

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.AnandavallyAmmal

**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

Statutory Auditors

M.R.RAMACHANDRAN & Co
Chartered Accountants
9/1, Lynwood Avenue
Mahalingapuram, Chennai-34

Bankers

HDFC Bank Limited
State Bank of India
Axis Bank Limited

Registrar & Share Transfer Agents	M/s Integrated Registry Management Services Private Limited, 2 nd 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	adtech@md2.vsnl.net.in
Shares Listed with	Metropolitan Stock Exchange of India Limited, Vibgyor Towers, 4 th Floor, Plot No C-62, Opp Trident Hotel, Bandra Kurla Complex, Bandra Mumbai
Corporate Identity Number (CIN)	U33111TN1990PLC018678
ISIN	INE257C01014
Provisional GSTIN Numbers for	
1. KERALA	32AAACA5355K1ZU
2. TAMILNADU	33AAACA5355K1ZS
3. NEW DELHI	07AAACA5355K1ZN

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of ADTECH SYSTEMS LIMITED will be held on Thursday the 28th September 2017 at 3.00 P.M at 2/796, Second Floor, A Wing, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2017, the Audited Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, and the reports of the Auditors and the Board of Directors thereon.
2. To declare a dividend on the equity shares for the financial year 2016-17.
3. To appoint a Director in place of Shri. M.R.Narayanan (DIN :00044926), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby appoints M/s Mahadev & Co, Chartered Accountants, M.M.Complex, 57, Kodambakkam High Road, T.Nagar, Chennai 600 017 (Firm Regn No 001924S) as Statutory Auditors of the Company, to hold office from the conclusion of this 26th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company subject to ratification by Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors from time to time”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds and things that may be necessary in this behalf.”

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Section 61, 64 and other applicable provisions, if any of the Companies Act, 2013 (the “Act”) read with Companies (Share Capital and Debentures) Rules, 2014 (including any amendment thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to increase the authorized share capital of the Company from existing 360,00,000/- (Rupees Three Crore Sixty Lakh Only) divided into 36,00,000 (Thirty Six Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 140,00,000 (One Crore Forty Lakhs) Equity Shares of Rupees 10/- (Rupees Ten Only) each by creation of an additional capital of Rs 10,40,00,000/- (Rupees Ten Crore Forty Lakhs Only) divided into 104,00,000 (One crore Four Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each ranking pari- passu in all respect with the existing Equity Shares of the Company.

RESOLVED ALSO THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds and things and to give such directions and take such decisions as may be necessary in this behalf so as to settle any difficulty that may arise, and that the decision of the Board shall be final and binding.

6. Alteration of Memorandum of Association of the Company.

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

RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force) the consent of the Members of the Company be and is hereby accorded to substitute the existing clause V of the Memorandum of Association of the Company with the new clause V as under;

V. The Authorised Share Capital of the Company is Rs. 1400,00,000/- (Rupees Fourteen Crores Only) divided into 140,00,000 (One Crore Forty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each with power to increase or reduce such capital from time to time as per provisions of the Companies Act, 2013 or such other applicable law as amended from time to time.

7. Issue of Bonus Shares

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

RESOLVED THAT pursuant to provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with the Companies (Share Capital and Debenture)Rules, 2013, Article 212 of the Articles of Association of the Company, provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and subject to the provisions of other applicable laws, regulations, directions, rules, and guidelines issued by concerned regulatory authorities, from time to time(including any amendment thereto or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded for a sum not exceeding in aggregate of Rs. 953,10,000/- (Rupees Nine Crore Fifty Three Lakhs Ten Thousand Only) out of the Free Reserves of the Company, as appropriate, for the financial year ended 31st March, 2017, be capitalized and accordingly the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or authorized person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this Resolution) be and is hereby authorized to appropriate the said sum for distribution to and amongst the Members of the Company, whose names appear in the Register of Members maintained by the Company and the list of Beneficial Owners as received from the Depositories on such date ("Record Date") as may be fixed in this regard by the Board in accordance with the law and to apply the said sum in paying up in full a maximum of 95,31,000 Equity Shares ("the Bonus Shares") of the Company of Rs. 10/- each (Rupee Ten Only) at par, to be allotted, distributed and credited as fully paid-up to and amongst the members in the proportion of 4 (Four) such new equity share for every 1 (One) existing fully paid up equity shares held by them respectively as on the Record Date and that the Bonus Shares so distributed, for all purposes, be treated as an increase in the paid-up share capital of the Company held by each members, and not as income or in lieu of dividend.

RESOLVED FURTHER THAT the issue and allotment of the said bonus shares to Non-Resident Indians (NRIs), Persons of Indian Origin/Overseas Corporate Bodies, Foreign Institutional Investors (FII) and

other foreign investors, if any, will be subject to the approval of the Reserve Bank of India and any other regulatory authority, as the case may be.

RESOLVED FURTHER THAT in making the allotment of the Bonus Shares, the Directors shall not issue fractional share certificates but the total number of the Bonus Shares representing such fractions shall be allotted to person(s)/trustee(s) nominated by the Board for this purpose, who shall be deemed to be a trustee on behalf of the Members of the Company entitled for the fraction of equity shares and that such person(s)/trustee(s) shall sell such bonus shares and distribute the net sale proceeds, after deduction of expenses incurred, to the members respectively entitled to the same in proportion of their fractional entitlements.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respect with the existing fully paid up Equity Shares of the Company.

RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of said Bonus Shares and in the case of Members who hold shares or opt to receive the shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members maintained with their respective Depository Participants and in case of members who hold shares in physical form, the share certificate(s) in respect of the Bonus Shares shall be dispatched within such time frame as stipulated in the Companies Act, 2013 and/or SEBI (LODR) Regulations, 2015 or such extended time as may be allowed by the appropriate authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Bonus Shares on the Stock Exchanges where the Equity Shares of the Company are listed, as per the provisions of the SEBI (LODR) Regulations, 2015 and other applicable rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question or difficulty that may arise in relation thereto, decide the exact number of Bonus Shares to be issued based on the paid up capital of the Company as obtaining on the Record Date and to delegate all such powers granted hereunder to a Committee of Directors and/or Company Secretary or any other officer(s) of the Company, as may deem fit or desirable and their decision shall be final and binding.”

By order of the Board of Directors
For Adtech Systems Limited

Place : Trivandrum
Date: 26.08.2017

Sd/-
S.BALAMURALI
Company Secretary

NOTES

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business set out is annexed thereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. The proxies, in order to be valid, must be received at the Registered office of the Company not less than 48 hours before the commencement of the meeting.

Pursuant to Section 105 of the Companies Act, 2013, Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form (Form MGT 11) is annexed to this report.

Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

3. Members/proxies are requested to bring their Annual Report copies, and the duly filled in attendance slips sent herewith be handed over at the entrance of the Meeting Hall.
4. While members holding shares in physical form may write to the Company or to the Share Transfer Registrars M/s Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, North Usman Road, T.Nagar, Chennai 600 017 for any changes pertaining to their address and email address, bank account details, mandates, nominations etc, members holding shares in electronic form may write to their depository participants for immediate updation.
5. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered. For effecting any changes, members may give instructions to their DPs. The Company will not entertain any direct request from such Members for change/deletion in details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.
6. **The Register of Members and Share Transfer Books Shall remain closed from 16th September 2017 to 28th September 2017 (both days inclusive) for the purpose of Dividend and Bonus Share entitlement.**
7. The amount of dividend declared upto and including for the financial year ended 31st March 2009, remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company was transferred to Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) starting from the financial year ended 31st March 2010 onwards, are requested to make their claims to the Company accordingly, without any delay.

Investor grievances/complaints may please be mailed to balamuralis@adtechindia.in.

8. Members are requested to register their e-mail addresses with the Company/Share Transfer agent or with their Depositories
9. **Members still holding shares in physical form are requested to kindly demat their shareholdings by contacting your share brokers.**

10. A.Pursuant to Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide the facility to Members to exercise the right to vote by electronic means . The Company has arranged this facility in the CDSL Platform. The Members whose names appear in the Register of Members/List of Beneficiary Owners as on 21st September 2017, ie, thecut offdateare entitled to vote on the resolutions set forth in the notice .

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM)/ EGM/ EOGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGMbut shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 25 September, 2017 (9:00 am) and ends on 27 September, 2017(5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21stSeptember 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- VI. Procedure for evoting is as given below

The shareholders should log on to the e-voting website www.evotingindia.com.

- (i) Click on Shareholders.
- (ii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and

voted on an earlier voting of any company, then your existing password is to be used.

- (v) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number mentioned in the address coverin the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xvii) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) 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.
- VII A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM)
- VIII A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr.Krishna Prasad R S, Company Secretary in Practice (Membership No FCS 7080) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM) but have not cast their votes by availing the remote e-voting facility.

- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM), a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company –www.adtechindia.com, disseminated to the Stock Exchange and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

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

Item No 5 and 6

The present Authorised capital of the Company is Rs.360,00,000/- (Rupees Three Crore Sixty Lakhs Only) divided into 36,00,000 equity shares of Rs. 10/- (Rupees Ten only) each. The proposed bonus issue of Rs. 953,10,000/- (Rupees Nine Crore Fifty Three Lakh Ten Thousand Only) requires increase in the Authorised capital . Hence the intention to increase the Authorised Capital to 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 140,00,000(One Crore Forty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each.

Increase in Authorised Capital also requires corresponding amendments in the Memorandum of Association which requires approval of the Shareholders by way of Ordinary Resolution.

None of the Directors/Managerial Personnel or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

The Board recommends passing of the Ordinary resolutions set out at Item No 5 and 6.

Item No 7

The Company has adequate reserves , and its operations and performance have grown over the years. The Board of Directors of the Company, at their meeting held on 26th August 2017, considered it desirable to reward its shareholders by capitalization of reserves and recommended issue of Bonus Shares in the ratio 4:1 subject to approval of the Shareholders and such other authorities as may be necessary.

Record date for determining the eligibility of shareholders to receive the said bonus shares will be same as that of for dividend. All those shareholders whose name appear in the Register of Members (in the case of physical shareholders)/downloaded from the Depositories as on 15th September 2017 will be eligible for Bonus Shares and Dividend.

The issue of Bonus Shares by capitalization of Reserves is Authorised by Article 212 of the Articles of Association of the Company and is in conformity with the Companies Act, 2013 and Rules made thereunder. None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in this resolution except to the extent of their shareholding in the Company, if any.

