

Further during the financial year 2019-20, the Company has made an inter corporate deposit with MPG Hotels and Infrastructure Ventures Private Limited for an amount of Rs.400 lakhs at an interest rate of 7 percent per annum, payable monthly for a period of six months.

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 | 2019-20 in Rs Lakhs | 2018-19 in Rs Lakhs |
|---|---------------------|---------------------|
| Export Sales | 274.89 | 693.26 |
| Sales Incentives on Direct orders placed on overseas principals | Nil | 20.27 |

ii. Expenditure in Foreign Currency

| Head of Expenditure | 2019-20 in Rs Lakhs | 2018-19 in Rs Lakhs |
|-------------------------|---------------------|---------------------|
| Foreign Travel Expenses | 04.92 | 26.32 |
| Import Purchases | 583.29 | 1007.22 |

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

Listing with Stock Exchanges

Equity Shares of the Company are listed with Metropolitan Stock Exchange of India Limited, Mumbai.

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 | |
| Smt. 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 benefitted 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 Requirement) Regulations, 2015.

Changes in Directors and Key Managerial Personnel during the year 2019-20

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

The Company has received necessary declarations from all the three Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 with Stock Exchanges.

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 Regulation17 (1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company shall have at least one Woman Director on the Board and accordingly, your Board has Smt 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 31st July 2020 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 31st July 2020.

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

- a. 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.
- b. 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
- c. 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
- d. 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 14th August 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The Committee met once during the financial year on 08th August 2019. The composition of the Nomination and Remuneration Committee is as under. All the committee members attended the meeting held on 08th August 2019.

| 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 Requirement) Regulations, 2015, the Committee was constituted with the following terms of reference.

- a. 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.
- b. 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.

- c. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down.
 - d. 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;
- 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 Requirement) Regulations, 2015

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.

(ii) 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 2019-20 on the dates 30th May 2019, 14th August 2019, 14th November 2019, 13th February 2020 and 07th March 2020 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 SEBI (Listing Obligation and Disclosure Requirement) 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 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.

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:

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

During the year 2019-20, The Committee met once during the financial year on 13th February 2020. All the committee members attended the meeting held on 13th February 2020.

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 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.

Statutory Auditors

M/s Mahadev & Co, Chartered Accountants, M.M.Complex, 57, Kodambakkam High Road, T.Nagar, Chennai 600 017 (Firm Regn No 001924S) were appointed as Statutory Auditors of the Company during 26th AGM held on 28th September 2017 for a period of five years. As per provisions of Section 139 of the Companies Act, 2013, an audit firm cannot be appointed as Statutory Auditors for more than two terms of five consecutive years and after completing such term, the audit firm shall not be eligible for re-appointment as auditor of the same company for five years from the completion of such term.

There has been no frauds reported as per the Internal control system prevalent in the company or by the Auditors during the Financial Year ended 31st March, 2020.

Auditors Report

There are no qualifications or adverse remarks mentioned in the Auditors Report for the financial year 2019-20. The notes on accounts forming part of financial statements are self explanatory.

Secretarial Auditors Report

Secretarial Auditors Report for the financial year 2019-20 as provided by M/s Sajee & Associates, Company Secretaries, Sreesankaram, First Floor, TC 83/211-2, Opp Kaithamukku PO, Athani Lane, Trivandrum 695 024 is annexed to this report.

Explanation to adverse remark made by the Secretarial Auditor in his report dated 03rd August 2020 under Section 134(3)(f) of the Companies Act, 2013

1. Explanation to comment under SI No 3
2. Promoter group has dematerialised 94.83 % of their shareholding as on 31st March 2020 and is in the process of dematerialising the remaining 5.17
- 2 Explanation to comment under SI No 3 of Annual Secretarial Compliance Report.

Statutory Auditors have initiated the process of peer review Audit which is expected to be completed in due course.

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) Committee

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 |

During the financial year 2019-20, The Committee met twice on the dates 19th August 2019 and 14th February 2020 in which meetings, all the members were present.

Pursuant to provisions of Section 135 of the Companies Act, the Company has to spend an amount of atleast 2 percent of the average net profits of the Company made during the three immediately preceding financial years calculated in accordance with the provisions of Section 198 on CSR activities. Accordingly, the amount to be spent during the financial year 2019-20 was Rs.9.77 lakhs. .

During the year under review, the Company had undertaken construction of Garden Park for Kairali Gardens Residents Association at Kanjirampara, Trivandrum in order for the benefit of the locality in whose area the company has its proposed residential cum commercial complex building for an approximate cost of Rs.7.5 lakhs.

Further in the same financial year, the Company through Civil works contractor undertook the renovation of Students's toilet block for Sun School governed by Mahatma Gandhi Charitable Trust for Education located at III/1, Menonparambu, Pillayarakkavu West, Kavalam, Alappuzha 688 506, Kerala which had amounted to Rs.63,000.

The Company also donated Rs.5,00,000 for promotion of Education and Skill Development at Chennai AnnadanaSmajam Industrial School, Tamil Nadu through the Rotary Club of Madras Marina Trust as part of its CSR activities to be undertaken for the financial year 2019-20.

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 27.08.2020

Sd/-
 M.R.Narayanan
 Chairman

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
 27 August 2020

Sd/-
 M.R.Subramonian
 Managing Director

Annexure B
Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2020

[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):U33111TN1990PLC018678
- 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, Second Floor, A Wing, Sakshi Towers
 First Main Road, Kazura Gardens
 Neelankarai, Chennai 600 041 Tamil Nadu
- vi) Whether listed company : Y e s
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Integrated Registry Management
 Services Private Limited
 2nd 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 | 85318000 | 85.92 % |
| 2 | Supply, Installation, Testing, Commissioning and maintenance of Solar PV Systems | 85410000 | 13.18 % |

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 | |
| A. Promoters (1) Indian a) Individual b) Central Govt c) State Govt d) Bodies Corp e) Banks / FI f) Any Other.... | 7692800 | 419325 | 8112125 | 68.09 | 7692800 | 419325 | 8112125 | 68.09 | 0.00 |
| Sub-total (A) (1):- | 7692800 | 419325 | 8112125 | 68.09 | 7692800 | 419325 | 8112125 | 68.09 | 0.00 |
| (2) Foreign a) NRIs - Individuals b) Other – Individuals c) Bodies Corp. d) Banks / FI e) Any Other.... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | -- |
| Sub-total (A) (2):- | 7692800 | 419325 | 8112125 | 68.09 | 7692800 | 419325 | 8112125 | 68.09 | 0.00 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | | | | | | | | | |
| B. Public Shareholding 1. Institutions 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 Investor Education & Protection Fund (IEPF) (specify) | 100000 4500 | 0 0 | 100000 4500 | 0.84 0.04 | 100000 4500 | 0 0 | 100000 4500 | 0.84 0.04 | 0.00 0.00 |
| Sub-total (B)(1):- | 104500 | 0 | 104500 | 0.88 | 104500 | 0 | 104500 | 0.88 | 0.00 |

| | | | | | | | | | |
|---|-----------------|----------------|-----------------|------------|-----------------|----------------|-----------------|------------|----------|
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp | 2168850 | 0 | 2168850 | 18.20 | 2168850 | 0 | 2168850 | 18.20 | 0.00 |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | 551050 | 426210 | 977260 | 08.20 | 578870 | 398390 | 977260 | 08.20 | 0.00 |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs | 116625 | 434390 | 551015 | 04.63 | 198065 | 352950 | 551015 | 04.63 | 0.00 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs | | | | | | | | | |
| c) Others (specify) | | | | | | | | | |
| Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+ (B)(2) | 2836525 | 860600 | 3697125 | 31.03 | 2945785 | 751340 | 3697125 | 31.03 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Grand Total (A+B+C) | 10633825 | 1279925 | 11913750 | 100 | 10743085 | 1170665 | 11913750 | 100 | - |

(ii) Shareholding of Promoters

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during 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 | 2784825 | 23.37 | 99.98 | 2784825 | 23.37 | 99.98 | NIL |
| 2 | M.R.KRISHNAN | 2610075 | 21.91 | 99.98 | 2610075 | 21.91 | 99.98 | NIL |
| 3 | M.R.NARAYANAN | 2242825 | 18.83 | 99.84 | 2242825 | 18.83 | 99.84 | NIL |
| 4 | THANKAM RAMAKRISHNAN | 63550 | 0.53 | 0.00 | 63550 | 0.53 | 0.00 | NIL |
| 5 | SHOBHA KRISHNAN | 51450 | 0.43 | 0.00 | 51450 | 0.43 | 0.00 | NIL |
| 6 | RADHA NARAYANAN | 76000 | 0.64 | 0.00 | 76000 | 0.64 | 0.00 | NIL |
| 7 | ASHA SUBRAMONIAN | 57100 | 0.48 | 0.00 | 57100 | 0.48 | 0.00 | NIL |
| 8 | M.S.RAMAKRISHNAN | 33650 | 0.28 | 0.00 | 33650 | 0.28 | 0.00 | NIL |
| 9 | KARTHIK NARAYANAN | 192650 | 1.62 | 0.00 | 192650 | 1.62 | 0.00 | NIL |
| | TOTAL | 8112125 | 68.09 | 93.87 | 8112125 | 68.09 | 93.87 | NIL |

(iii) **Change in Promoters' Shareholding** – There has been no change in Promoter's Shareholding during the year.

(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 | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For Each of the Top 10 Shareholders | | | | |
| 1 | Tops Security Limited | 1750000 | 14.69 | 1750000 | 14.69 |
| 2 | Muthoot Exim Private Limited | 400,000 | 3.36 | 400,000 | 3.36 |
| 3 | Dhanlakshmi Bank Limited | 100000 | 0.84 | 100000 | 0.84 |
| 4 | Vijayakumar | 83375 | 0.70 | 83375 | 0.70 |
| 5 | Kunchitham M S | 57550 | 0.48 | 57550 | 0.48 |
| 6 | Vinaya Chand P | 46250 | 0.39 | 46250 | 0.39 |
| 7 | Chandrasahasn K C | 41625 | 0.35 | 41625 | 0.35 |
| 8 | Thomas Alocious Fernandez | 41625 | 0.35 | 41625 | 0.35 |
| 9 | Thomas John Muthoot | 41500 | 0.35 | 41500 | 0.35 |
| 10 | Ravindran T | 40000 | 0.34 | 40000 | 0.34 |

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

| Sl. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For each of the Directors and KMP | | | | |
| | At the beginning of the year | | | | |
| | 1. M.R.Subramonian | | | | |
| | 2. M.R.Krishnan | 2784825 | 23.37 | 2784825 | 23.37 |
| | 3. M.R.Narayanan | 2610075 | 21.90 | 2610075 | 21.90 |
| | 4. S.Balamurali | 2242825 | 18.83 | 2242825 | 18.83 |
| | 5. Vinaya Chand P | 5000 | 0.04 | 5000 | 0.04 |
| | | 46250 | 0.39 | 46250 | 0.39 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequity etc): | NA | NA | NA | NA |

| | | | | | |
|------------------------|---------|-------|---------|-------|--|
| At the End of the year | | | | | |
| 1. M.R.Subramonian | 2784825 | 23.37 | 2784825 | 23.37 | |
| 2. M.R.Krishnan | 2610075 | 21.90 | 2610075 | 21.90 | |
| 3. M.R.Narayanan | 2242825 | 18.83 | 2242825 | 18.83 | |
| 4. S.Balamurali | 5000 | 0.04 | 5000 | 0.04 | |
| 5. Vinaya Chand P | 46250 | 0.39 | 46250 | 0.39 | |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment -Rs.334.06 lakhs