The Board recommends passing of the resolution set out at Item No 7 as an Ordinary 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	M.R.Narayanan
Director Identification Number (DIN)	0044926
Age and Date of Birth	66 Years, 17 April 1951
Nationality	Indian
Date of Appointment on the Board	05 February 1990
Relationship with other Directors	Brother of Mr.M.R.Subramonian and Mr.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.
Number of Shares and % of Holding	448565 shares.18.83 % shareholding.
List of Directorships held in other Public Limited Companies	1. APT Micro Solutions Limited 2. Director ship in several private limited Companies
Chairmanship/Memberships of Committees in other Public Limited Companies (Includes Audit Committee and Stake Holders Relationship Committee)	Chairman and Director of APT Micro Solutions Limited
No of Board Meetings attended during FY 2016-17	Held 4
	Attended 3

By order of the Board of Directors
For Adtech Systems Limited

Sd/-
S.BALAMURALI
Company Secretary

Place :Trivandrum
Date: 26.08.2017

CIN U33111TN1990PLC018678
Registered Office
2/796, Second Floor,A Wing
Sakshi Towers, First Main Road
Kazura Gardens, Neelankarai,
Chennai 600 041
E-mail :adtech@md2.vsnl.net.in
Website: www.adtechindia.com

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2016-2017

To
The Members
Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2017

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

(Rupees in Lakhs)

Particulars	Year ended 31 st March 2017	Year ended 31 st March 2016
Turnover	3682.26	4395.72
Profit/(Loss) before taxation	338.60	452.62
Less: Tax Expense	111.66	149.88
Profit/(Loss) after tax	226.69	302.37
Transfer to General Reserve	24.00	30.40
Dividend on Equity Shares@ 25 percent	59.57	59.57
Dividend Tax	12.13	12.13

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 16.23 percent to Rs 3682.26 lakhs due to sharp drop in exports to 310.62 lakhs
- Profit before taxes decreased by 25.19 percent to Rs.338.60 lakhs
- Profit after taxes (Net Profit) decreased by 25.03 percent to Rs.226.69 lakhs

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

The Retail Division experienced negative growth mainly due to sharp drop in exports which is due to low cost grey market substitutes being available for overseas customers. Inland Retail division sales remained more or less stagnant due to sluggish growth in the brick and mortar stores under lifestyle, fashion and consumer electronic segments. We expect the situation to improve in the current year due to the positive effect of GST on the economy which is slated to be introduced with effect from 01st July 2017.

Earnings per share(EPS) was Rs.9.51 per share for the year under review as against Rs. 12.69 in the previous year.

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

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

The introduction of several new products meant for the retail customer segments is expected to bridge the shortfall experienced in the year under review and bring in the anticipated growth in years to come. Strengthening of sales force is another thrust area being focussed upon, which will bear results next year.

Diversification into floating solar projects has started yielding goods results with the Company bagging the prestigious work order from Kerala State Electricity Board for design, construction, installation, commissioning and handover of 500 KW Floating Solar Power Project in Banasuragar Dam, Wayanad,

Kerala. Work is going in full swing in this project and the Company expects more orders to be received in this division.

DIVIDEND

Your Board of Directors have recommended dividend of 25 percent (Rs.2.50 per equity share of Rs. 10 each) on the 2382750 fully paid up equity shares , subject to approval by Share Holders at the ensuing Annual General Meeting. If approved at the Annual General Meeting, this will result in a cash out flow of Rs.59.57 lakhs towards dividend payment and Rs.12.13 lakhs towards Dividend Distribution Tax. Your Directors recommend to approve the dividend payout .

As on 31st March 2017, an amount of Rs. 588252.50/- 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 2008-09 to 2015-16 as per details given in the notes on Account . Those Shareholders who have not encashed their dividend warrants are requested to immediately approach the corporate office of the Company for revalidation/reissue of the dividend warrants after which the warrants may be presented for payment. The unclaimed dividend up to and including the year 2008-09 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. 24.00 lakhs to General Reserve out of the profits generated by the Company .

Changes in Share Capital and Reserves

During the year under review, there has been no change in the paid up share capital of the Company. The Capital and Reserves of the Company as on 31st March 2017 stood at Rs. 3239.12 lakhs as against that of Rs. 3084.12 lakhs as on the corresponding day of the previous year.

Your Directors have decided to increase the authorised capital of the Company from the existing 360 lakhs to 1200 lakhs, subject to approval of Members in the ensuing Annual General Meeting.

BONUS ISSUE

Your Directors have recommended to issue Bonus shares in the ratio 4:1 (ie,Four shares for every One share held), having face value of Rs.10 each by way of capitalisation of reserves as a reward for the loyalty of the Shareholders towards the Company. The issue of Bonus shares is subject to approval by the Shareholders at the ensuing Annual General Meeting and the Stock Exchange where the shares of the Company are listed. The said issue of Bonus Shares, if approved, would result in capitalisation of reserves amounting to Rs. 953.10 lakhs .

WORKING CAPITAL

During the year, the Company has availed working capital credit facilities from State Bank of India, SME Branch Trivandrum to the tune of 155.00 lakhs.

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 2016-17 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 08 women employees in various cadres as on 31st March 2017. Your Company has zero tolerance towards sexual harassment at the work place. The Company has constituted an Internal Complaint Committee in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors state that

- (a) In the preparation of annual accounts for the year ended March 31, 2017, 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, 2017 and of the profit of the Company for the year ended on that date;
- (c) 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;
- (d) The Directors have prepared the annual accounts on a 'going concern' basis;
- (e) 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
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Details on Board Meetings held during the year under review

During Financial year 2016 -17, 4 meetings on Board of Directors were held on the following dates 30th May, 2016, 20th August 2016, 14th November 2016 and 13th February 2017 .

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

Date of Meeting> Name of Director	30 May 2016	20 Aug 2016	14 Nov 2016	13 Feb 2017	Total Number of Meetings Attended
M.R.Subramonian	Yes	Yes	Yes	Yes	4
M.R.Narayanan	Yes	Yes	Yes	No	3
M.R.Krishnan	Yes	No	No	No	1
N.Suresh	Yes	Yes	Yes	Yes	4
K.Manmathan Nair	Yes	No	Yes	Yes	3
P.K.Anandavally Ammal	Yes	Yes	No	Yes	3

Contracts and arrangements with related parties

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

Particulars of Loan, Guarantee and Investments under Section 186

The Company has made an inter corporate deposit with a non banking finance company viz M/s Muthoot Capital Services Limited for an amount of Rs. 152.28 lakhs as an investment for a period of 3 months at a rate of interest of nine percent per annum, under Section 186 of the Companies Act,

2013. The investment is made in the ordinary course of business with the view to investing surplus funds of the Company to get the maximum returns. Other than the above, the Company has not given any loans, guarantees or investments under Section 186 to any party during the period under review.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

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

A. Conservation of Energy.

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

B. Technology Absorption, Research & Development.

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

C. Foreign exchange earnings and outgo.

i. Earnings in Foreign Currency

Head of Earnings	2016-17 in Rs Lakhs	2015-16 in Rs Lakhs
Export Sales	310.62	1049.33
Sales Incentives on Direct orders placed on overseas principals	52.72	48.87

ii. Expenditure in Foreign Currency

Head of Expenditure	2016-17 in Rs Lakhs	2015-16 in Rs Lakhs
Foreign Travel Expenses	13.74	22.19
Import Purchases	1065.88	667.17

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	
Shri.N . Suresh	Non- Executive Independent Directors
Shri.K.Manmathan Nair	
Shri.P.K.Anandavally Ammal	

All the Directors have rich experience and specialized knowledge in various areas of relevance to the Company. The Company is immensely 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 2016-17

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 clause 49 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Company shall have at least one Woman Director on the Board and accordingly, your Board has Ms P.K.Anandavally Ammal as Woman Director.

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

The Company has three Independent Directors on the Board. The Company has received declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 on 01st April 2016 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 30th May 2016.

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 02 September 2016. The composition of the Nomination and Remuneration Committee is as under. All the committee members attended the meeting held on 02th September 2016.

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.

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

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

(i) Criteria for Selection of Directors

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

- The candidate possesses appropriate skills experience and knowledge in one or more fields of managerial/business/administrative/legal/finance qualifications and experience over two decades ;
- The candidate shall be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;
- In the case of appointment of an Independent Director, the candidate meets the conditions of being independent as stipulated under Companies Act, 2013 and the 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 interalia, on the basis of understanding and knowledge of the market in which the Company is operating, ability to appreciate the working of the Company and the challenges it faces, attendance to meetings, extend of participation and involvement in the meetings and ability to convey one's views and flexibility to work with others. The performance of the Committees was evaluated by the based on the composition of the Committees, effectiveness of the Committee meetings with respect to the terms of reference and conduct of the meetings and the procedures followed.

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

Remuneration Policy

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

- (i) Remuneration of Managing Director and Executive Director

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

- (ii) Remuneration to Non Executive Directors

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

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

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

- (iii) Remuneration of Senior Management Personnel and KMP

The Remuneration of the Senior Management Personnel and KMP shall be in accordance with the Policy of the Company as is applicable to the employees. Performance of the

business/function under his control is also considered while deciding remuneration.

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

Audit Committee

Composition of the Audit Committee is as follows

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

The Audit committee consists of two Non-Executive Independent Directors, one of whom is the Chairman. All the members of the Committee possesses accounting or related financial management expertise. The Committee met four times during the financial year 2016-17 on 30th May 2016, 20th August 2016, 14th November 2016 and 13th February 2017 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. Discusssion with internal auditors of any significant findings and follow up thereon;
10. To review the functions of Whistle Blower mechanism;
11. To carry out such other functions as may be referred to it.

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

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

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

Statutory Auditors

M/s M.R.Ramachandran and Co, Chartered Accountants,Firm Regn No 002873S, 9/1, Lynwood Avenue, Mahalingapuram, Chennai 600 34 were appointed as Statutory Auditors of the Company during 23rd AGM held on 24th September 2014 for a period of three 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.

In view of this legal provision, Your Directors have recommended the appointment of M/s Mahadev & Co, Chartered Accountants, Firm Registration Number 001924S, M.M.Complex, 57, Kodambakkom High Road, T.Nagar, Chennai 600 017 as the Statutory Auditors of the Company subject to approval by Members for a period of five years from the conclusion of the 26th AGM. The Company had obtained a certificate from them that the appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditors Report

There are no qualifications or adverse remarks mentioned in the Auditors Report for the financial year 2016-17. The notes on accounts forming part of financial statements are self explanatory.

Secretarial Auditors Report

Secretarial Auditors Report for the financial year 2016-17 as provided by M/s Krishna Prasad R.S & Co, Company Secretaries, T.C 12/1233, Law College Junction, Vanchiyoore PO, Near PMG, Trivandrum 695 035 is annexed to this report. There are no adverse comments or qualifications mentioned in the Secretarial Auditors Report.

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

Corporate Social Responsibility (CSR)

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

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

Pursuant to provisions of Section 135 of the Companies Act, the Company has to spend amount of 2 percent of the average net profits of the Company in the preceding 3 years calculated in accordance with the provisions of Section 198 on CSR activities. Accordingly, the amount to be spent during the financial year 2015-16 was Rs. 16,63,277. In order for the benefit of the locality in whose area the Company functions through its corporate office, the Company associated with the residential association in the area and maintained the children's park and bus stops which it constructed in 2014-15. In the year under review, the Company has associated with the residential association and constructed 3 public roads which was a long pending requirement of the residents in that area. The Company had spend Rs. 18,43,280. Detailed report on CSR policy of the Company and the activities/projects undertaken are provided in Annexure E.

Acknowledgements

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

For and on behalf of the Board of Directors

Place Trivandrum
Date 30.05.2017

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
30th May 2017

Sd/-
M.R.Subramonian
Managing Director

ANNEXURE B Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2017

[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	80200	100

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year -
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	1550660	80540	1631200	68.46	1551160	83865	1635025	68.62	0.16
a) Individual									
b) Central Govt									
c) State Govt									
d) Bodies Corp									
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	1550660	80540	1631200	68.46	1551160	83865	1635025	68.62	0.16
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	--
b) Other - Individuals c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
d) Banks / FI e) Any Other....									
Sub-total (A) (2):-		80540	1631200	68.62	1551160	83865	1635025	68.62	0.16
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	1550660								
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20000	0	20000	0.84	20000	0	20000	0.84	0.00
b) Banks / FI									
c) Central Govt									
d) State Govts									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	20000	0	20000	0.84	20000	-	20000	0.84	0.00

2. Non-Institutions									
a) Bodies Corp									
i) Indian	100000	350000	450000	18.89	452500	0	452500	18.99	0.10
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	58305	173660	231965	9.74	59805	187235	247040	10.37	0.63
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	49585	49585	1.19	Nil	28185	28185	1.18	0.01
c) Others (specify)									
Sub-total (B)(2):-	158305	573245	731550	30.70	512305	215420	727725	30.54	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	178305	573245	751550	31.54	532305	215420	747725	31.38	0.16
									0.16
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
Grand Total (A+B+C)	1728965	653785	2382750	100	2083465	299285	2382750	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	556965	23.38	99.98	556965	23.38	99.98	NIL
2	M.R.KRISHNAN	522015	21.90	99.98	522015	21.90	99.98	NIL
3	M.R.NARAYANAN	448565	18.83	99.84	448565	18.83	99.84	NIL
4	THANKAM RAMAKRISHNAN	51240	2.15	0.00	12710	0.53	0.00	-1.62
5	SHOBHA KRISHNAN	10290	0.43	0.00	10290	0.43	0.00	NIL
6	RADHA NARAYANAN	27800	1.17	0.00	27800	1.17	0.00	0.0
7	ASHA SUBRAMONIAN	8095	0.34	0.00	11420	0.48	0.00	0.14
8	M.S.RAMAKRISHNAN	6230	0.26	0.00	6730	0.28	0.00	0.02
9	KARTHIK NARAYANAN	0	0	0	38530	1.62	0	1.62
	TOTAL	1582575	66.42	0.00	1631200	68.46	0.00	0.16

(iii) **Change in Promoters' Shareholding** – 38530 shares were transferred inter se promoters group between close relatives. There was an interse-purchase of 3325 shares by a person in the promoter group from a relative which represents 0.14 percent of the paid up capital of the Company. There was a purchase of 500 shares from outside the promoter group/relatives.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	350000	14.69	350000	14.69
2	Muthoot Exim Private Limited	100000	4.20	100,000	4.20
3	Dhanlakshmi Bank Limited	20000	0.84	20000	0.84
4	Vijayakumar	16675	0.70	16675	0.70
5	Kunchitham M S	11510	0.48	11510	0.48
6	Vinaya Chand P	9250	0.39	9250	0.39
7	Chandrasasan K C	8325	0.35	8325	0.35
8	Thomas Alocious Fernandez	8325	0.35	8325	0.35
9	Thomas John Muthoot	8300	0.35	8300	0.35
10	Ravindran T	8000	0.34	8000	0.34

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	556965	23.37	556965	23.37
	2. M.R.Krishnan	522015	21.90	522015	21.90
	3. M.R.Narayanan	448565	18.83	448565	18.83
	4. S.Balamurali	1000	0.04	1000	0.04
	5. Vinaya Chand P	9250	0.39	9250	0.39
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequity etc):	NA	NA	NA	NA
	At the End of the year				
	1. M.R.Subramonian	556965	23.37	556965	23.37
	2. M.R.Krishnan	522015	21.90	522015	21.90
	3. M.R.Narayanan	448565	18.83	448565	18.80
	4. S.Balamurali	1000	0.04	1000	0.04
	5. Vinaya Chand P	9250	0.39	9250	0.39

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment -Rs.155.10 lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount				
Interest due but not paid				
Interest accrued but not due				
Total (i+ii+iii)	0.00	0.00	0.00	0.00
Change in Indebtedness during the financial year				
Addition	155.10	0	0	155.10
Reduction				
Net Change	155.10	0	0.00	155.10
Indebtedness at the end of the financial year				
i) Principal Amount	155.10	0.00	0.00	155.10
ii) Interest due but not paid	0.00	0.00	0.00	
iii) Interest accrued but not due	0.00	0.00	0.00	
			0	
Total (i+ii+iii)	155.10	0.00	0.00	155.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in Rs Lakhs)

Sl. no.	Particulars of Remuneration	M.R.Subramonian Managing Director	M.R.Krishnan Executive Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	33.00	33.00	66.00
2.	Stock Option	Nil 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)	33.00	33.00	66.00
	Ceiling as per the Act	66.00 lakhs as per provisions of Schedule V of the Companies Act, 2013		

B. Remuneration to other directors:

In Rs Lakhs

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
		N Suresh	Manmathan Nair	P.K.Ananda Vally Ammal	
1.	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	0.375	0.275↓	0.275	0.925
	Total (1)	0.375	0.275	0.275	0.925
2.	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	M.R.Narayanan Nil 3.84			3.84
	Total (2)	3.84			3.84
	Total (B)=(1+2)	4.77			
	Total Managerial Remuneration	Rs. 4.77			
	Overall Ceiling as per the Act	Rs. 5.30 lakhs being 1 % of net profits of the Company calculated as per Section 198 of the Companies Act, 2013 including 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	22.70 Nil	05.88 Nil	28.58 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		0.39	0.45	0.84
	Total		23.09	6,33	29.42

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						

ANNEXURE - C

FORM NO. AOC.2

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

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

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

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

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

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

Trivandrum
30 May 2017

Sd/-
M.R.Narayanan
Chairman

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 2017	11.54
(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 2016	1.34
(iii) The median remuneration of employees of the Company during the financial year	Rs 286.000
(iv) Percentage increase in the median remuneration of the employees in the financial year 2016-17	13.49
(v) Number of permanent employees on the rolls of the Company as on 31 st March 2016	88
(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	10 percent average increase in salaries of employees other than managerial personnel. There was no 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 2016-17 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 2016-17	Comparison of the remuneration against the performance of the Company
		2016-17	2015-16		
01	M.R.Subramonian, Managing Director	33.00	33.00	Nil	Profits before tax decreased by 25.19% and Profits after tax decreased by 25.02 %
02	M.R.Narayanan, Director	03.84	05.90	(-)34.92%	
03	S.Balamurali, Company Secretary	23.09	24.35	(-)5.17%	
04	P.Vinaya Chand, Chief Financial Officer	6.33	6.19	2.26 %	

Variations in

	31 st March 2017	31 st March 2016
Market Capitalisation	Not Applicable	Not Applicable
Market Price	Not Applicable	Not Applicable
Earnings Per Share	Rs. 9.51	12.69
Price Earning Ratio	Not Applicable	Not Applicable
Net Worth	Rs.3239.12 lakhs	Rs.3084.12 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.

Annexure E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

The company's vision is to be responsible corporate and also to demonstrate environmental, transparent and ethical behavioural practices which contributes towards the economical and sustainable development within the company, corporate world and society as a whole.

4. SCOPE OF ACTIVITIES:

A. EDUCATION:

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

B. ENVIRONMENT

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

C. WATER SUPPLY :

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

D. HEALTH RELATED ACTIVITIES:

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

E. SPORTS AND CULTURES ACTIVITIES:

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

3. Average net profit of the Company for the last three financial years

Rs.831,63,821

4. CSR Expenditure(2 % of the above) Rs. 16,63,277

5. Details of CSR spend for the financial year

a. Total amount to be spent for the financial year Rs.16.63,277

b. Amount spent for the financial year Rs. 18.43,280

c. Amount unspent, if any Rs.Nil

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

Sl No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheading (1)Direct expenditure on projects or programs (2)Overheads	Cumulative Expenditure up to the reporting period	Amount Spent (a)Direct Or (b)through Implementing agency

01	Construction of 3 proper roads, maintenance of bus shelters , childrens park and garden	Environment Schedule VII (iv)	1.Local Area 2.Kerala,Trivandrum	Rs.19,00,000	1.Rs.1843280 as direct expenditure 2.-	1.Rs.1843,280	a.Rs,1843280 as as direct expenditure
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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

May 30, 2017
Trivandrum

AUDITOR'S REPORT

To

The Shareholders,
Adtech Systems Ltd
Chennai-41

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Adtech Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY ON FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies(Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that,
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note (r) (b) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Funds by the Company.
 - iv. The Company has provided requisite disclosures of the receipts and payments in cash, made by the Company, in the financial statements, as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from November 08, 2016 to 30th December 2016.