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 65.68 | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 65.68 | 0.00 | 0.00 | 0.00 |
| Change in Indebtedness during the financial year | 285.68 | | | 285.68 |
| · Addition | 17.31 | 0 | 0 | |
| · Repayment | 0.00 | 0.00 | | 17.31 |
| · Reduction | | 291500.00 | | 1 |
| Net Change | 268.37 | 0 | 0.00 | 268.37 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 268.37 | 0.00 | 0.00 | |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 268.37 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | 0 | 0.00 |
| Total (i+ii+iii) | 268.37 | 0.00 | 0.00 | 268.37 |

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 | 43.25 | 43.25 | 86.50 |
| 2. | Stock Option | Nil N Nil | Nil N Nil | Nil |

| | | | | |
|----|--|--|--------------|--------------|
| 3. | Sweat Equity | Nil | Nil | Nil |
| 4. | Commission - as % of profit - others, specify... | Nil | Nil | Nil |
| 5. | Others, please specify Medical | | | |
| | Total (A) | 43.25 | 43.25 | 86.50 |
| | Ceiling as per the Act | 86.50 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 | 0.40 | 0.40 | 0.40 | 1.20 |
| | Total (1) | 0.40 | 0.40 | 0.40 | 1.20 |
| | 2. Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify | M.R.Narayanan Nil Nil | | | Nil |
| | Total (2) | 1.20 | | | 1.20 |
| | Total (B)=(1+2) | | | | 1.20 |
| | Total Managerial Remuneration | Rs. 1.20 lakhs | | | |
| | Overall Ceiling as per the Act | Rs. 3.52 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 | 34.00 Nil | 7.45 Nil | 41.45 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 | | 0.00 | 0.00 | 00 |
| | Total | | 34.00 | 7.45 | 41.45 |

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 |
|--------|------|---------|-------------------|---|----------------------------|--------------------|
| | | | | | | |

| A. COMPANY | | NIL | | | | |
|------------------------------|--|-----|--|--|--|--|
| Penalty | | | | | | |
| Punishment | | | | | | |
| Compounding | | | | | | |
| B. DIRECTORS | | | | | | |
| Penalty | | | | | | |
| Punishment | | | | | | |
| Compounding | | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | | |
| Penalty | | | | | | |
| Punishment | | | | | | |
| Compounding | | | | | | |

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.

For Adtech Systems Limited

Sd/-

M.R.Narayanan

Chairman

Trivandrum
27 August 2020

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 st March 2020 | 12.65 |
| (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 st March 2020 | NA |
| (iii)The median remuneration of employees of the Company during the financial year | 342,000 |
| (iv)Percentage increase in the median remuneration of the employees in the financial year 2019-20 | 1.18 % |
| (v)Number of permanent employees on the rolls of the Company as on 31 st March 2020 | 96 |
| (vi)Explanation on relationship between average increase in remuneration and company performance | Increase in average remuneration was in line with industry standards. |
| (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 | 1.18 percent average increase in salaries of employees other than managerial personnel. There was 8.13 percent increase in salaries of managerial personnel during the year. |
| (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 2019-20 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 2019-20 | Comparison of the remuneration against the performance of the Company |
|-------|---|---------------------------------|---------|---------------------------------------|--|
| | | 2019 -20 | 2018-19 | | |
| 01 | M.R.Subramonian, Managing Director | 43.25 | 40.00 | 8.13 | Profits before tax decreased by 38.05 % and Profits after tax decreased by 37.70 % |
| 02 | M.R.Narayanan, Director | Nil | 4.00 | Na | |
| 03 | S.Balamurali, Company Secretary | 34.00 | 31.19 | 9.00 | |
| 04 | P.Vinaya Chand, Chief Financial Officer | 7.45 | 5.87 | 26.92 | |

Variations in

| | 31 st March 2020 | 31 st March 2019 | |
|-----------------------|-----------------------------|-----------------------------|--|
| Market Capitalisation | Not Applicable | Not Applicable | |
| Market Price | Not Applicable | Not Applicable | |
| Earnings Per Share | Rs. 2.10 | Rs. 3.37 | |
| Price Earning Ratio | Not Applicable | Not Applicable | |
| Net Worth | 4016.40 lakhs | 3866.54 lakhs | |

Note :Due to non-trading of Company's shares in the 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.

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
- iv Provision of basic amenities/facilities for needed schools

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
- vi Contribution to disaster relief funds

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 3 financial years
Rs. 488.38 lakhs
3. CSR Expenditure(2 % of the above)
Rs. 9.77 lakhs
4. Details of CSR spend for the financial year
- a. Total amount to be spent for the financial year
Rs. 9.77 lakhs
- b. Amount spent for the financial year
Rs. 13.04 lakhs
- c. Amount unspent, if any
Rs.Nil
- 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 and Renovation of toilet block for Sun School | Sanitation Schedule VII (i) | 1.Local Area 2.Kerala, Trivandrum | Rs.61,740 | 1.Rs.61,740 as direct expenditure | 1.Rs.61,740 as direct expenditure | a.Rs.61,740 as direct expenditure |
| 02 | Construction of Garden parks for the locality | Environment Schedule VII (iv) | 1.Local Area 2.Kerala, Trivandrum | Rs.7,42,350 | 1.Rs.742,350 as direct expenditure | 1.Rs.742,350 as direct expenditure | a.Rs.742,350 as direct expenditure |
| 03 | Promotion of Education and Skill Development | Education Schedule VII (ii) | 2.Other 2. Chennai, Tamil Nadu | Rs.5,00,000 | 1.Rs.5,00,000 as direct expenditure | 1.Rs.5,00,000 as direct expenditure | b. the Rotary Club of Madras Marina Trust |

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

August 27, 2020
Trivandrum

Independent Auditors' Report Report on the Audit of the Standalone Financial Statements

To the Members of Adtech Sytems Limited

Opinion

We have audited the accompanying standalone financial statements of **Adtech Systems Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 31 March 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S I . No. | Key Audit Matter |
|--------------|--|
| 1 | <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of IndAS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer to Notes (J) to the Standalone Financial Statements</p> |

Auditor's Response

Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :

- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

2. Key Audit Matter

Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

Refer Notes r(b) to the Standalone Financial Statements

Auditor's Response

Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2020 to evaluate whether any change was required to management's position on these uncertainties.

3. Key Audit Matter

Capitalisation of Property , Plant and Equipment

In respect of E Locking Project with IOCL , the Company has incurred capital expenditure on which the Company has charged Depreciation proportionately during the year under consideration.

Auditor's Response

Our Audit procedures included and were not limited to the following :

- 1) Assessing the nature of the costs incurred to test whether such costs are incurred specifically to meet the recognition criteria as set out in para 16 to 22 of Ind AS 16.
- 2) Evaluating the assessment provided by third party vendors involved in the construction and testing process to determine whether capitalization ceased when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Emphasis of Matter

We draw attention to Note(q) in the Financial statements, which describes the economic and social [consequences/ disruption] the entity is facing as a result of COVID-19 which is impacting [supply chains / consumer demand/financial

markets/commodity prices/ personnel available for work and or being able to access offices]. Our opinion is not modified in respect of this matter

Other Information

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profits and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

- (A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 standalone financial statements – Refer Note No. r (b) to the standalone financial statements;
 - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Mahadev & Co.,
Chartered Accountants
FRN No: 001924S

Sd/-

C.Narayanan
Partner

Place: Chennai
Date: 31 July 2020

Membership No: 028424
UDIN : 20028424AAAACQ7336

Annexure A to the Independent Auditors' Report – 31 March, 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

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.

(a) On the basis of our examination of records, the title deeds of immovable properties are held in the name of the Company except the one in which 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 Company is in possession of the said fixed assets and the same has been mortgaged with M/s State Bank of India as collateral security for the cash credit facility availed by the company, though the same is yet to be registered in the company's name
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.

(c) 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 31st of March, 2020 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 are 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 31st March 2020 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 2012-13 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 18,84,438 | Rs. 715,332 |
| Kerala VAT Act, 2003 | Kerala Value Added Tax and interest for FY 2012-13 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 20,89,713 | Rs.926,914 |
| Kerala VAT Act, 2003 | Kerala Value Added Tax and Interest for FY 2013-14 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs.43,54,012 | Rs. 870,803 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2013-14 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs 573,088 | Rs. 134,366 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2014-15 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 18,13,457 | Rs.362.692 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2015-16 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 38,35,808 | Rs.13,70,362 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2016-17 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs,16,55,386 | Rs.389,500 |
| | | | 162,05,902 | 47,69,969 |

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(xii) 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. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For Mahadev & Co.,
Chartered Accountants
FRN No: 001924S

Place: Chennai
Date: 31 July 2020

Sd/-
C.Narayanan
Partner
Membership No: 028424
UDIN : 20028424AAAACQ7336

Annexure B to the Independent Auditors' Report – 31 March, 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of M/s. Adtech Systems Limited ("the Company") as at 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls

with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Mahadev & Co.,
Chartered Accountants
FRN No: 001924S

Place: Chennai
Date: 31 July 2020

Sd/-
C.Narayanan
Partner
Membership No: 028424
UDIN : 20028424AAAACQ7336

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020**

*[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 31st MARCH, 2020

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 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:

We 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 on 31st March, 2020 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') viz:-
 - (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, 2018;

- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014
- (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
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India .
- ii. The Listing Agreements entered into by the Company with the Metropolitan Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

- i. The Company has filed one IEPF 2 and one IEPF 1 forms with additional fee.
- ii. Whereas in terms of the Regulation- 42 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding reporting book closure date, company make delay in reporting and company paid the penalty imposed by the Stock Exchange.
- iii. Whereas in terms of the Regulation 31 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 5.17% of promoters shares are not dematerialised yet.

We 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.