For M.R.RAMACHANDRAN&Co
CHARTERED ACCOUNTANTS
Firm Regn No 002873S

Date :30th May 2017
Place : Chennai

Sd/-
M.R.RAMACHANDRA WARRIER
Partner
MEMBERSHIP No.FCA 4601

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirement" of the ourreport of even date to the financial statements of the company for the year ended 31st March, 2017.

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.
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, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes as on 31st March 2017 except the following.

Name of the Statute	Nature of Dues and financial year to which it pertains	Forum where dispute is pending	Amount involved	Security Deposit made
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 15,95,326	Rs. 478,598
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 149,260	Rs. 44,778
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 47,21,776	Rs. 14,16,533
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 38,84,056	Rs. 11,65,217
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 18,84,438	Rs. 565,332
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 20,89,713	Rs. 626,914
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. 792,756	Rs. 134,366
		Total	194,71,337	53,02,541

(c) Based on our examination of the records and the information and explanations gives to us, the Company has transferred an amount of Rs.38,475 lying in the unpaid dividend account to the Investor Education and Protection Fund (dividend declared for FY 2008-09) in accordance with the relevant provisions of the Companies Act, 1956 and the rules framed thereunder.

(b)The Company has no accumulated losses at the beginning of the financial year. The company has not incurred any cash losses during the financial year or the immediately preceding financial year.

8. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The company has not issued any debentures as of date.
9. Based on our audit procedures and according to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, the Company has utilized the moneys raised by way of public issue of shares and term loans for the purpose for which they were actually obtained.
10. Based on our audit procedures performed and according to the information and explanations given to us, we have not noticed or have not been reported of any fraud on or by the Company during the year.
11. Based on our audit procedures and according to the information and explanations, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xiii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the the Order are not applicable to the Company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not engaged in the business of Non-Banking Financial institution and is hence not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M.R.RAMACHANDRAN&Co
CHARTERED ACCOUNTANTS
Firm Regn No 002873S

Sd/-
M.R.RAMACHANDRA WARRIER
Partner
MEMBERSHIP No.FCA 4601

Date :30th May 2017
Place : Chennai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Adtech Systems Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1.pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

1. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

2. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the " internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

Date :30th May 2017
Place : Chennai

For M.R.RAMACHANDRAN&Co
CHARTERED ACCOUNTANTS
Firm Regn No 002873S

Sd/-
M.R.RAMACHANDRA WARRIER
Partner
MEMBERSHIP No.FCA 4601

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017**

[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]

To,

The Members,
Adtech Systems Limited.
2/796, Second Floor, A Wing,
Sakshi Towers, First Main Road
Kazura Gardens, Neelankarai
Chennai 600 041

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Adtech Systems Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Adtech Systems Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Adtech Systems Limited for the Financial Year ended 31st March 2017 according to the provisions of:

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

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Labour laws and other laws as may be applicable to the company
I have also examined compliance with the applicable clauses of the following:
- (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

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

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

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

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

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

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

Place: Trivandrum
Date :07.08.2017

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

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, 2017

	Note No	As at the end 31st March 2017	As at the end 31st March 2016
EQUITY AND LIABILITIES			
Share holders' Fund			
(a) Share Capital	3	277,81,490.00	277,81,490.00
(b) Reserves and Surplus	4	2961,30,227.23	2806,30,558.86
Non- Current Liabilities			
(a) Long Term Borrowings	5	0.00	0.00
(b) Deferred Tax Liabilities (Net)	6	36,57,486.70	36,32,632.70
Current Liabilities			
(a) Short Term Borrowings	7	155,10,192.00	0.00
(b) Trade Payables	8	498,59,010.89	381,25,658.21
(c) Other Current Liabilities	9	54,41,662.93	71,79,511.29
(d) Short term Provisions	10	698,94,014.00	1148,00,288.00
Total		4682,74,083.75	4721,50,139.06
ASSETS			
Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	215,54,858.19	213,71,526.19
(b) Other Non Currents Assets	12	0.00	0.00
Current Assets			
(a) Current Investments	13	519,55,349.64	0.00
(a) Inventories	14	1073,35,008.17	909,42,411.10
(b) Trade Receivables	15	1051,53,581.40	1026,79,551.39
(c) Cash & Cash Equivalent	16	747,54,505.81	1083,32,501.98
(d) Short Term Loans & Advances	17	1075,20,780.54	1488,24,148.40
Total		4682,74,083.75	4721,50,139.06

in terms of our report attached
for M.R.Ramachandran & Co
Chartered Accountants
Firm Regn No 002873S

Sd/-
M.R.Ramachandra Warriar
Partner
Membership Number FCA 4601
Place : Chennai
Date : 30 May 2017

for and on behalf of the Board of Directors

Sd/-
M.R.Subramonian
Managing Director

Sd/-
S.Balamurali
Company Secretary

Sd/-
M.R.Krishnan
Executive Director

Sd/-
P.Vinaya Chand
Chief Financial Officer

ADTECH SYSTEMS LIMITED

2/796, 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 2017

	Note No.	For the year ended 31-Mar-17 Rs.	For the year ended 31-Mar-16 Rs.
Revenue From Operations	18	3601,85,316.83	4300,79,507.08
Other Income	19	80,40,854.42	94,92,428.91
Total Revenue (1+2)		3682,26,171.25	4395,71,935.99
Expenses			
(a) Cost of material consumed	20	2531,05,275.83	2726,96,600.51
(b) Change in Inventories of finished goods, work in progress, stock in trade	21	-14,62,021.30	401,08,881.80
(c) Employee Benefit Expenses	22	449,53,540.25	427,87,810.00
(d) Finance Cost	23	2,94,803.99	1,99,221.54
(e) Depreciation and amortisation expense		11,99,609.57	10,10,490.05
(f) Other expenses	24	353,42,082.54	375,06,690.74
Total Expenses		3334,33,290.88	3943,09,694.64
Profit/(Loss) before exceptional and extraordinary items and Tax (3-4)		347,92,880.37	452,62,241.35
Exceptional Items			
Profit/(Loss) before extra ordinary items and Tax (5+-6)		347,92,880.37	452,62,241.35
Extra Ordinary items		9,33,037.00	0.00
Prior Period Income		0.00	0.00
Profit/(Loss) before Tax (7+-8)		338,59,843.37	452,62,241.35
Tax Expense :			
(a) Tax expense for Current Year		111,65,732.00	149,88,000.00
(b) (Less): MAT Credit (where applicable)			
(c) Current tax expense relating to prior years			
(d) Net current tax expense		111,65,732.00	149,88,000.00
(e) Deferred tax		24,854	36,886
Profit / (Loss) for the year		226,69,257.37	302,37,355.35
Earnings per equity share in Rs:			
(1) Basic	25	9.51	12.69
(2) Diluted	25	9.51	12.69
Corporate Information and Significant accounting policies	1 & 2		

in terms of our report attached
for M.R.Ramachandran & Co
Chartered Accountants
Firm Regn No 002873S

Sd/-

M.R.Ramachandra Warriar
Partner
Membership Number FCA 4601
Place : Chennai
Date : 30 May 2017

for and on behalf of the Board of Directors

Sd/-

M.R.Subramonian
Managing Director

Sd/-
S.Balamurali
Company Secretary

Sd/-

M.R.Krishnan
Executive Director

Sd/-
P.Vinaya Chand
Chief Financial Officer

Note 3 : Share Capital

	As at 31 March 2017	As at 31 March 2016
Authorised Shares		
36,00,000 Equity Shares of Rs.10 each	360,00,000.00	360,00,000.00
Issued, Subscribed and fully paid up shares	238,27,500.00	238,27,500.00
Total Issued Subscribed and fully paid up Shares	238,27,500.00	238,27,500.00

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

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

b. Terms/rights attached to equity shares

The Company has only one class of shares viz equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The 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 2017, the amount of dividend per share recommended for distribution to shareholders is Rs.2.50 per share.(Previous year ended 31st March 2016 dividend was Rs.2.50/- per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

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

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

	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No of shares held	% of Holding
M.R.Narayanan	448565	18.83	448565	18.83
M.R.Subramonian	556965	23.37	556965	23.37
M.R.Krishnan	522015	21.91	522015	21.91
Tops Security Limited	350000	14.69	350000	14.69

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

Note 4 : Reserves and Surplus

<u>Reserves & Surplus`</u>	31-Mar-17	31-Mar-16
a. Capital Reserves		
Balance as per last financial statements		53,37,500.00
(+) Current Year Transfer	53,37,500.00	
Closing Balance		53,37,500.00
	53,37,500.00	
b. Revaluation Reserve		
Balance as per last financial statements		17,220.00
(+) Current Year Transfer	17,220.00	
(-) Written Back in Current Year		
Closing Balance		17,220.00
	17,220.00	
c. General Reserve		
Opening Balance	335,95,207.00	305,54,744.00
Add Transfer from current year profits	24,00,000.00	30,40,463.00
(-) Written Back in Current Year		
Closing Balance	359,95,207.00	335,95,207.00
	359,95,207.00	
d Surplus/(deficit) statement in the statement of Profit and Loss		
Balance as per last financial statements	2416,80,631.86	2216,53,328.51
Add : Profit for the current year	226,69,257.37	302,37,355.35
Less : Appropriations		
Dividend @Rs 2.5 per share (PY Rs.2.50 per share)	59,56,875.00	59,56,875.00
Tax on proposed dividend	12,12,714.00	12,12,714.00
Transfer to General Reserve	24,00,000.00	30,40,463.00
Adjustment on account of change in residual value of fixed assets		
Net surplus in the statement of profit and loss	2547,80,300.23	2416,80,631.86
	2547,80,300.23	
Total Reserves and Surplus	2961,30,227.23	2806,30,558.86
	2961,30,227.23	

	31-Mar-17	31-Mar-16
Note 5 : Long Term Borrowings	0.00	0.00
Total Long term Borrowings		
Note 6: Deferred Tax Liabilities (Net)		
Deferred Tax Liability (opening balance)	36,32,632.70	35,95,746.70
Less: Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting	24,854.00	36,886.00
Deferred Tax Liabilities (Net)	36,57,486.70	36,32,632.70
Note 7 Short Term Borrowings		
Secured	0.00	0.00
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	155,00,000.00	0.00
Interest accrued and due on above	10,192.00	0.00
Total	155,10,192.00	0.00
Note 8 : Trade Payables		
(a) Creditors for Purchases	397,32,177.20	287,31,219.93
(b) Creditors for Expenses	67,46,679.62	80,98,931.45
© Advance against supply of goods	33,80,154.07	12,95,506.83
Total Trade Payables	498,59,010.89	381,25,658.21
Note 9 Other Current Liabilities		
Current maturities of Loan Borrowings (ref note 5)		
(a) Statutory dues payable	28,66,027.93	48,68,712.29
(b) Employee related Payables	22,36,881.00	20,89,490.00
(c) Income received in advance	3,38,754.00	2,21,309.00
Total Other current liabilities	54,41,662.93	71,79,511.29

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

Note 11 Fixed Assets

Sl No	Particulars	Gross Block				Depreciation Block				Net Block	
		At cost as on 31.03.2016	Additions	Sale/Transfer/Write off	At cost as 31.3.2017	Up to 31.03.2016	For the Period	Up to 31.03.2017	As at 31.03.2016	As at 31.03.2017	
1	Furniture & Fittings	579700.63	57897.00	0.00	637597.63	329995.42	57518.65	387514.07	249705.21	250083.56	
2	Computer Systems	1677763.71	525555.00	0.00	2203318.71	1117334.30	367210.41	1484544.71	560429.41	718774.00	
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	181450.00	254450.00	0.00	435900.00	45738.80	43349.89	89088.69	135711.20	346811.31	
5	Office Equip	435001.00	6890.00	0.00	441891.00	117604.54	83195.35	200799.89	317396.46	241091.11	
6	Motor Car	4356757.00	0.00	0.00	4356757.00	1932613.28	413891.91	2346505.19	2424143.72	2010251.81	
7	EPBEX	94108.06	0.00	0.00	94108.06	32716.72	11533.76	44250.48	61391.34	49857.58	
8	Building Renovation A/c	1000463.99	279823.00	0.00	1280286.99	367777.15	153954.10	521731.25	632686.84	758555.74	
9	Software Development	238059.00	220500.00		458559.00	205908.51	74572.73	280481.24	32150.49	178077.76	
10	Land	15686060.00	0.00	0.00	15686060.00	0.00	0.00	0.00	15686060.00	15686060.00	
11	Building Construction	95776.00	105732.00		201508.00			0.00	95776.00	201508.00	
12	Plant and Machinery	1158330.00	34537.25	0.00	1192867.25	5529.52	93568.27	99097.79	1152800.48	1093769.46	
13	Testing Equipments	17143.00	0.00		17143.00	2462.96	3257.18	5720.14	14680.04	11422.86	
		25691771.74	1485384.25	0.00	27177155.99	4320245.55	1302052.25	5622297.80	21371526.19	21554858.19	

Note 10 Short Term Provisions	31-Mar-17	31-Mar-16
(a) Provision for employee benefits		
Provision for Leave Encashment (non funded)	19,39,737.00	17,04,850.00
Provision for Bonus	27,10,700.00	22,22,000.00
Total provisions for employee benefits	46,50,437.00	39,26,850.00
(b) Other Provisions		
Provision for Taxation	580,73,988.00	1108,73,438.00
Provision for Dividend	59,56,875.00	0.00
Provision for Dividend Tax	12,12,714.00	0.00
Total other provisions	652,43,577.00	1108,73,438.00
Total Short Term Provisions	698,94,014.00	1148,00,288.00
Note 12 Non current assets	0.00	0.00
Note 13 : Current Non-Trade Investments(inclusive of dividend declared and at NAV as on 31st March 2017)		
SBI Savings Fund	154,36,892.55	0.00
SBI Equity Saving Fund	50,74,731.25	0.00
SBI Treasury Advantage Dund	157,18,933.32	0.00
SBI Ultra Shortterm Debt Fund	157,24,792.52	0.00
Total Current Non-Trade Investments	519,55,349.64	0.00
Note 14 : Inventories		
Inventories at Trivandrum		
EAS Systems	510,36,779.93	568,99,824.10
Display Security Systems	186,59,665.11	202,63,842.23
CCTV & Alarm Systems	45,17,309.95	32,92,766.96
Access Control Systems & Cables	17,60,447.55	15,92,864.26
Solar 500 KW Project Purchases	84,36,344.67	10,60,941.00
Vertical Wind Mill	0.00	2,49,194.00
Solar 500 KW Project Work in Progress	181,40,954.17	32,10,378.40
Total Inventories at Trivandrum	1025,51,501.38	865,69,810.95
Inventories at Delhi & Chennai	47,83,506.79	43,72,600.15
Total Inventories	1073,35,008.17	909,42,411.10

Note 15 : Trade Receivables

Receivables Outstanding for a period more than 6 months - unsecured, Considered good	126,22,639.48	70,13,196.60
Receivables Outstanding for a period more than 6 months - Unsecured,Doubtful	4,42,127.27	6,10,559.89
Receivables Outstanding for a period less than 6 months Unsecured, Considered Good	920,88,814.65	950,55,794.90
Total Trade Receivables	1051,53,581.40	1026,79,551.39

Note 16 Cash and Cash Equivalents

Cash in Hand	38,916.00	56,504.46
Balances with scheduled banks on current accounts	186,19,198.99	558,80,840.10
Balances with scheduled banks on deposit accounts	560,96,390.82	523,95,157.42
Total Cash and Cash Equivalents	747,54,505.81	1083,32,501.98

Note 17 Short Term Loans and Advances

Advance for Expenses,Unsecured, considered good	9,75,904.61	4,36,639.38
Advance for Purchases,Unsecured, considered good	124,76,823.38	35,65,845.83
Earnest Money Deposit	3,42,361.00	6,92,785.00
Intercorporate Deposit with Muthoot Capital Services Ltd	152,27,806.00	140,85,420.00
Security Deposit	56,11,930.98	45,91,843.94
Rental Deposits	6,98,440.00	6,78,440.00
Tax Deducted at Source	63,39,007.52	96,79,000.41
Advance Income Tax	602,09,598.79	1103,25,005.00
Advance for land to related party (unsecured, considered good) *	33,05,662.00	33,05,662.00
Other Loans and advances, Unsecured, considered good	23,33,246.26	14,63,506.84
Total Short Term Loans and advances	1075,20,780.54	1488,24,148.40

* Ref note 2

Note 18 Revenue from Operations

(a) Revenue from Sale of Products		
Interstate Sales -Kerala	2302,34,972.16	2529,86,052.12

Interstate Sales -Tamilnadu	57,70,183.00	10,98,500.00
Interstate Sales- Delhi	11,57,191.00	13,81,342.00
Local sales-Kerala	187,64,033.00	182,11,011.00
Local Sales Tamilnadu	171,17,364.00	88,97,557.00
Local Sale -Delhi	186,86,766.00	22,35,925.00
Export sales	310,62,203.85	1049,33,482.76
Sub Total	3227,92,713.01	3897,43,869.88
Less Sales Returns		
Revenue from Sale of Products	3227,92,713.01	3897,43,869.88

(b) Revenue from Sale of Service and Maintenance

AMC received	215,98,179.00	211,72,171.52
Forwarding & Handling Charges	4,17,982.00	1,87,075.80
Income from services	11,81,932.00	12,03,386.88
Installation Charges received	89,22,188.00	120,96,586.00
Marketing Incentives on Direct Orders	52,72,322.82	56,76,417.00
Revenue from Sale of Service and Maintenance	373,92,603.82	403,35,637.20
Total Sales and Service Income	3601,85,316.83	4300,79,507.08

Note 19 . Other Income

Interest on Deposits	53,80,583.00	57,67,379.60
Foreign Exchange Gain	6,94,531.78	37,25,049.31
Dividend from SBI Mutual Fund	19,55,349.64	0.00
Miscellaneous Income	10,390.00	
Total Other Income	80,40,854.42	94,92,428.91

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

Note 20. Purchases

Local Purchases Kerala	966,25,906.21	923,13,022.55
Local Purchases Delhi	5,76,000.00	1,47,995.00
Local Purchases Tamilnadu	59,73,822.00	21,81,834.80
Interstate Purchases Kerala	516,46,000.01	876,66,352.49
Interstate Purchases Tamilnadu	32,18,441.00	9,43,402.00
Import Purchases Delhi	98,81,339.00	0.00
Import Purchases Tamilnadu	86,88,108.00	30,55,776.00
Imported Purchases Kerala	764,95,659.61	863,88,217.67

Total purchases of Stock in Trade	2531,05,275.83	2726,96,600.51
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Note 21 Changes in Inventories

Opening Stock of Stock in Trade	877,32,032.70	1278,40,914.50
Less Closing Stock of Stock in Trade	891,94,054.00	877,32,032.70
Change in Inventory of stock in trade	14,62,021.30	-401,08,881.80

Note 22 :Employee benefits expense

Bonus	32,53,700.00	22,60,000.00
ESI Contribution	2,07,197.00	1,93,514.00
Gratuity	4,78,536.00	1,52,757.00
Contribution to Workers Welfare Fund	6,880.00	9,120.00
Leave Encashment	9,65,068.00	7,40,535.00
Leave Travel Concession	7,54,650.00	3,69,371.00
Medical reimbursement	12,26,692.25	12,32,050.00
PF Contribution	20,80,024.00	20,04,049.00
Salaries - Directors	70,41,893.00	71,15,250.00
Salaries - Others	289,38,900.00	287,11,164.00
TOTAL	449,53,540.25	427,87,810.00

Note 23 . Finance Charges

Interest Paid on overdraft	1,27,740.00	67,778.00
Bank Charges and Commission	1,67,063.99	1,31,443.54
TOTAL	2,94,803.99	1,99,221.54

Notes forming part of the financial statements for the year ended 31 March 2017 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

Note 24 : Other Expenses

(a). Administrative Expenses

AMC Paid	5,57,609.20	2,70,229.00
Audit Fee	2,87,500.00	2,87,500.00
Tax Audit Fee	1,15,000.00	1,14,500.00
Books and Periodicals	31,932.00	27,374.00
Consultancy Charges	2,49,000.00	2,59,120.00