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

For Sajee & Associates, Company Secretaries

Sd/-

P Sajee Nair, FCS

FCS No: 8705

CP No: 12772

UDIN: F008705B000546748

Thiruvananthapuram
03.08.2020

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A’

The Members

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Sajee & Associates, Company Secretaries

Sd/-

P Sajee Nair, FCS

FCS No: 8705

CP No: 12772

UDIN: F008705B000546748

Thiruvananthapuram
03.08.2020

Annual Secretarial Compliance Report
Secretarial compliance report of M/s. Adtech Systems Limited
for the year ended 31st March, 2020

I, P Sajee Nair, Company Secretary have examined:

- a) all the documents and records made available to us and
- b) explanation provided by Adtech Systems Limited (“the listed entity”),
- c) the filings/ submissions made by the listed entity to the stock exchange
- d) website of the listed entity
- e) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2020 in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a.) Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015;
- b.) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c.) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d.) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- e.) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- f.) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g.) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- h.) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that during the Review Period

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| SI.No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|--------|---|---|--|
| 1. | Regulation 42 (2) of SEBI(LODR) Regulations, 2015 | Delay in reporting the book closure date | Delay is due to oversight and company paid the penalty |
| 2. | Regulation 31(2) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 | Dematerialization of promoters holdings not completed | 5.17% of promoters holding not yet dematerialised |
| 3. | Regulation 33(1) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 | The auditor, who had given limited review or audit report, has not completed the peer review process of ICAI. | Company has to take steps to avoid such noncompliance from the auditor |

- a) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- b) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| SI.No | Action taken by | Details of violation | Details of action taken e.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|-------|-----------------|------------------------------------|---|--|
| 1. | Stock exchange | Delay in informing the record date | Imposed a penalty | Delay is due to oversight and company had paid the penalty. |

- d.) The listed entity has taken the following actions to comply with the observations made in previous reports

| SI No | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended... | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|-------|--|--|--|--|
|-------|--|--|--|--|

| | | | | |
|----|--|--|---|--|
| 1. | <i>It is noticed that around 90% of the holdings of promoters have dematerialized and the balance is in the process of dematerialisation</i> | | <i>Company had asked the promoters to Dematerialize their holdings and still 05.17 % is in physical form.</i> | <i>Company has to take active participation in dematerialization of promoters shareholdings.</i> |
| 2. | <i>The Company Will take necessary steps to comply with the same (Peer review of auditor) in the next Financial Year.</i> | | <i>Company has requested the auditor to complete the Peer review process.</i> | <i>Company has to insist the auditor to complete the peer review process.</i> |

For Sajee & Associates, Company Secretaries
 Sd/-

P Sajee Nair, FCS

FCS No: 8705

CP No: 12772

UDIN: F008705B000362982

Thiruvananthapuram
 24.06.2020

ADTECH SYSTEMS LIMITED
2/796, Second Floor, A Wing, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041
Balance Sheet as at 31st March 2020

| | Particulars | Note No. | As at 31-03-2020 | As at 31-03-2019 |
|---|---------------------------------|----------|-----------------------|-----------------------|
| | Assets | | | |
| 1 | Non Current Assets | | | |
| | Property, Plant & Equipments | 3 | 790,79,526.77 | 527,52,867.19 |
| | Capital Work in Progress | 4 | 505,87,356.16 | 223,73,471.65 |
| 2 | Current Assets | | | |
| | Inventories | 5 | 1091,02,694.00 | 1529,97,879.00 |
| | Financial Assets | | | |
| | Investments | 6 | 0.00 | 0.00 |
| | Trade Receivables | 7 | 1441,69,391.06 | 1741,05,895.25 |
| | Cash & Cash Equivalents | 8 | 126,64,771.78 | 816,12,362.74 |
| | Bank Balances other than above | 9 | 138,70,297.00 | 49,70,319.00 |
| | Loans | | 0.00 | 0.00 |
| | Others | 10 | 951,43,531.16 | 472,56,012.92 |
| | Current Tax Assets | 11 | 237,42,157.72 | 935,89,250.08 |
| | Other Current Assets | 12 | 33,05,662.00 | 33,05,662.00 |
| | Total Assets | | 5316,65,387.65 | 6329,63,719.83 |
| | Equity & Liabilities | | | |
| | Equity | | | |
| | Equity Share Capital | 13 | 1230,91,490.00 | 1230,91,490.00 |
| | Other Equity | 14 | 2785,48,531.88 | 2635,62,547.49 |
| | Liabilities | | | |
| 1 | Non Current Liabilities | | | |
| | Financial Liabilities | | | |
| | Borrowings | 15 | 28,37,209.39 | 49,88,994.06 |
| | Provisions | | | |
| | Deferred Tax Liabilities | 16 | 98,73,964.70 | 87,31,856.70 |
| | Other Non Current Liabilities | | | |
| 2 | Current Liabilities | | | |
| | Financial Liabilities | | | |
| | Borrowings | 17 | 305,68,469.03 | 15,79,556.00 |
| | Trade Payables | 18 | 637,97,077.54 | 1172,21,238.58 |
| | Other Financial Liabilities | 19 | 68,54,914.11 | 82,49,101.00 |
| | Other Current Liabilities | | | |
| | Provisions | 20 | 160,93,731.00 | 1055,38,936.00 |
| | Current Tax Liabilities | | | |
| | Total Liabilities | | 5316,65,387.65 | 6329,63,719.83 |

See accompanying notes forming part of these standalone financial statements

This is the Balancesheet referred to in our report of even date for and on behalf of the Board of Directors for Mahadev & Co

Chartered Accountants
Firm Regn No 001924S

Sd/-
C.Narayanan
Partner
Membership Number 028424

Sd/-
M.R.Subramonian
Managing Director

Sd/-
M.R.Krishnan
Executive Director

Place : Chennai
Date : 31 July 2020

Sd/-
S.Balamurali
Company Secretary

Sd/-
P.Vinaya Chand
Chief Financial Officer

ADTECH SYSTEMS LIMITED
2/796,Second Floor,A Wing, Sakshi Towers,First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041
Statement of Profit and Loss for the year ending 31st March 2020

| Particulars | Note No. | As at 31-03-2020 | As at 31-03-2019 |
|--|----------|--|---|
| Revenue from Operations | 21 | 4672,45,699.16 | 4925,63,837.66 |
| Other Income | 22 | 53,04,022.30 | 70,01,837.23 |
| Total Income | | 4725,49,721.46 | 4995,65,674.89 |
| Cost of Materials consumed | | | |
| Purchases of Stock in Trade | 23 | 2793,08,176.51 | 3856,52,321.84 |
| Other Direct Expenses | 24 | 38,31,804.75 | 6,90,986.59 |
| Changes in Inventories of finished Goods, Stock in Trade & Work in Progress | 25 | 438,95,185.00 | -486,40,969.00 |
| Employee Benefit Expenses | 26 | 571,46,529.87 | 566,38,243.37 |
| Finance Costs | 27 | 20,09,542.10 | 9,56,826.41 |
| Depreciation & amortization Expenses | | 42,38,006.57 | 41,10,320.19 |
| Other Expenses | 28 | 466,99,478.27 | 432,75,871.13 |
| Total Expenses | | 4371,28,723.07 | 4426,83,600.53 |
| Profit/Loss before exceptional items | | 354,20,998.39 | 568,82,074.36 |
| Exceptional Items | | 2,61,551.00 | 1,26,546.00 |
| Profit/Loss Before Tax | | 351,59,447.39 | 567,55,528.36 |
| Tax Expense | | | |
| Current Tax | | 89,77,208.00 | 141,69,896.00 |
| Deferred Tax | | 11,42,108.00 | 23,94,790.00 |
| Profit & Loss for the period from Continuing operations | | 250,40,131.39 | 401,90,842.36 |
| Income for the period from Discontinued operations | | 0.00 | 0.00 |
| Tax Expense of Discontinued Operations | | 0.00 | 0.00 |
| Profit/Loss for the period from Discontinued operations | | 0.00 | 0.00 |
| Profit & Loss for the period | | 250,40,131.39 | 401,90,842.36 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to P&L | | 0.00 | 0.00 |
| Income Tax relating to items that will not be reclassified to P&L | | 0.00 | 0.00 |
| Items that will be reclassified to P&L | | 0.00 | 0.00 |
| Income Tax relating to items that will be reclassified to P&L | | | 0.00 |
| Total Comprehensive Income | | 250,40,131.39 | 401,90,842.36 |
| EPS for Continuing & Discontinued | 29 | | |
| Basic | | 2.10 | 3.37 |
| Diluted | | 2.10 | 3.37 |
| See accompanying notes forming part of these standalone financial statements | | | |
| Corporate Information and Significant accounting policies | 1 & 2 | | |
| This is the Profit and Loss Account referred to in our report of even date | | | |
| for Mahadev & Co | | | |
| Chartered Accountants Firm Regn No 001924S | | Sd/- M.R.Subramonian Managing Director | Sd/- M.R.Krishnan Executive Director |
| Sd/- C.Narayanan Partner Membership Number 028424 Place : Chennai Date : 31 July 2020 | | Sd/- S.Balamurali Company Secretary | Sd/- P.Vinaya Chand Chief Financial Officer |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

Equity Share Capital

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

| | No of Shares | Amount in INR |
|--|-----------------|------------------|
| Equity Shares of Rs. 10/- each, Issued, Subscribed and fully paid up | | |
| As at 01st April 2017 | 2382750 | 23827500 |
| Shares issued during 2017 18 as fully paid Bonus Shares | 9531000 | 95310000 |
| As at 01st April 2018 | 11913750 | 119137500 |
| As at 01st April 2019 | 11913750 | 119137500 |
| Equity Share Capital as at 31st March 2020 | 11913750 | 119137500 |
| Forfeited Shares (Amount Originally paid up) | 39,53,990.00 | 39,53,990.00 |

| Other Equity | Capital Reserves | Revaluation Reserves | General Reserve | Retained Earnings |
|--|---------------------|----------------------|----------------------|-----------------------|
| As at 01st April 2018 | 53,37,500.00 | 17,220.00 | 399,95,207.00 | 1880,75,925.13 |
| Add Profit for the year | | | | 401,90,842.36 |
| Total | | | | 2282,66,767.49 |
| Transfer during the year | | | 80,00,000.00 | -80,00,000.00 |
| Transactions with Owners in their capacity as Owners | | | | |
| Dividends | | | | -83,39,625.00 |
| Corporate Dividend Tax on Dividend | | | | -17,14,522.00 |
| As at 31st March 2019 | 53,37,500.00 | 17,220.00 | 479,95,207.00 | 2102,12,620.49 |
| Add Profit for the year | | | | 250,40,131.39 |
| Total | | | | 2352,52,751.88 |
| Transfer during the year | | | 60,00,000.00 | -60,00,000.00 |
| Transactions with Owners in their capacity as Owners | | | | |
| Dividends | | | | -83,39,625.00 |
| Corporate Dividend Tax on Dividend | | | | -17,14,522.00 |
| As at 31st March 2020 | 53,37,500.00 | 17,220.00 | 539,95,207.00 | 2191,98,604.88 |

for and on behalf of the Board of Directors

for Mahadev & Co
Chartered Accountants
Firm Regn No 001924S

Sd/-
C.Narayanan
Partner
Membership Number 028424

Place : Chennai
Date : 31 July 2020

Sd/-
M.R.Subramonian
Managing Director

Sd/-
M.R.Krishnan
Executive Director

Sd/-
S.Balamurali
Company Secretary

Sd/-
P.Vinaya Chand
Chief Financial Officer

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

Note 3 Property, Plant & Equipment

| Sl No | Particulars | Gross Block | | | Depreciation Block | | | Net Block | | |
|-------|---------------------------------|--------------------------|------------|---------------------------|----------------------|------------------|----------------|------------------|------------------|------------------|
| | | At cost as on 31.03.2019 | Additions | Sale/ Transfer/ Write off | At cost as 31.3.2020 | Up to 31.03.2019 | For the Period | Up to 31.03.2020 | As at 31.03.2019 | As at 31.03.2020 |
| 1 | Furniture & Fittings | 710322.82 | 33839.00 | 0.00 | 744161.82 | 489185.47 | 35479.38 | 524664.85 | 221137.35 | 219496.97 |
| 2 | Computer Systems | 345895.20 | 529551.00 | 0.00 | 3988546.20 | 2372280.04 | 584770.99 | 2957051.03 | 1086715.16 | 1031495.17 |
| 3 | Tools & Fixtures | 171159.35 | 0.00 | 0.00 | 171159.35 | 162564.35 | 0.00 | 162564.35 | 8595.00 | 8595.00 |
| 4 | Power Contrl Accessories | 473700.00 | 0.00 | 111267.85 | 362432.15 | 251560.78 | 64746.90 | 316307.68 | 222139.22 | 46124.47 |
| 5 | Office Equip | 603865.58 | 15930.00 | 0.00 | 619795.58 | 404529.49 | 77706.55 | 482236.04 | 199336.09 | 137559.54 |
| 6 | Motor Car | 13376418.17 | 195000.00 | 0.00 | 13571418.17 | 4703878.10 | 1221465.23 | 5925343.33 | 8672540.07 | 7646074.84 |
| 7 | EPBEX | 94108.06 | 0.00 | 0.00 | 94108.06 | 67318.00 | 11565.36 | 78883.36 | 26790.06 | 15224.70 |
| 8 | Building Renovation A/c | 1280286.99 | 0.00 | 0.00 | 1280286.99 | 693310.37 | 86024.61 | 779334.98 | 586976.62 | 500952.01 |
| 9 | Software Development | 501039.00 | 15900.00 | 0.00 | 516939.00 | 442862.93 | 23428.13 | 466291.06 | 58176.07 | 50647.94 |
| 10 | Land | 15686060.00 | 0.00 | 0.00 | 15686060.00 | 0.00 | 0.00 | 0.00 | 15686060.00 | 15686060.00 |
| 11 | Plant and Machinery | 1192867.25 | 0.00 | 0.00 | 1192867.25 | 288047.97 | 94733.92 | 382781.89 | 904819.28 | 810085.36 |
| 12 | Testing Equipments | 17143.00 | 34515.00 | 0.00 | 51658.00 | 12234.49 | 8584.24 | 20818.73 | 4908.51 | 30839.27 |
| 13 | Solar Power Plant 623KW Nagpur | 26789001.00 | 0.00 | 0.00 | 26789001.00 | 1714327.24 | 1700389.64 | 3414716.88 | 25074673.76 | 23374284.12 |
| 14 | Solar Power Plant 250 KW Kochin | 0.00 | 3044307.00 | 0.00 | 3044307.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3044307.00 |
| 15 | E Locking Systems for IOCL | 0.00 | 0.00 | 0.00 | 26806892.00 | 0.00 | 329111.62 | 329111.62 | 0.00 | 26477780.38 |
| | | 64354966.42 | 3869042.00 | 111267.85 | 94919632.57 | 11602099.23 | 4238006.57 | 15840105.80 | 52752867.19 | 79079526.77 |

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

Note 4 Capital Work in Progress

The Company is in the process of constructing own building comprising of its Corporate Office and Godown in land owned by the Company in Trivandrum. Construction of building is in its final stages. Total constructed plinth area is envisaged at 22,936 square feet. Architect for the project is M/s Keerthy and Bhavana Architects, Trivandrum and Project Management Consultants are M/s Sumanam Engineering Services, Trivandrum. Civil work construction has been completed and application for approval has been filed with Trivandrum Corporation for allotting permits and building licence numbers.

Building Construction

| | |
|--|---------------|
| Account | |
| Amount spend as at 31st March 2019 | 223,73,471.65 |
| Add Additions for the year ended 31st March 2020 | 282,13,884.51 |
| Amount Spend as on 31.03.2020 | 505,87,356.16 |

Notes forming part of the financial statements for the year ended 31 March 2020 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

Note 5 : Inventories

Inventories at Trivandrum

| | | |
|--|-----------------------|-----------------------|
| EAS Systems | 717,26,442.26 | 1165,65,732.00 |
| Display Security Systems | 238,95,273.91 | 221,75,184.00 |
| CCTV & Alarm Systems | 47,03,973.49 | 40,05,145.00 |
| Access Control Systems & Cables | 21,90,938.65 | 29,95,391.00 |
| Solar Panels in Stock | 53,30,171.00 | 53,30,171.00 |
| Total Inventories at Trivandrum | 1078,46,799.31 | 1510,71,623.00 |

Inventories at Delhi & Chennai

12,55,894.69 19,26,256.00

Total Inventories

1091,02,694.00 1529,97,879.00

Note 06 : Current Non-Trade Investments(inclusive of dividend declared and at NAV as on 31st March 2020)

| | | |
|-------------------------------------|---|---|
| Total Current Non-Trade Investments | 0 | 0 |
|-------------------------------------|---|---|

Note 07 : Trade Receivables

| | | |
|--|----------------|----------------|
| Receivables Outstanding for a period more than 6 months - unsecured, Considered good | 346,18,240.77 | 663,21,295.60 |
| Receivables Outstanding for a period more than 6 months - Unsecured,Doubtful | 28,63,908.75 | 7,85,448.00 |
| Receivables Outstanding for a period less than 6 months Unsecured, Considered Good | 1066,87,241.54 | 1069,99,151.65 |

Total Trade Receivables

1441,69,391.06 1741,05,895.25

Note 08 Cash and Cash Equivalents

| | | |
|--|----------------------|----------------------|
| Cash in Hand | 7,038.00 | 5,994.04 |
| Unrestricted Balances with scheduled banks on current accounts | 126,57,733.78 | 703,96,981.90 |
| Unrestricted Balances with scheduled banks on deposit accounts | 0.00 | 112,09,386.80 |
| Total Cash and Cash Equivalents | 126,64,771.78 | 816,12,362.74 |

Notes forming part of the financial statements for the year ended 31 March 2020 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

Note 09 Bank balances other than above

| | | |
|---|----------------------|---------------------|
| Earmarked balances with Scheduled Banks | 138,70,297.00 | 49,70,319.00 |
|---|----------------------|---------------------|

Note 10 Other Financial Assets

| | | |
|--|---------------|---------------|
| Advance for Expenses, Unsecured, considered good | 17,05,726.17 | 14,52,046.00 |
| Advance for Purchases, Unsecured, considered good | 249,75,565.60 | 196,55,579.53 |
| Earnest Money Deposit | 8,14,501.00 | 7,48,621.00 |
| Intercorporate Deposit with Muthoot Capital Services Ltd | 176,03,887.00 | 161,76,387.00 |
| Intercorporate Deposit with MPG Hotels | 401,61,095.00 | |
| Security Deposit | 68,09,562.73 | 65,86,062.73 |
| Rental Deposits | 9,05,440.00 | 8,75,440.00 |
| Other Loans and advances, Unsecured, considered good | 21,67,753.66 | 17,61,876.66 |

| | | |
|--------------|----------------------|----------------------|
| Total | 951,43,531.16 | 472,56,012.92 |
|--------------|----------------------|----------------------|

Note 11 Current Tax Assets

| | | |
|------------------------|----------------------|----------------------|
| Tax Deducted at Source | 29,72,343.41 | 106,06,788.29 |
| GST Paid in Advance | 54,22,595.09 | 0.00 |
| Advance Income Tax | 153,47,219.22 | 829,82,461.79 |
| Total | 237,42,157.72 | 935,89,250.08 |

Note 12 - Other Current Assets

| | | |
|--|--------------|--------------|
| Advance for land to related party (unsecured, considered good) * | 33,05,662.00 | 33,05,662.00 |
|--|--------------|--------------|

Note 13 : Equity Share Capital

As at 31 March 2020 As at 31 March 2019

Authorised Shares

| | | |
|---|--------------------|--------------------|
| 140,00,000 Equity Shares of Rs.10 each | 1400,00,000 | 1400,00,000 |
| Issued, Subscribed and fully paid up shares | 1191,37,500 | 1191,37,500 |
| Total Issued Subscribed and fully paid up Shares | 1191,37,500 | 1191,37,500 |

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

As at 31 March 2020

| Ordinary equity shares of Rs 10/- each | No of Shares | In Rs |
|--|--------------|----------------|
| Balance at the beginning of the year | 119,13,750 | 1191,37,500 |
| Balance at the end of the Year | 119,13,750 | 1191,37,500.00 |

The Company had allotted 9531000 equity shares of Rs. 10/- as fully paid up by way of bonus issue on 17th October 2017.

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 final 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 duly convened meeting.

During the year ended 31st March 2019, the amount of interim dividend per share declared and paid to shareholders is Rs.0.70 per

share.(Previous year ended 31st March 2019 dividend was Rs.0.70/- 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 except for an issue of 9531000 equity shares of Rs. 10 each fully paid up as bonus shares as stated in para (a) above.

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

| | As on 31st March 2020 | | As on 31st March 2019 | |
|-----------------------|-------------------------------|---------------------|---------------------------|---------------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| M.R.Narayanan | 2242825 | 18.83 | 2242825 | 18.83 |
| M.R.Subramonian | 2784825 | 23.37 | 2784825 | 23.37 |
| M.R.Krishnan | 2610075 | 21.91 | 2610075 | 21.91 |
| Tops Security Limited | 1750000 | 14.69 | 1750000 | 14.69 |

| | | |
|---|--------------|--------------|
| e. Forfeited Shares (Amount Originally paid up) | 39,53,990.00 | 39,53,990.00 |
|---|--------------|--------------|

Note 14 : Other Equity -Reserves and Surplus

| <u>Reserves & Surplus</u> | 31-Mar-20 | 31-Mar-19 |
|--|------------------|------------------|
| a. Capital Reserves | | |
| 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 |

Notes forming part of the financial statements for the year ended 31 March 2020 31 March 2019
 (All amounts are in Indian Rupees, unless otherwise stated)

b. Revaluation Reserve

| | | |
|--|-----------|------------------|
| 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 |

c. General Reserve

| | | |
|--|----------------------|----------------------|
| Opening Balance | 479,95,207.00 | 399,95,207.00 |
| Add Transfer from current year profits | 60,00,000.00 | 80,00,000.00 |
| (-) Written Back in Current Year | | |
| Closing Balance | 539,95,207.00 | 479,95,207.00 |

d Surplus/(deficit) statement in the statement of Profit and Loss

| | | |
|---|-----------------------|-----------------------|
| Balance as per last financial statements | 2102,12,620.49 | 1880,75,925.13 |
| Add : Profit for the current year | 250,40,131.39 | 401,90,842.36 |
| Less : Appropriations | | |
| Interim Dividend @Rs 0.7 per share (PY Rs.0.50 per share) | 83,39,625.00 | 83,39,625.00 |
| Dividend Tax | 17,14,522.00 | 17,14,522.00 |
| Transfer to General Reserve | 60,00,000.00 | 80,00,000.00 |
| Net surplus in the statement of profit and loss | 2191,98,604.88 | 2102,12,620.49 |