Conveyance	18,47,783.55	14,40,152.50
Corporate Social Responsibility Expenses	18,43,280.00	18,35,000.00
Demat Charges	57,883.50	48,835.00
Electricity and Water Charges	5,07,813.00	5,56,917.00
Filing Fee	10,800.00	42,000.00
Foreign Travel Expenses	13,74,294.76	22,18,665.54
Insurance	1,88,415.45	1,94,082.50
Internal Audit Fee	2,30,000.00	2,28,500.00
Listing Fee	6,03,750.00	7,079.00
Membership fee	99,180.00	1,53,035.00
Office Expenses	2,98,352.00	4,95,654.34
Pooja Expenses	8,518.00	7,424.00
Postage and Telegram	1,65,661.00	86,548.00
Printing and Stationery	4,32,714.00	5,28,470.00
Professional Charges	1,81,144.00	6,80,950.10
Professional tax	180.00	0.00
Rent A/c	21,28,430.00	20,92,160.00
Repairs and Maintenance	4,51,052.20	8,28,458.00
Sales tax Expenses	0.00	15,431.00
Secretarial Audit Fee	70,000.00	70,000.00
Security Service Charges	1,78,447.00	1,52,874.30
Service Charges	23,53,936.00	10,98,154.00
Service Expenses	13,22,928.00	10,79,182.00
Sitting Fee	30,000.00	0.00
Staff Welfare Expenses	1,58,396.50	3,02,754.00
Telephone, Fax and Email	14,89,156.57	14,77,757.87
Training Expenses	1,09,075.00	1,24,350.00
Travelling Expenses	57,37,429.79	53,15,961.72
TOTAL	231,19,661.52	220,39,118.87

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

(b) Selling Expenses

Advertisement	1,10,359.00	2,92,977.00
Bad Debts written off	3,25,351.11	2,00,897.11
Carriage Outwards	29,49,139.57	30,85,247.32
Commission	38,54,206.00	67,49,511.00
Courier Charges	4,25,671.50	2,66,947.18
Exhibition Expenses	3,14,170.00	5,32,357.00
Freight on Export	5,10,997.35	14,31,781.34
Installation Expenses	20,83,299.32	20,81,720.79
Liquidated Damages	0.00	2,34,964.00

Marketing Expenses	13,23,293.00	1,62,071.00
Marketing Incentive	24,561.00	1,62,293.00
Packing Materials	1,49,506.00	1,15,806.00
Rates and Taxes	38,583.25	73,325.00
Rebates and Discount	66,046.92	71,047.13
Tender Form Purchased	47,237.00	6,627.00

TOTAL	122,22,421.02	154,67,571.87
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Total Other Expenses	353,42,082.54	375,06,690.74
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Note 25 : 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	226,69,257.37	302,37,355.35
Number of Shares	23,82,750.00	23,82,750.00
Earnings per Share	9.51	12.69

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 2017	31st March 2016
Cash Flow from Operating Activities		
Net profit before tax as per Statement of Profit and Loss	338,59,843.37	452,62,241.35
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation	11,99,609.57	10,10,490.05
Change in Inventories of finished goods, work in progress, stock in trade	1,02,442.68	-
Finance Costs	1,27,740.00	67,778.00
Bad Debts Written Off	-	2,00,897.11
Exchange Fluctuation	(6,94,531.78)	(37,25,049.31)
Dividend from SBI Mutual Fund	(19,55,349.64)	-
Interest Income	(53,80,583.00)	(57,67,379.60)
Operating Profit before Working Capital Changes	272,59,171.20	370,48,977.60
Adjustments for:		
Increase or decrease in inventory	(163,92,597.07)	368,98,503.40
Increase or decrease in receivables	(24,74,030.01)	389,21,005.71
Increase or decrease in other short term advances	413,03,367.86	(288,15,733.42)
Increase or decrease in trade payables	117,33,352.68	(767,18,596.47)
Increase or decrease in short term borrowings	155,10,192.00	-
Increase or decrease in other payables	(17,37,848.36)	4,40,584.56
Increase or decrease in Short term provisions	(449,06,274.00)	60,43,089.00
Cash Generated from Operations	302,95,334.30	138,17,830.38
Direct Tax paid	(111,65,732.00)	(149,88,000.00)
Net Cash flow from Operating activities	191,29,602.30	(11,70,169.62)
Cash Flow from Investing Activities		
Purchase of Non-Current Assets	(14,85,384.25)	(24,90,413.00)
Investment in Mutual Funds	(519,55,349.64)	-
Proposed Dividend & Dividend Distribution Tax	(71,69,589.00)	(71,69,589.00)
Dividend from SBI Mutual Fund	19,55,349.64	-
Interest received	53,80,583.00	57,67,379.60
Net Cash flow from Investing Activities	(532,74,390.25)	(38,92,622.40)
Cash Flow from Financing Activities		
Exchange Fluctuations	6,94,531.78	37,25,049.31
Finance Costs	(1,27,740.00)	(67,778.00)
Net cash flow from financing activities	5,66,791.78	36,57,271.31
Net Increase/Decrease in Cash	(335,77,996.17)	(14,05,520.71)
Add: Cash and Cash Equivalents at beginning (Opening Balance)	1083,32,501.98	1097,38,022.69
Cash and Cash Equivalents as at end (Closing Balance)	747,54,505.81	1083,32,501.98

in terms of our report attached
for M.R.Ramachandran & Co
Chartered Accountants
Firm Regn No 002873S

Sd/-
M.R.Ramachandra Warriar
Partner
Membership Number FCA 4601
Place : Chennai
Date : 30 May 2017

for and on behalf of the Board of Directors

Sd/-
M.R.Subramonian
Managing Director

Sd/-
S.Balamurali
Company Secretary

Sd/-
M.R.Krishnan
Executive Director

Sd/-
P.Vinaya Chand
Chief Financial Officer

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

Segmental Reporting

Amt in Rs Lakhs

	EAS		CCTV/ ACS(C/I)		Others		Consolidated Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1. Segment Revenue								
(a) External Sales	2554.64	3238.23	1044.14	1061.81	29.67	37.25	3628.45	4337.29
(b) Inter-Segment Sales								
© Total Revenue	2554.64	3238.23	1044.14	1061.81	29.67	37.25	3628.45	4337.29
2. Total Revenue of each segment as a percentage of total revenue of all segments	70.41	74.66	28.78	24.48	0.82	0.86	100.00	100.00
3. Segment Result [Profit/(Loss)]	411.55	535.59	203.35	120.23	24.67	37.25	639.57	693.07
4. Unallocated Corporate expenses							356.83	296.50
5. Operating Profit							282.74	396.57
6. Interest Expense					2.95	1.99	2.95	1.99
7. Interest Income					0	0	53.8	57.67
8. Net Profit before taxes							333.59	452.25
9. Segment Assets	1,372.20	1,484.38	499.86	432.16	0	0	1,872.06	1,916.54
10. Segment assets as a percentage of total assets	29.30	31.44	10.67	9.15	0.00	0.00	0.00	100.00
11. Unallocated Corporate Assets					0	0	2,810.68	2,804.96
12. Total Assets							4,682.74	4,721.50
13. Segment Liabilities	321.47	286.38	80.14	44.55	0	0	401.61	330.93
14. Unallocated Corporate liabilities							1,042.01	1,306.45

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 . Corporate Identity Number (CIN) is U33111TN1990PLC018678. Paid up Share Capital of the Company is Rs. 238. 2 lakhs divided into 2382750 equity shares of Rs. 10/- each fully paid up.

Note 2 : Significant Accounting Policies.

The financial statements for the year ended 31st March 2017 have been prepared under the historical cost convention and on an accrual basis. The financial statements of the Company have been prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the mandatory and relevant Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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

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

(A) DISCLOSURE AND PRESENTATION OF FINANCIAL STATEMENTS AND USE OF ESTIMATES

Preparation of the financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances as the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years. The financial statements for the year ended 31st March 2017 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) Fixed Assets _

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

(c) Depreciation

Depreciation on assets held for own use of the Company is provided on written down value method as

per the useful years of life of the assets and in the manner prescribed under Schedule II of the Companies Act, 2013.

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

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

[d] Inventory Valuation

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

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

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

[f] Cash flow statement

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

[g] Investments

The Company has made an inter corporate deposit with M/s Muthoot Capital Services Limited of Rs 152.28 lakhs on 30th March 2017 for a period of 3 months which carries an interest rate of 9 percent per annum out of the surplus funds. The deposit is classified under the head "Short Term Loans and Advances" in the Balance Sheet.

[h] Foreign exchange transactions :

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

[i] Prior period income and Extraordinary items

Prior period income Rs Nil lakhs (PY Rs.Nil)

[j] Revenue recognition

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

[k] Taxation

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

Current income tax is measured at the amount expected to be paid to the Income Tax authorities in accordance with the Income –tax Act,1961. Provision for Income Taxfor the period comes to Rs.111.66lakhs (PY Rs.149.88 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. 0.25 lakhs has been debited to the statement of Profit and Loss on account of deferred tax .

[l] Employee Retirement and other Benefits.

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

- (ii) Gratuity

Liability for Gratuity in respect of employees of the Company has been covered under the Group Gratuity cum Assurance Scheme by the Life Insurance Corporation of India and the Contribution is recognized in the Statement of Profit and Loss. The Company has made provision for gratuity for a total amount of Rs.37.92 lakhs (current year provision Rs.4.79 lakhs) as per actuarial valuation made by LIC of India. An amount of Rs.33.13lakhs has been paid by the Company to LIC of India Group Gratuity Fund (current year contribution 4.79 lakhs). Value of the Gratuity Fund as on 31st March 2017 is Rs.50.53 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 2017 is Rs 19.40 lakhs (PY 17.05 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 operates mainly in one single segment viz Supply and integration of Electronic Security Systems. Though not strictly necessary, the Company has, for as a measure of providing greater understanding, divided this segment into two viz the "Electronic Article Surveillance Systems "(EAS) used for providing security to the retail segment and the "Commercial Industrial (C/I) for providing security solutions for industrial use. Segment accounting policies are in line with the accounting policies of the Company. The following specific accounting policies have been followed for segment reporting.

(i) Segment revenue includes sales, service and other income directly attributable to the segment. Income which cannot be allocated to segments is included in "Unallocated Corporate Income".