Total Reserves and Surplus

2785,31,311.88 2635,62,547.49

Note 15 Non Current Liabilities

-Financial Liabilities : Borrowings

| | | |
|---|--------------|--------------|
| 1. Vehicle Loan from HDFC Bank, Vazhuthacaud Trivandrum secured by hypothecation of Vehicle purchased using the loan amount | 13,25,006.39 | 20,59,968.06 |
| 2. Vehicle Loan from State Bank of India, SME Branch, Tvm secured by hypothecation of Vehicle purchased using the loan amount | 15,12,203.00 | 29,29,026.00 |

Total Borrowings

28,37,209.39 49,88,994.06

| Notes forming part of the financial statements for the year ended (All amounts are in Indian Rupees, unless otherwise stated) | 31 March 2020 | 31 March 2019 |
|---|----------------------|---------------------|
| Note 16: Deferred Tax Liabilities (Net) | | |
| Deferred Tax Liability (opening balance) | 87,31,856.70 | 63,37,066.70 |
| Add: Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting | 11,42,108.00 | 23,94,790.00 |
| Deferred Tax Liabilities (Net) | 98,73,964.70 | 87,31,856.70 |
| Note 17 : Current Liabilities -Financial Liabilities- Borrowings | | |
| Secured | | |
| 1.Vehicle Loan from HDFC Bank, Vazhuthacaud Trivandrum secured by hypothecation of Vehicle purchased using the loan amount | 7,14,000.00 | 6,38,592.00 |
| 2.Vehicle Loan from State Bank of India, SME Branch, Tvm secured by hypothecation of Vehicle purchased using the loan amount | 12,85,540.00 | 9,40,000.00 |
| Cash Credit Demand Loan from State Bank of India secured by hypothecation of Stock and Book Debts created out of bank finance and by personal guarantee of promoters and by mortgage of land and building belonging to promoter's firm as collateral security | 285,68,929.03 | 964.00 |
| Interest accrued and due on above | | |
| Total | 305,68,469.03 | 15,79,556.00 |

Notes forming part of the financial statements for the year ended 31 March 2020 31 March 2019
 (All amounts are in Indian Rupees, unless otherwise stated)

Note 18 : Trade Payables

| | | |
|-------------------------------------|----------------------|-----------------------|
| (a) Creditors for Purchases | 485,72,427.40 | 946,38,213.96 |
| (b) Creditors for Expenses | 94,34,630.46 | 63,37,769.59 |
| (c) Advance against supply of goods | 57,90,019.68 | 162,45,255.03 |
| Total Trade Payables | 637,97,077.54 | 1172,21,238.58 |

Note 19 Other Financial Liabilities

| | | |
|--|---------------------|---------------------|
| (a) Statutory dues payable | 19,60,436.00 | 38,47,538.00 |
| (b) Employee related Payables | 34,30,841.11 | 33,71,310.00 |
| (c) Income received in advance | 2,63,637.00 | 10,30,253.00 |
| (d) Advances received- Others | 12,00,000.00 | 0.00 |
| Total Other Financial Liabilities | 68,54,914.11 | 82,49,101.00 |

Note 20 Short Term Provisions

(a) Provision for employee benefits

| | | |
|--|---------------------|---------------------|
| Provision for Leave Encashment (non funded) | 26,71,578.00 | 26,51,995.00 |
| Provision for Bonus | 42,84,333.00 | 40,93,533.00 |
| Total provisions for employee benefits | 69,55,911.00 | 67,45,528.00 |

(b) Other Provisions

| | | |
|------------------------------------|----------------------|-----------------------|
| Provision for Taxation | 91,37,820.00 | 887,39,261.00 |
| Provision for Dividend | 0 | 83,39,625.00 |
| Provision for Dividend Tax | 0 | 17,14,522.00 |
| Total other provisions | 91,37,820.00 | 987,93,408.00 |
| Total Short Term Provisions | 160,93,731.00 | 1055,38,936.00 |

Notes forming part of the financial statements for the year ended 31 March 2020 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

Note 21 Revenue from Operations

(a) Revenue from Sale of Products

| | | |
|--|----------------|----------------|
| Interstate Sales -Kerala | 3486,09,599.46 | 3471,46,027.36 |
| Interstate Sales -Tamilnadu | 27,450.00 | 12,90,000.00 |
| Interstate Sales- Delhi | 0.00 | 2,37,290.00 |
| Local sales-Kerala | 198,28,914.79 | 268,55,583.83 |
| Local Sales Tamilnadu | 181,14,631.00 | 62,97,449.00 |
| Local Sale -Delhi | 21,100.00 | 2,63,950.00 |
| Export sales | 274,89,063.83 | 693,26,362.90 |
| Sale of Electricity | 25,52,802.00 | 9,60,943.00 |
| | 4166,43,561.08 | 4523,77,606.09 |
| Less Sales Returns | | 5,37,340.00 |
| Revenue from Sale of Products (net of returns) | 4166,43,561.08 | 4518,40,266.09 |

(b) Revenue from Sale of Service and Maintenance

| | | |
|--|-----------------------|-----------------------|
| AMC received | 331,84,483.18 | 272,57,666.08 |
| Forwarding & Handling Charges Kerala | 6,03,386.01 | 6,59,142.80 |
| Forwarding & Handling Charges Tamilnadu | 37,500.00 | |
| Income from services Kerala | 20,21,413.01 | 24,10,661.92 |
| Income from services Tamilnadu | 3,500.00 | |
| Income from services New Delhi | 1,000.00 | |
| Installation Charges received Kerala | 108,40,993.94 | 83,68,731.77 |
| Installation Charges received Tamilnadu | 11,28,773.00 | |
| Rental Income Kerala | 12,500.00 | |
| Rental Income Tamilnadu for E Locks | 27,68,588.94 | |
| Marketing Incentives on Direct Orders | | 20,27,369.00 |
| Revenue from Sale of Service and Maintenance | 506,02,138.08 | 407,23,571.57 |
| Total Sales and Service Income | 4672,45,699.16 | 4925,63,837.66 |

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

31 March 2020 31 March 2019

Note 22. Other Income

| | | |
|-------------------------------|---------------------|---------------------|
| Interest on Deposits | 39,56,292.50 | 26,84,130.38 |
| Foreign Exchange Gain | 13,47,429.80 | 36,26,271.07 |
| Dividend from SBI Mutual Fund | | 6,91,435.78 |
| Miscellaneous Income | 300.00 | 0.00 |
| Total Other Income | 53,04,022.30 | 70,01,837.23 |

Note 23. Purchases of stock in trade

| | | |
|--|-----------------------|-----------------------|
| Local Purchases Kerala | 475,75,248.81 | 172,84,080.76 |
| Local Purchases Tamilnadu | 145,78,376.74 | 32,85,233.08 |
| Interstate Purchases Kerala | 967,78,687.40 | 975,56,150.28 |
| Interstate Purchases Tamilnadu | 30,55,388.81 | 10,28,622.76 |
| Interstate Purchases Delhi | | 2,16,026.00 |
| Import Purchases Tamilnadu | | 8,795.00 |
| Import Purchases High Sea Sales | 367,32,130.52 | 1566,80,995.99 |
| Import Purchases Kerala | 805,88,344.23 | 1095,92,417.97 |
| Total purchases of Stock in Trade | 2793,08,176.51 | 3856,52,321.84 |

Note 24 Direct Expenses

| | | |
|------------------------------|---------------------|--------------------|
| Carriage Inwards | 2,39,719.19 | 1,37,696.06 |
| Consumables | 24,43,156.98 | 5,53,290.53 |
| Support Expenses for E Locks | 11,48,928.58 | |
| Total Direct Expenses | 38,31,804.75 | 6,90,986.59 |

Note 25 Changes in Inventories

| | | |
|--|------------------------|----------------------|
| Opening Stock of Stock in Trade | 1529,97,879.00 | 1043,56,910.00 |
| Less Closing Stock of Stock in Trade | 1091,02,694.00 | 1529,97,879.00 |
| Change in Inventory of stock in trade | (438,95,185.00) | 486,40,969.00 |

Note 26 :Employee benefits expense

| | | |
|--------------------------------------|--------------|--------------|
| Bonus | 41,10,600.00 | 39,56,100.00 |
| Festival Allowance | 0.00 | 2,600.00 |
| ESI Contribution | 2,17,915.00 | 2,70,059.00 |
| Gratuity | 7,67,508.00 | 13,37,757.00 |
| Contribution to Workers Welfare Fund | 7,99,660.00 | 6,920.00 |
| Leave Encashment | 14,38,667.00 | 9,68,073.33 |

| Notes forming part of the financial statements for the year ended (All amounts are in Indian Rupees, unless otherwise stated) | 31 March 2020 | 31 March 2019 |
|--|----------------------|----------------------|
| Leave Travel Concession | 10,78,862.74 | 13,40,839.94 |
| Medical reimbursement | 20,44,806.13 | 16,38,184.10 |
| PF Contribution | 25,79,369.00 | 23,82,972.00 |
| Salaries - Directors | 80,28,000.00 | 79,72,000.00 |
| Salaries - Others | 360,81,142.00 | 367,62,738.00 |
| TOTAL | 571,46,529.87 | 566,38,243.37 |

Note 27 . Finance Charges

| | | |
|-----------------------------|---------------------|--------------------|
| Interest on overdraft | 4,43,234.17 | 41,181.00 |
| Bank Charges and Commission | 10,65,504.60 | 2,78,946.52 |
| Interest on Car Loans | 5,00,803.33 | 6,34,203.89 |
| Interest paid others | | 2,495.00 |
| TOTAL | 20,09,542.10 | 9,56,826.41 |

Note 28 : Other Expenses

(a). Administrative Expenses

| | | |
|--|--------------|--------------|
| AMC Paid | 19,000.00 | 30,664.00 |
| Audit Fee | 1,00,000.00 | 1,00,000.00 |
| Tax Audit Fee | | |
| Books and Periodicals | 75,881.00 | 1,58,114.00 |
| Consultancy Charges | 16,65,786.04 | 8,40,154.00 |
| Conveyance | 19,98,628.67 | 20,37,176.65 |
| Corporate Social Responsibility Expenses | 13,04,090.00 | 19,81,600.00 |
| Demat Charges | 1,68,483.00 | 1,03,576.00 |
| Donation | 27,900.00 | 10,400.00 |
| Electricity and Water Charges | 5,04,786.00 | 4,54,241.00 |
| Filing Fee | 17,400.00 | 7,200.00 |
| Foreign Travel Expenses | 4,91,716.55 | 26,31,802.13 |
| Insurance | 4,66,265.00 | 4,41,134.00 |
| Internal Audit Fee | 2,00,000.00 | 1,91,000.00 |
| Listing Fee | 55,000.00 | 55,000.00 |
| Legal Expenses | 4,00,000.00 | |
| Loss on Sale of Asset | 60,267.85 | 6,16,768.83 |
| Membership fee | 75,773.00 | 96,262.00 |
| Office Expenses | 5,96,404.53 | 4,07,694.42 |
| Pooja Expenses | 29,283.00 | 14,693.00 |
| Postage and Telegram | 3,57,195.80 | 3,50,240.70 |
| Printing and Stationery | 10,08,794.93 | 3,56,829.24 |
| Professional Charges | 12,80,138.00 | 11,63,693.00 |

| Notes forming part of the financial statements for the year ended (All amounts are in Indian Rupees, unless otherwise stated) | 31 March 2020 | 31 March 2019 |
|--|----------------------|----------------------|
| Professional tax | | |
| Rent A/c | 22,48,492.00 | 23,47,574.00 |
| Repairs and Maintenance | 5,45,948.76 | 5,47,687.49 |
| Sales tax Expenses | 14,90,907.00 | 8,16,000.00 |
| Security Service Charges | 2,03,383.48 | 1,67,260.00 |
| Service Charges | 29,44,975.00 | 27,26,191.00 |
| Service Expenses | | 7,91,268.41 |
| Sitting Fee | 1,11,000.00 | 90,000.00 |
| Staff Welfare Expenses | 2,82,616.60 | 2,23,011.00 |
| Telephone, Fax and Email | 9,50,133.34 | 9,75,655.33 |
| Training Expenses | 24,823.00 | 60,458.00 |
| Travelling Expenses | 72,66,413.40 | 65,30,636.18 |
| TOTAL | 269,71,485.95 | 273,23,984.38 |
| (b) Selling Expenses | | |
| Advertisement | 1,45,296.00 | 1,43,035.00 |
| Bad Debts written off | 6,41,547.32 | 29,96,443.00 |
| Carriage Outwards | 46,70,309.96 | 41,84,073.97 |
| Commission | 2,49,400.00 | 3,32,016.00 |
| Courier Charges | 2,01,383.62 | 1,89,570.56 |
| Exhibition Expenses | 80,910.00 | 4,56,821.18 |
| Freight on Export | 7,80,425.07 | 9,89,537.95 |
| Installation Expenses | 57,78,853.67 | 48,27,814.04 |
| Liquidated Damages | 20,37,964.35 | 50,000.00 |
| Solar Project Expenses | 23,03,923.80 | 6,49,467.01 |
| Marketing Expenses | 21,98,990.40 | 1,93,715.01 |
| Marketing Incentive | 1,33,000.00 | 2,91,036.00 |
| Packing Materials | 2,14,172.48 | 1,98,071.78 |
| Rates and Taxes | 65,015.00 | 1,77,171.43 |
| Rebates and Discount | 42,407.46 | 1,29,081.42 |
| Tender Form Purchased | 23,670.00 | 39,952.00 |
| Sales Promotion Expenses | | 1,04,080.40 |
| Seminar Expenses | 1,60,723.19 | |
| TOTAL | 197,27,992.32 | 159,51,886.75 |
| Total Other Expenses | 466,99,478.27 | 432,75,871.13 |

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

31 March 2020

31 March 2019

Note 28 : 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 | 250,40,131.39 | 401,90,842.36 |
| Number of Shares | 119,13,750 | 119,13,750 |
| Earnings per Share | 2.10 | 3.37 |

ADTECH SYSTEMS LIMITED
2/796, Second 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 2020 | 31st March 2019 |
|---|--------------------|-------------------|
| Cash Flow from Operating Activities | | |
| Net profit before tax as per Statement of Profit and Loss | 250,40,131 | 401,90,842 |
| Adjustments to reconcile profit before tax to cash generated by operating activities | | |
| Depreciation and amortisation expenses | 42,38,007 | 41,10,320 |
| Loss on Sale of property, plant and equipment | 60,268 | 6,16,769 |
| Tax Expense | 101,19,316 | 165,64,686 |
| Change in Inventories of finished goods, work in progress, stock in trade | | |
| GST Transitional Credit | | 0 |
| Finance Costs | 20,09,542 | 6,77,880 |
| Dividend Income (SBI Mutual Fund) | 0 | -6,91,436 |
| Interest Income | -39,56,293 | -26,84,130 |
| Operating Profit before Working Capital Changes | 375,10,971 | 587,84,931 |
| Net Change in : | | |
| Inventories | 438,95,185 | -486,40,969 |
| Receivables | 299,36,504 | 235,81,262 |
| Other Financial Assets | -478,87,518 | -182,64,803 |
| Current Tax Assets | 698,47,092 | -168,96,888 |
| Trade Payables | -534,24,161 | 130,66,818 |
| Other Financial Liabilities | -13,94,187 | 22,57,320 |
| Other Liabilities & Provisions | -894,46,205 | 176,08,311 |
| Cash Generated from Operations | -109,62,318 | 314,95,981 |
| Income Tax | -89,76,208 | -141,69,896 |
| Net Cash provided by Operating activities | -199,38,526 | 173,26,085 |
| Cash Flow from Investing Activities | | |
| Payments for purchase of property, plant and equipment | -588,89,819 | -212,59,762 |
| Net Change in Investments (Decrease) | 0 | 304,35,713 |
| Dividend Income (SBI Mutual Fund) | 0 | 6,91,436 |
| Net Change in Earmarked Deposits | -88,99,978 | 282,32,545 |

| | | |
|---|--------------------|--------------------|
| Sale of property, plant and equipment | 51,000 | 5,75,000 |
| Interest Income | | 26,84,130 |
| Net Cash provided by/ (used in) Investing Activities | -677,38,797 | 413,59,062 |
| Cash Flow from Financing Activities | | |
| Finance Costs | -20,09,542 | -6,77,880 |
| Interest Income | 39,56,293 | |
| Dividend & Dividend Distribution Tax | -100,54,147 | -100,54,147 |
| Change in borrowings | 268,37,128 | -15,36,472 |
| Net cash flow from financing activities | 187,29,732 | -122,68,499 |
| Net Increase/Decrease in Cash | -689,47,591 | 464,16,648 |
| Add: Cash and Cash Equivalents at beginning (Opening Balance) | 816,12,363 | 351,95,715 |
| Cash and Cash Equivalents as at end (Closing Balance) | 126,64,772 | 816,12,363 |

This is the cash flow statement referred to in our report of even date **for and on behalf of the Board of Directors**

for Mahadev & Co
 Chartered Accountants
 Firm Regn No 001924S
 Sd/-
 C.Narayanan
 Partner
 Membership Number 028424

Sd/-
 M.R.Subramonian
 Managing Director

Sd/-
 M.R.Krishnan
 Executive Director

Place : Chennai
 Date : 31 July 2020

Sd/-
 S.Balamurali
 Company Secretary

Sd/-
 P.Vinaya Chand
 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) | | Solar | | Others | | Amt in Rs Lakhs | |
| | 2019-20 | 2018 19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| 1. Segment Revenue | | | | | | | | | | |
| (a) External Sales | 3013.3 | 3961.61 | 1012.79 | 885.41 | 617.78 | 78.54 | 42.07 | 43.18 | 4685.94 | 4968.74 |
| (b) Inter-Segment Sales | | | | | | | | | | |
| © Total Revenue | 3013.3 | 3961.61 | 1012.79 | 885.41 | 617.78 | 78.54 | 42.07 | 43.18 | 4685.94 | 4968.74 |
| 2. Total Revenue of each segment as a percentage of total revenue of all segments | 64.31 | 79.73 | 21.61 | 17.82 | 13.18 | 1.58 | 0.90 | 0.87 | 100.00 | 100.00 |
| 3. Segment Result [Profit/(Loss)] | 493.33 | 812.5 | 192.55 | 132.83 | 21.28 | -64.32 | 30.58 | 43.18 | 737.74 | 924.19 |
| 4. Unallocated Corporate expenses | | | | | | | | | 405.60 | 397.86 |
| 5. Operating Profit | | | | | | | | | 332.14 | 526.33 |
| 6. Interest Expense | | | | | | | 20.10 | 9.57 | 20.10 | 9.57 |
| 7. Interest Income | | | | | | | 0 | 0 | 39.56 | 26.84 |
| 8. Net Profit before taxes | | | | | | | | | 351.60 | 543.60 |
| 9. Segment Assets | 1,751.75 | 2,243.38 | 466.57 | 501.22 | 817.54 | 944.01 | 0 | 0 | 3,035.86 | 3,688.61 |
| 10. Segment assets as a percentage of total assets | 32.95 | 36.37 | 8.78 | 8.13 | 15.38 | 15.31 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11. Unallocated Corporate Assets | | | | | | | 0 | 0 | 2,280.79 | 2,489.92 |
| 12. Total Assets | | | | | | | | | 5,316.65 | 6,167.53 |
| 13. Segment Liabilities | 379.44 | 731.34 | 97.05 | 196.43 | 105.52 | 199.03 | 0 | 0 | 582.01 | 1,126.80 |
| 14. Unallocated Corporate liabilities | | | | | | | | | 718.24 | 1,336.65 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Note 1: Corporate Information

Adtech Systems Limited (formerly Adtech Power Systems Limited) (hereinafter referred to as “ASL” or “the Company”) was incorporated on 05th 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 . The Company is also providing solutions in various types of Solar Projects. Corporate Identity Number (CIN) is U33111TN1990PLC018678. Paid up Share Capital of the Company is Rs. 1191.375 lakhs divided into 11913750 equity shares of Rs. 10/- each fully paid up.

The financial statements for the year ended 31st March 2020 were approved by the Board of Directors and authorized for issue on July 31, 2020

Note 2 : Significant Accounting Policies.

The financial statements for the year ended 31st March 2020 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule, as amended from time to time.. 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 as mentioned above. Financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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, judgements 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 managements 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 31st March 2020 are prepared and presented in the format prescribed Schedule III of the Companies Act, 2013. Previous year’s figures has also been reclassified in accordance with the disclosure and presentation requirements applicable for the current year.

(b) Property , Plant and Equipment

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 property, plant and equipment to its working conditions for the intended use. None of the property, plant and equipment have been revalued during the year under consideration.

(c) Depreciation

Depreciation on property, plant and equipment 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 |
| 10 | Solar Plant | 15 years |
| 11 | E Locking System | 6 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] Financial Assets

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

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 less than one year held for the purpose of meeting short term cash commitments.

[f] Cash flow statement

Cash flows are reported using the indirect method, whereby profit after 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 not made any investments during the period under review

[ga] Intercorporate Deposits

The Company has made an inter corporate deposit with M/s Muthoot Capital Services Limited of Rs 176.04 lakhs on 30th March 2020 for a period of 3 months which carries an interest rate of 9 percent per annum out of the surplus funds and another inter corporate deposit with M/s MPG Hotels and Infrastructure Private Limited for Rs, 400 lakhs on 10th March 2020 for a period of 9 months which carry an interest rate of 7 percent. The deposits are 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 Exceptional Items

Prior period income Rs Nil lakhs (PY Rs.Nil).Exceptional Items Rs. 261,551 (PY Rs.126,546) represents loss incurred on projects due to floods.

[j] Revenue recognition

- 1. Revenue on sale of goods on acceptance by the transferee of receipt of goods and as per 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.89.77 lakhs (PY Rs.141.70 lakhs).

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. 11.42 lakhs has been debited to the statement of Profit and Loss on account of deferred tax (PY Rs 23.95 lakhs).