(ii) Expenses that are directly allocable to segments are considered for determining the segment result. The expenses which relate to the company as a whole and not allocable to segments are included under "Unallocable Expenditure"

(iii) Segment assets and liabilities are those which are directly identifiable with the respective segments. Unallocable corporate assets and liabilities are those which relate to the company as a whole and not allocable to any segment.

(n) Impairment of Assets

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

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

(o) Related party transactions

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

During the year, the Company has entered into certain transactions with related parties. Those transactions along with the related balances as at March 31st, 2017 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 Hotelttek 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
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Summary of transactions with the above related parties during the year is as follows

SI No	Nature of Transaction (Excluding Reimbursements)	Associates	Key Managerial Personnel/Relative	Others	Total
01	Sales 2016-17	16.99	-	---	16.99
	2015-16	33.49			33.49
02	Purchases/services 16 17	1.55	-	--	1.55
	2015-16	0.00			0.00
02	Payment to Key Managerial Person/Relative 2016 17		199.26	----	99.26
	2015-16		111.28		111.28

The only major transaction with related party during the year is the sale transaction with M/s APT Micro Solutions Ltd for Rs. 11.09 lakhs (Previous year 32.83lakhs)

Balance as on 31st March 2017

SI No	Nature of Transaction	Associates	Key Managerial Personnel/Relative	Others	Total
01	Trade Receivables 2016-17	12.27	-	---	12.27
	2015-16	32.83			32.83
02	Land Advance	33.06			33.06
		33.06			33.06

(p) An amount of Rs. 5.88 lakhs is lying in the Unpaid Dividend Account with State Bank of India on 31st March 2017 towards the dividend declared and paid but not claimed for the financial years as detailed below.

Financial Year	Amount Unclaimed
2009-10	24,150.00
2010-11	74,025.00
2012 Interim Dividend	43,800.00
2011-12	24,400.00
2012-13	56,540.00
2013-14	126,225.00
2014-15	103,800.00
2015-16 Interim dividend	135,312.50

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

<u>[q] Sales and Service Income</u>	As at 31.03.2017 Value in Rs Lakhs	As at 31.03.2016 Value in Rs. lakhs
(a) Sale of goods		
Electronic Security goods traded	3227.92	3897.43
(b) Service and Maintenance Income	373.93	403.36
Total Sales and Service Income	3601.85	4300.79
	=====	=====

[r]Contingent Liabilities not provided for :

a. Liabilities against bank guarantees issued on behalf of the company for participating in tenders and given as performance guarantee comes to Rs99.37lakhs(Previous year Rs.98.20 lakhs-).Banks have marked lien on Company's fixed deposits to the extent of outstanding bank guarantee amount.

The Company has received assessment orders for Kerala State VAT and CST for the years 2010-11, 2011-12, 2012-13 and 2013-14 demanding amounts as detailed in below statement due to non-submission of exemption forms and other reasons. The Company has preferred appeals against each assessment order and has given security deposit of 30/20 percent of the demand before the Deputy Commissioner (Appeals) as per details given in the table below. As the Company is confident that it will be able to submit the exemption forms before the appellate authority and is confident of a favourable verdict, it does not feel that the amounts demanded will be payable, due to which no provision is made in the accounts

Name of the Statute	Nature of Dues and financial year to which it pertains	Forum where dispute is pending	Amount involved	Security Deposit made
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 15,95,326	Rs. 478,598
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2010-11	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 149,260	Rs. 44,778
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 47,21,776	Rs. 14,16,533
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2011-12	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 38,84,056	Rs. 11,65,217
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 18,84,438	Rs. 565,332
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2012-13	Deputy Commissioner, Appeals, Thiruvananthapuram	Rs. 20,89,713	Rs. 626,914
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. 792,756	Rs. 134,366
		Total	194,71,337	53,02,541

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil)
- There is no outstanding (Previous year Rs. Nil/-) as on 31st March 2017 towards letters of credit opened by the Company for purchases effected during the year.

[s]Expenditure in Foreign Currency.

	2016-2017 in Rs. Lakhs	2015-16 in Rs Lakhs
(a) Foreign Travel Expenses	13.74	22.19
(b) Amount paid for import of raw materials	617.14	667.17
	630.88	689.36

[t] Earnings in Foreign Currency

Export Sales	310.62	1049.33
Sales Incentives on Orders placed by Customers on Overseas Principals	52.72	48.87

[u] Value of imports calculated on CIF basis

(a) Purchases	950.65	894.44
(b) Capital Goods	Nil	Nil
	-----	-----
	950.65	894.44
	=====	=====

[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	955.16	37.96	885.01	28.29
Indigenous	1561.28	62.04	2243.05	71.71
	-----	-----	-----	-----
	2516.44	100.00	3128.05	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 set out in Section 349 of the Companies Act, 1956. As adequate profits are not available, the managerial remuneration has been provided within the limits specified under and in compliance with Schedule V of the Companies Act, 2013

Managerial Remuneration Paid	2016-17	2015-16
M.R.Subramonian	33.00 lakhs	33.00 lakhs
M.R.Krishnan	33.00 lakhs	33.00 lakhs
Commission/Sitting fee to non working Directors (including service tax)	4.77 lakhs	5.15 lakhs
	-----	-----
	70.77 lakhs	71.15 lakhs
	=====	=====
<u>[x] Auditors Remuneration</u>	2016-17	2015-16
Audit Fee	Rs.2.88 lakhs	Rs.2.88 lakhs
For Taxation	Rs.1.15 lakhs	Rs.1.15 lakhs
Internal Audit Fee	Rs.2.30 lakhs	Rs.2.29 lakhs

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

[z]Bad Debts :

An amount of Rs3.25 lakhs has been written off as bad debts during the financial year(P.Y 2.01Lakhs)

[za] Provision for IncomeTaxfor the period comes to Rs.111.66 lakhs (PY Rs.149.88Lakhs).

[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 2017 provided in the balance sheet is Rs.36.57 lakhswhich 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.

[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.

[zf] Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December 2016 as required by MCA Notification dated March, 30, 2017

A.Details of SBNs held and transacted during the period 08th November 2016 to 30th December 2016

(in Rs Thousands)

	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08 th November 2016	105	10.70	115.70
(+) Permitted Receipts	Nil	358.94	358.94
(-)Permitted Payments	45	294.64	339.64
(-) Amount deposited in Banks	60	Nil	60
Closing cash in hand as on 30 th December 2016	Nil	75	75

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

The Management Discussion and Analysis Report (MDA) is an integral part of, and is to be read along with, the Company's financial statements and has been prepared by the Management as of 21st August 2017. The purpose of this MDA is to provide a descriptive explanation from the management's point of view, of how the company has performed in the past, its financial condition and its future prospects.

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

Adtech Systems Limited is a leading solution provider in electronic security/ surveillance industry. We provide our clients with cost effective solutions for total security protection and also efficient after sales service which is difficult to match. The Company has also diversified into Solar Power Projects and is in the process of successfully commissioning 500 KW Floating Power Project in Banasura Sagar Dam, Wayanad for Kerala State Electricity Board.

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

GLOBAL ECONOMY

In the year under review, global economic activity showed signs of recovery and is expected to continue to recover from the stagnancy which it experienced in the earlier years. Robust Global demand is expected in the coming years which will be matched with increased supplies, coupled with reasonable inflation and optimistic financial markets. We expect margins to shrink in view of intensely competitive markets. Competition has affected our export revenues hard. Inflation stayed more or less constant and commodity prices show declining trend in the years to come.

INDIAN ECONOMY

India's economy became one of the world's fastest growing economy and is ranked 130th out of 190 countries in the World Bank's ease of doing business Index. Indian economy has grown 7- 7.6 % during the financial year 2016-17 and is projected to grow by 7.7 % in the fiscal year 2017 and 7.6 % in the fiscal year 2018.

The surgical strike to demonetise the high denomination currency notes has had its short term costs and is expected to deliver long term benefits. The temporary liquidity squeeze experienced by the country as a whole had its effect on revenues during the year. Follow up action on demonetisation which includes tax reforms in the form of GST, abolishing of several local taxes will lead to reduction in costs and improved economic outlook in FY 17 and 18.

OUTLOOK ON INDUSTRY

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

Considering the above, spending on man power security, home land security and equipments purchase by the govt and private sector is expected to cross Rs. 60K Crore by 2017 and reach 80K Crores by 2020. Adtech is well poised to benefit and capture this market by expanding its sales / marketing team and also by adding new products which have very good market potential.

The new buzzword in the industry today is 'IOT' (Internet of Things) in which automated smart devices connected to the internet have improved efficiency compared to traditional systems. Adtech's tie up with TIS helped introduce wired and wireless building automation systems as part of its customer offerings. Trial orders were received and executed during the year. We foresee good market potential from different customer segments. Adtech during the year introduced Display Security Systems to go with Tablets being used for commercial applications. We received and executed several orders from segments such as Retail Department Stores, Banks, Shopping Malls, Hotels, Wellness Centres, Automotive showrooms etc. Our strategy is clear, to achieve higher levels of customer satisfaction and exceed customer expectations.

The Indian Electronic Security Market has continued to evolve through government funding and international cooperation. Future potential of the Indian Electronic Security Market has gained attraction among the foreign players as well for investors. The growing awareness about the benefits of electronic security equipment among the Tier 2 & 3 cities is expected to escalate the demand in the near future.

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

OUTLOOK OF ADTECH SYSTEMS LIMITED

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

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

Adtech has taken up pricing related issues with its principals and is quite hopeful of getting support from its principals to reduce the prices of tags, systems and accessories considerably so that we are able to fight competition heads on. This will definitely give a boost to the sales revenues not only from local market but the export market as well.

As informed in the previous annual report, the company received the first order for setting up a 500KW floating solar farm in Banasurasagar dam. Being the first such order, the project execution is still underway and is expected to be completed by September 2017. This will pave way for several new orders from KSEB as well as from other customers.

Adtech expects a growth in revenue of at least 25 Cr from the above 2 products within the next 2 years.

The above strategies will see Adtech growing multi fold reaching a target of 75 Cr revenues in the 2018-19 financial year and thereafter maintain an annual growth of 30% in subsequent years.

OPPORTUNITIES AND THREATS

The Company is engaged in providing sophisticated solutions in the electronic surveillance segment .