[I] 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.67.77 lakhs (current year provision Rs.7.68 lakhs) as per actuarial valuation made by LIC of India. An amount of Rs.62.98 lakhs has been paid by the Company to LIC of India Group Gratuity Fund (current year contribution 7.68 lakhs). Value of the Gratuity Fund as on 31st March 2020 is Rs.76.31 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 31st March 2020 is Rs 26.72 lakhs (PY 26.52 lakhs) 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 had been so far operating mainly in one single segment viz Supply and integration of Electronic Security Systems. In 2017, the Company diversified into Solar business. 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. Hence the Company is reporting business financials under the three segments of EAS, CI and Solar. 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

(o) Related party transactions

Disclosures are made as per the requirements of the Indian Accounting Standard 24 'Related Party Disclosures'

During the year, the Company has entered into certain transactions with related parties. Those transactions along with the related balances as at March 31st, 2020 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
 Southern Floating Solar P Ltd
 Trans Float Solar P. Ltd.

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

Amount in Rs Lakhs

| SI No | Nature of Transaction (Excluding Reimbursements) | Associates | Key Managerial Personnel/Relative | Others | Total |
|-------|--|---------------|-----------------------------------|----------------|---------------|
| 01 | Sales 2019-20 2018-19 | 0.70 | - ----- ----- | ----- ----- | 0.70 |
| 02 | Purchases/services 19-20 18-19 | 137.81 Nil | Nil- Nil | Nil Nil | 137.81 Nil |
| 02 | Payment to Key Managerial Person/Relative 2019 20 | Nil | 127.95 | ----- | 127.95 |
| | 2018 19 | Nil | 121.06 | ---- | 121.06 |

Balance as on 31st March 2020

| SI No | Nature of Transaction | Associates | Key Managerial Personnel/Relative | Others | Total |
|-------|--|-----------------|-----------------------------------|--------|-----------------|
| 01 | Trade Receivables/ Advances 2019 20 2018 19 | 258.29 71.07 | | --- | 258.29 71.07 |
| 02 | Land Advance | 33.06 33.06 | | | 33.06 33.06 |

(p) An amount of Rs. 686,653.50 is lying in the Unpaid Dividend Account with State Bank of India on 31st March 2020 towards the dividend declared and paid but not claimed for the financial years as detailed below which is in addition to interim dividend declared at the Board Meeting held on 07th March 2020 but remaining unpaid in dividend account . All dividends declared but which remained unpaid upto and including financial year 2011-12 has been transferred to the account of Investor Education and Protection Fund (IEPF)

| Financial Year | Amount Unclaimed |
|--------------------------|------------------|
| 2012-13 | 51,040.00 |
| 2013-14 | 92,290.00 |
| 2014-15 | 81,490.00 |
| 2015-16 Interim dividend | 88,825.00 |
| 2016-17 | 109,562.50 |
| 2017-18 | 102,725 |
| 2018-19 | 161,721 |

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

[q] Impact of Covid19 on the financials :

The Company, being pioneer in electronic security integration segment, has most of the prominent

retailers PAN India in its client list. Closure of Shopping Malls and locking down of the country has affected the the revenue and future expansion plans of all such retailers and in turn has started affecting revenue of the Company. Lockdowns having started in the last week of March 2020 did not have much effect on revenues During the period under review and hence not quantified, but shall affect Q1 of FY 2020-21 considerably, and may continue to affect till covid19 threat is completely over. Lockdowns are not expected to affect revenues of Solar Division but may slow down projects to that extent.

| <u>[qa] Sales and Service Income</u> | As at 31.03.2020 Value in Rs Lakhs | As a 31.03.2019 Value in Rs. lakhs |
|--|--|--|
| (a) Sale of goods | | |
| Electronic Security goods traded | 3587.32 | 4451.77 |
| Solar Projects Supply & Electricity Sale | 579.04 | 66.63 |
| (b) Service and Maintenance Income | 506.10 | 407.24 |
| Total Sales and Service Income | <u>4672.46</u> | <u>4925.64</u> |

[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 Rs 156.35 lakhs (Previous year Rs.107.50 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 2012-13, 2013-14, 2014-15,2015-16 and 2016 17demanding 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 30/20 percent of the demand before the Deputy Commisioner (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 | Amount involved | Security Deposit made |
|-----------------------------|--|--|-----------------|-----------------------|
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2012-13 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 18,84,438 | Rs. 715,332 |
| Kerala VAT Act, 2003 | Kerala Value Added Tax and interest for FY 2012-13 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 20,89,713 | Rs.926,914 |
| Kerala VAT Act, 2003 | Kerala Value Added Tax and Interest for FY 2013-14 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs.43,54,012 | Rs. 870,803 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2013-14 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs 573,088 | Rs. 134,366 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2014-15 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 18,13,457 | Rs.362.692 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2015-16 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs. 38,35,808 | Rs.13,70,362 |
| Central Sales Tax Act, 1956 | Central Sales Tax and interest for 2016-17 | Deputy Commissioner, Appeals, Thiruvananthapuram | Rs,16,55,386 | Rs.389,500 |
| | | | 162,05,902 | 47,69,969 |

- c. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs Nil lakhs (Previous Year Rs.208.73) on account of construction of own office building.
- d. There is no outstanding (Previous year Rs.Nil/-) as on 31st March 2020 towards letters of credit opened by the Company for purchases effected during the year.

[s] Expenditure in Foreign Currency.

| | 2019-2020 inRs. Lakhs | 2018-19 in Rs Lakhs |
|--|--------------------------|------------------------|
| (a) Foreign Travel Expenses | 4.92 | 26.32 |
| Amount paid for import of raw materials | 583.29 | 1007.22 |
| | 588.21 | 1033.54 |
| [t] Earnings in Foreign Currency | | |
| Export Sales | 274.89 | 693.26 |
| Sales Incentives on Orders placed by Customers on Overseas Principals | Nil | 20.27 |
| [u] Value of imports calculated on CIF basis | | |
| Purchases | 1173.20 | 2662.82 |
| Capital Goods | Nil | Nil |
| | ----- | ----- |
| | 1173.20 | 2662.82 |
| | ===== | ===== |

[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 | 1627.47 | 50.35 | 1756.46 | 52.01 |
| Indigenous | 1604.57 | 49.65 | 1620.56 | 47.99 |
| | ----- | ----- | ----- | ----- |
| | 3232.04 | 100.00 | 3377.02 | 100.00 |
| | ===== | ===== | ===== | ===== |

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

[w] Managerial Remuneration

As per resolution adopted at the 25th Annual General Meeting of the Company held on 30th September,2016 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 setout 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 | 2019-20 | 2018-19 |
|---|----------------|----------------|
| M.R.Subramonian | 43.25 lakhs | 40.00 lakhs |
| M.R.Krishnan | 43.25 lakhs | 40.00 lakhs |
| Commission/Sitting fee to non working Directors | 1.11 lakhs | 4.90 lakhs |
| | ----- | ----- |
| | 87.61 lakhs | 84.90 lakhs |
| | ===== | ===== |
| <u>[x] Auditors Remuneration</u> | 2019-20 | 2018-19 |
| Audit Fee | Rs.1.00 lakhs | Rs.1.00 lakhs |
| For Taxation | Rs. 4.50 lakhs | Rs.4.75 lakhs |
| Internal Audit Fee | Rs. 2.00 lakhs | Rs.2.00 lakhs |

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

[z] Bad Debts :

An amount of Rs 6.42 lakhs has been written off as bad debts during the financial year(P.Y 29.96 Lakhs)

[za] Provision for Income Tax for the period comes to Rs.89.76 lakhs (PY Rs.141.69 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 Company is in possession of the said fixed assets and the same has been mortgaged with M/s State Bank of India as collateral security for the cash credit facility availed by the company, though 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 31st March 2020 provided in the balance sheet is Rs.98.74 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 except disruption in business due to lockdowns effected PAN India due to impact of Covid19 which has been dealt with and disclosed separately elsewhere in this report.

[ze] Amounts payable to Micro, Small and Medium Enterprises.

There are no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of Principal amount together with interest and hence no additional disclosures have been made. The above information has been determined on the basis of information available with the Company , which has been relied upon by the Statutory Auditors.

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 with the purpose of providing 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. This report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in this report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) complying with the requirements of the Companies Act, 2013 and the guidelines issued by the Securities and Exchange Board of India (SEBI).

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 has also diversified into Solar Power Projects and has successfully commissioned several floating solar power projects including one for Kerala State Electricity Board in Banasura Sagar Dam and for Larsen and Toubro in Andhrapradesh and is in the process of executing several large projects .

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) . The Company has subsequently listed its equity shares in Metropolitan Stock Exchange of India Limited, Mumbai

Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) 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, though had shown signs of recovery in the initial months got badly thrashed by outbreak of the pandemic Covid19 which originated in Wuhan, China towards later part of December 2019. The outbreak resulted in shutdowns and lockdowns across the world causing deep cuts and massive bleeding in the global economy, which is still reeling under the Covid19 impact. The quest for a suitable vaccine is on, and only upon invention of which the world is expected to be back in its toes.

INDIAN ECONOMY in view of the Impact of Covid19

The World Health Organisation (WHO) has declared the COVID19 -corona virus outbreak to be a pandemic. Several stringent steps to contain/delay the spread of Virus is being taken by governments all over the world. Actions taken like lockdowns and restriction in movement of goods/people across countries have resulted in significant disruption

to business operations. There is also significant increase in economic uncertainty with volatility in asset prices and currency fluctuation across countries.

Death tolls and confirmed cases have been increasing alarmingly across countries. The business fraternity are sat crossing their fingers as the disastrous consequences of Covid-19 on economy and business rise beyond their imagination. Stock markets have hit bottom in several countries, and many governments are still contemplating the mechanisms needed to pull back the economy from the imminent slowdown. The Government of India has ordered a nationwide lockdown to curb the spread of this pandemic, and has also come up with various stimulus packages for the economy.

On the other side, financial institutions have revised India's growth forecast for 2020-21 to an drastically low levels, not seen since the 2008 global financial crisis. Moody's hinted a decline in the GDP growth rate and projected a 0.2 per cent growth for FY 20, a drastic shift from their earlier forecast of 2.5 per cent. Similarly, S&P cut India's growth outlook to 1.8 per cent. CRISIL too lowered its GDP growth projection to 1.8 per cent. The uncertainty mounting over India's economy has severed the hopes of many stakeholders.

OUTLOOK ON INDUSTRY

Electronic Security industry goes along with retail industry and with development of new facilities, be it in the retail malls or in software companies facilities, all of which has been badly affected by Covid19 pandemic. Lockdowns have resulted in total stoppage of activity for retail industry and construction of new shopping malls and places of business along with new plans for real estate sector can be estimated only once the pandemic subsides, either due to invention of an effective vaccine or by the country achieving herd immunity, as pointed out by WHO. Either of these events being expected in Q3 of FY 2020-21 or later will be the single most factor that will serve to kick start business in retail segment and thereafter for the Electronic Security Segment.

Solar Segment does see immense activity in the year 2020-21 and afterwards, with many PSUs floating tenders for utilizing water bodies for construction of floating solar farms. This segment is just facing a temporary delay due to covid19 lockdowns, which activity is expected to be in full swing towards later part of Q2 onwards.

OUTLOOK OF ADTECH SYSTEMS LIMITED

The Company, being pioneer in electronic security integration segment, has most of the prominent retailers PAN India in its client list. Closure of shopping malls and locking down of the country has affected the revenue and future expansion plans of all such retailers and in turn has started affecting revenue of the Company. Lockdowns having started in the last week of March 2020 does not have much effect on revenues during the period under review and hence not quantified, but shall affect Q1 of FY 2020-21 considerably. Lockdowns are not expected to affect revenues of Solar Division but may slow the projects to that extent.

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 by providing the latest solution at the best price and support. Solar Division which caters to solutions by way of providing floating solar platforms has the first

mover advantage in this field and gets numerous enquiries PAN India. Solar projects being of high value requires substantial amounts as working capital to execute the projects which is found to be the main hindrance. Our efforts are on to access funds from banks by way of working capital has so far not met with success in view of stringent requirements collateral security requirements demanded by banks. In spite of repeated announcements by the Government of India to make credit easily available to MSMEs, banks are shying away from providing much needed credit facilities even when the purchase orders from PSUs are well received.

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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data. The internal audit, an independent appraisal function to examine and evaluate the adequacy and effectiveness of the internal control system, appraises periodically about activities and audit findings to the Audit Committee. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The Audit Committee also holds discussions with statutory auditors, internal auditors and the Management on matters pertaining to internal controls, auditing and financial reporting.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company had till been operating in a single segment viz electronic security systems. In the previous year, the Company has diversified into Solar Power business and has already received orders , details of which are mentioned elsewhere in this report.

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. 4725.50 lakhs during the financial year 2019-20 as against Rs. 4995.66 lakhs for the previous year.

Total expenses for the year ended 31st March 2020 was Rs 4371.29 lakhs which consists of purchase cost of Rs. 3270.35 lakhs , employee benefit expenses Rs. 571.47 lakhs and other expenses Rs. 466.99 lakhs and depreciation Rs. 42.38 lakhs.

The Company has been sanctioned a cash credit facility of Rupees Four Hundred and Fifty Lakhs, mainly meant to diversify into solar power projects, of which an amount of 285.69 lakhs has been utilised as at end of the year.

The Company has total manpower of 96 employees as on 31st March 2020. 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 27 August 2020

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 2019-20 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 re appointed at the 28th Annual General Meeting held on 21st September 2019 for a tenure of five years.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company 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 7th March 2020. 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.

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

The Company has 07 women employees in various cadres as on 31st March 2020. The Company has zero tolerance towards sexual harassment at the work place. The Company has constituted an Internal Complaint Committee in line and in compliance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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

Attendance and other relevant details of each Director

During Financial year 2019-20, 5 meetings of the Board of Directors were held on the following dates 30th May 2019, 14th August 2019, 14th November 2019, 13th February 2020 and 07th March 2020.

Attendance at the Board meetings held during 2018-19 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 Held | No of Board Meetings during FY 2019-20 Attended | | Whether attended Last AGM | Sitting Fee paid during FY 2019-20 | No of Director ships in other Public Limited Companies | No of Comittee positions in other Public Companies | |
|---------------------------|---|---|---------------------------|------------------------------------|--|--|--------|
| | | | | | | Chairman | Member |
| Mr.M.R.Narayanan | 5 | 5 | 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 | 40,000 | 0 | 0 | 0 |
| Mr.K.M.Nair | 5 | 4 | YES | 40,000 | 1 | 0 | 1 |
| Ms.P.K. Anandavally Ammal | 5 | 4 | YES | 40,000 | 0 | 0 | 0 |

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 2019-20 on the dates 30th May 2019, 14th August 2019, 14th November 2019, 13th February 2020 and 07th March 2020 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 14th 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 08th August 2019. The composition of the Nomination and Remuneration Committee is as under. All the committee members attended the meeting held on 08th August 2019.

| 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;
- (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 Requirement) Regulations, 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.

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 3,25,000 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.

- (c) 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:

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

During the year 2019-20, The Committee met once during the financial year on 13th February 2020. All the committee members attended the meeting held on 13th February 2020.

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 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 2019-20 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 2019) | Nil |
| 2. | Number of Investor complaints received during the year | Nil |
| 3. | Number of investor complaints redressed during the year | Nil |
| 4. | Number of Investor complaints remaining unresolved at the end Of the year (ie as on 31st March 2020) | Nil |

6 Corporate Social Responsibility (CSR)

As on 31st March 2020, 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 2019-20, the committee met twice on the following dates and all the three committee members attended both meetings.

19th August 2019

14th February 2020

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

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.

Recommend to the Board the amount of expenditure to be incurred on the CSR activities referred to in (1) above, and

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

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 2019 | 21 September 2019 | 3.00 PM | Registered Office |
| 31 March 2018 | 29 September 2018 | 3.00 PM | Registered Office |
| 31 March 2017 | 28 September 2017 | 3.00 PM | Registered Office |

Special Resolutions passed at the last three AGMs:

| SL No | Date of AGM | Special Resolution |
|-------|-------------|---|
| 01 | 21.09.2019 | Special Resolution for (i) Reappointment of Independent Director Shri. N.Suresh (ii) Reappointment of Independent Director Shri.K.Manmathan Nair (iii) Reappointment of Independent Director Smt.P.K.Anandavally Ammal |
| 02 | 29.09.2018 | No Special Resolution |
| 03 | 28.09.2017 | No Special Resolution |

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 31st March 2020 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

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

- Quarterly and annual audited financial results of the Company were published in Trinity Mirror (English Daily) and Makkal Kural (Vernacular Language)
- The results are displayed on the company's website at 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 2019-20, transferred an amount of Rs.18,860/- lying in the unpaid dividend account to Investor Education and Protection FUND (IEPF), being the unclaimed dividend for the year 2011-12 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 2012-13 and subsequent years are requested to contact the Company/Registrar and Share Transfer Agents.

All Shareholders are once again requested to contact the Company immediately so as to obtain duplicate dividend warrants so that unpaid dividends, if any, are fully paid out.

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 Share Transfer Books of the Company shall be closed from 16th September 2020 to 30th September 2020 (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

29th Annual General Meeting

| Date | Time | Venue |
|--|--|-----------------------|
| 30 th September 2020 | 4.00 PM | by Video Conferencing |
| (a) Financial Year | 01 st April 2019 to 31 st March 2020 | |
| (b) Dividend Details | Interim dividend of 7 percent declared by Board of Directors at their meeting held on 7 th March 2020 and paid | |
| Listing details | The Company is listed with Metropolitan Stock Exchange of India Limited, Mumbai The Company has paid listing fee of Rs. 64,900/- (including service tax) for the year 2019-20 within due dates | |
| (c) 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 U33111TN1990PLC018678. | |
| (d) 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. | |
| (e) 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. 90.17 % of shares of the Company were held in dematerialised form as on 31 st March 2020 | |
| (f) Since shares of the Company were not traded in any stock exchange, | comparison of high and low prices is not available. | |
| (g) Distribution of Shareholding as on 31 st March 2020 | | |

| Sl No | Category | No of Holders | % Holders | Shares | % Shares |
|-------|------------|---------------|-----------|--------|----------|
| 1 | upto 100 | 12 | 03.65 | 585 | 0.00 |
| 2 | 100-500 | 34 | 10.39 | 10655 | 0.09 |
| 3. | 501-600 | 1 | 00.32 | 520 | 0.00 |
| 4 | 601-700 | 4 | 01.22 | 2600 | 0.02 |
| 5. | 701-800 | 3 | 00.92 | 2300 | 0.02 |
| 6 | 801-900 | 1 | 00.32 | 900 | 0.01 |
| 7 | 901-1000 | 16 | 04.89 | 16000 | 0.13 |
| 8 | 1001-2000 | 33 | 10.09 | 55235 | 0.46 |
| 9 | 2001-5000 | 160 | 48.93 | 558750 | 04.69 |
| 10 | 5001-10000 | 24 | 07.34 | 185865 | 01.56 |

| | | | | | |
|-------|--------------|-----|--------|----------|--------|
| 11 | 10001-20000 | 13 | 03.98 | 188325 | 01.58 |
| 12 | 20001-50000 | 13 | 03.98 | 451090 | 03.79 |
| 13 | 50001-100000 | 7 | 02.14 | 465050 | 03.91 |
| 14 | Above 100000 | 6 | 01.83 | 9975875 | 83.74 |
| Total | | 327 | 100.00 | 11913750 | 100.00 |

Investors may write to the Company at 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
- (b) Integrated Registry Management Services Private Limited
 Registrar and Share Transfer Agents
 2nd Floor, Kences Towers, No 1, Ramakrishna Street
 Off North Usman Road, T.Nagar, Chennai 600 017
 Tel: 044028140801-803
 Email corpserv@integratedindia.in

Annexure 1

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 31st March 2020

Trivandrum
27 August 2020

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 31st March 2020.

Trivandrum
27 August 2020

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 31st March 2020, 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
- (C) 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
27 August 2020

Sd/-
M.R.Subramonian
Managing Director

Sd/-
P.Vinaya Chand
Chief Finance Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

The Members

Adtech Systems Limited
CIN: L33111TN1990PLC018678
2/796, Second Floor, Sakshi Towers
First Main Road, Kazura Gardens,
Neelankarai, Chennai
Tamilnadu-600 041

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Adtech Systems Limited having CINL33111TN1990PLC018678 and having registered office at 2/796, Second Floor, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai, Tamilnadu-600 041 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities

| Sl No | Name of Director | DIN | Date of appointment in the company |
|-------|------------------------------------|----------|------------------------------------|
| 1 | Mavelikalam Ramakrishnan Narayanan | 00044926 | 06/01/1992 |
| 2 | Subramoniam Ramakrishnan | 00359515 | 05/02/1990 |
| 3 | Krishnan Ramakrishnan | 00359630 | 05/02/1990 |
| 4 | Krishnan Nair Manmathan Nair | 00173417 | 30/09/2013 |
| 5 | Suresh Natesan | 00385139 | 20/05/1995 |
| 6 | Anandavally Ammal Krishna Pillai | 06947217 | 24/09/2014 |

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Thiruvananthapuram
27.08.2020

For Sajee & Associates
Sd/-

P Sajee Nair, FCS
Company Secretary

Thiruvananthapuram
UDIN: F008705B000646287

ANNEXURE 4

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE UDIN: F008705B000653866

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 31st March 2020 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 have 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 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 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.

Trivandrum
27 August 02020

For M/s Sajee & Associates
Company Secretaries

Sd/-

P.Sajee Nair FCS
Company Secretary
FCS 8705
CP 12772

UDIN: F008705B000653866

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If undelivered please return to:

An ISO 9001:2005 Company

ADTECH
SYSTEMS LIMITED

TC 5/2523 | Golf Links Road | Kowdiar P.O
Thiruvananthapuram- 695 003 | Kerala | India.
Phone : +91 471 2433805