Due to statutory requirements, need for protection by way of electronic security solutions is increasing not only among corporates but also among individuals. The Company seeks to make full use of this growing awareness of the requirement of electronic security protection. The Company provides integrated solution and employs professional work force. We now cater to numerous corporates as their exclusive electronic security solutions provider which position is not unassailable. Constant attempts both from the organised and unorganised sector remains a threat to our business and earnings. The Team works hard to retain the customers which affects by providing the latest solution at the best price and support.

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

New products introduced during the year include Commercial Tablet Security, Smart Lock Systems and Intelligent Building Automation which are products meant to scale up the business in the years in the years to come.

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 p on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

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

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

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

FINANCIAL PERFORMANCE

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

Total Income was Rs. 3682.26 lakhs during the financial year 2016-17 as against Rs. 4395.72 lakhs for the previous year. The sharp drop in income is mainly due to fall in export turnover.

Total expenses for the year ended 31st March 2017 was Rs 3,334.33 lakhs which consists of purchase cost of Rs. 2516.43 lakhs , employee benefit expenses 449.54 lakhs and other expenses Rs. 353.42 lakhs and depreciation Rs.12.00 lakhs.

The Company has been sanctioned a cash credit facility of Rupees Five Crores, mainly meant to diversify into solar power projects, of which an amount of Rs. 155 lakhs has been availed (excluding interest), as on 31st March 2017

The Company has total manpower of 88 employees as on 31st March 2017. 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 : 26th August 2017

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 2016-17 were as under

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

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

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company www.adtechindia.com

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 29th March 2017. The meeting has inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman and assessed the relevance and timeliness of flow of information from the management to the Board of Directors.

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

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

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

Attendance and other relevant details of each Director

During Financial year 2016 -17, 4 meetings on Board of Directors were held on the following dates 30th May, 2016, 20th August 2016, 14th November 2016 and 13th February 2016..

Attendance at the Board meetings held during 2016-17 and last AGM and also the number of Directorships and Committee positions held by them in other Public Limited Companies are given below

Name of Directors	No of Board Meeting during FY 2016-17		Whether attended Last AGM	Sitting Fee paid during FY 2016-17	No of Director ships in other Public Limited Companies	No of Comittee positions in other Public Companies	
	Held	Attended				Chairman	Member
Mr.M.R.Narayanan	4	3	YES	NIL	1	0	0
Mr.M.R.Subramonian	4	4	YES	NIL	1	0	0
Mr.M.R.Krishnan	4	1	YES	NIL	0	0	0
Mr.N.Suresh	4	4	YES	37,500	0	0	0
Mr.K.M.Nair	4	3	YES	27,500	1	0	1
Ms.P.K. Anandavally Ammal	4	3	YES	27,500	0	0	0

Note: Independent Directors were paid sitting fee of Rs. 7500 per board meeting till 30th May 2016 and there after Rs. 10,000 per meeting.

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

3.Audit Committee

Composition of the Audit Committee is as follows

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

The Audit committee consists of two Non-Executive Independent Directors, one of whom is the Chairman. All the members of the Committee possesses accounting or related financial management expertise. The Committee met four times during the financial year 2016-17 on 30th May 2016, 20th August 2016, 14th November 2016 and 13th February 2017 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 26th September 2016. The composition of the Nomination and Remuneration Committee is as under. All the committee members attended the meeting held on 26th September 2016.

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, extent of participation and involvement in the meetings and ability to convey one's views and flexibility to work with others. The performance of the Committees was evaluated by the based on the composition of the Committees, effectiveness of the Committee meetings with respect to the terms of reference and conduct of the meetings and the procedures followed.

Remuneration Policy

(i) Remuneration of Managing Director and Executive Director

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

(ii) Remuneration to Non Executive Directors

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

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

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

(iii) Remuneration of Senior Management Personnel and KMP

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

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

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

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

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

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

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

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

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

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

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

Medical reimbursement equal to one months salary in a year.

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

Club fee subject to maximum of two clubs.

Leave on full pay as per rules of the Company.

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

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

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

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

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

5. Stakeholders' Relationship Committee

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

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

During the year 2016-17, the Committee has met 4 times at the following dates.

30th May 2016 20 August 2016 14 November 2016 13 February 2017

Name of the Member	Position	Number of meetings	
		Held	Attended
Mr.M.R.Narayanan	Chairman	4	4
Mr.M.R.Subramonian	Member	4	4
Mr.N.Suresh	Member	4	4

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 2016-17 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 2016)	Nil
(2)	Number of Investor complaints received during the year	2
(3)	Number of investor complaints redressed during the year	2
(4)	Number of Investor complaints remaining unresolved at the end Of the year (ie as on 31st March 2017)	Nil

6. Corporate Social Responsibility (CSR)

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

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

In the year 2016-17, the committee met twice on the following dates and all the three committee members attended both meetings.

20th August 2016

01st March 2017

The Composition of the CSR Committee is given below.

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

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

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

7. Share Transfer Committee

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

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

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

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 2016	30 September 2016	3.00 PM	Registered Office
31 March 2015	30 September 2015	2.30 PM	Registered Office
31 March 2014	24 September 2014	4.00 PM	Registered Office

Special Resolutions passed at the last three AGMs

SL No	Date of AGM		Special Resolution
01	30.09.2016	(1)	Reappointment and increase in remuneration of Managing Director
		(ii)	Reappointment and increase in remuneration of Executive Director
02	30.09.2015	(i)	Substitution of Articles of Association of the Company with new set of Articles of Association
03	24.09.2014		Nil

10.CEO/CFO Certification

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

11.QUARTERLY COMPLIANCE REPORT

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

DISCLOSURES

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

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

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

12. Means of Communication

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

(b)The results are displayed on the company's website at www.adtechindia.com.

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.(a) UNCLAIMED DIVIDENDS.

The Company had during the financial year 2016-17, transferred an amount of Rs. 38,475 to Investor

Education and Protection FUND (IEPF), being the unclaimed dividend for the year 2008-09. 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 2009-10 and subsequent years are requested to contact the Company/Registrar and Share Transfer Agent.

14(b) UNCLAIMED DIVIDEND- TRANSFER OF SHARES TO IEPF

As per sub-section (6) of section 124 of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of the Fund irrespective of the fact whether the said dividend has been transferred to the Fund or not.

Pursuant to the applicable provisions of the Companies Act, 2013 and the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate affairs effective September 7, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government, after completion of seven years. The Rules, inter alia, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more in the name of IEPF suspense account.

In accordance with the Rules, the concerned members were given an opportunity to claim such Dividend for the Financial Year 2009-10 onwards upto Financial year 2015-16 by sending letter under their signature giving necessary details (i.e. Folio No, DP ID, Present Address, Mail ID & Phone no.) so as to reach the Registered Office of the Company by 31st December 2016. They were also informed that In case a valid claim is not received by the Company by the aforementioned date or such extended date as the Company may decide but not later than 90 days from date of this notice, the Company will have no option but to take action towards transfer of shares to the IEPF Suspense Account, as stipulated in the Rules.

The Company had also uploaded full details of such shareholders and shares due for transfer to IEPF Suspense Account on its website at [http://www.adtechindia.com/Investor's desk/Shareholders Documents/](http://www.adtechindia.com/Investor's%20desk/Shareholders%20Documents/) to verify the details of uncashed dividends and the shares liable to be transferred to IEPF/ IEPF Suspense Account.

Shareholders were also informed that both the Unclaimed dividends and the Shares transferred to IEPF/IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed back by the concerned shareholder from IEPF Authority by making an application in IEPF-5 as prescribed under the Rules, and by following the procedure, details of which are which is available at the website www.iepf.gov.in.

The concerned shareholders, holding shares in physical form and whose shares are liable to be transferred to IEPF Suspense Account were also informed that the Company would be issuing duplicate share certificate(s) in lieu of of the original share certificate(s) held by them for the purpose of transfer of shares to IEPF Suspense Account as per the Rules and upon such issue, the original share certificate(s) which stand registered in their name will stand automatically cancelled and deemed non-negotiable. All details uploaded by the Company on its website should be regarded and shall be deemed adequate notice in respect of issue of duplicate share certificate(s) by the Company for the purpose of transfer of shares to IEPF Suspense Account pursuant to the Rules.

Individual Notices date 01st December 2016 in this regard had been send to the concerned members by Registered Post at the address registered with the Company along with news paper advertisement in "The Financial Express" and in "The Hindu (Tamil Edition)" on 04th December 2016.

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 Transfer Books of the Company shall be closed from 16th September 2017 to 28th September 2017 (both days inclusive)

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

17.GREEN INITIATIVES BY MCA

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

18.GENERAL SHAREHOLDER INFORMATION

(a) 26th Annual General Meeting

Date	Time	Venue
28 th September 2017	3.00 PM	Registered Office of the Company

(b) Financial Year 01st April to 31st March

(c) Dividend Details Dividend recommended @ 25 percent (Rupees 2.50) per equity share subject to approval at AGM .

(d) Listing details The Company is listed with Metropolitan Stock Exchange of India Limited, Mumbai The Company has paid listing fee of Rs. 28750 (including service tax) for the year 2016-17 and has also paid Rs. 40250 (including service tax) for the year 2017 18 within due dates

(e) Registration details : The Company is registered in the state of Tamil Nadu as a public limited Company. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is U33111TN1990PLC018678.

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

(g) Dematerialisation of Shares: The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited(CDSL) to establish electronic connectivity of shares for scripless trading. 87.44 % of shares of the Company were held in dematerialised form as on 31st March 2017.

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

(i) Distribution of Shareholding as on 31st March 2017

Sl No	Category	No of Holders	% Holders	Shares	% Shares
1	upto 100	1	0.40	30	0.00
2	100-500	99	39.76	41145	1.73
3.	501-600	19	7.63	11400	0.48
4	601-700	2	0.80	1400	0.06
5.	701-800	18	7.23	13950	0.59
6	801-900	4	1.61	3600	0.15
7	901-1000	48	19.28	48000	2.01
8	1001-2000	24	9.64	35715	1.50
9	2001-5000	12	4.82	38545	1.62
10	5001-10000	8	3.21	63695	2.67
11	10001-20000	8	3.21	110095	4.62
12	20001-50000	1	0.40	38530	1.62
13	50001-100000	1	0.40	100000	4.20
14	Above 100000	4	1.61	1876645	78.76
Total		249	100	2382750	100

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 2017

Trivandrum
30 May 2017

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 2017.

Trivandrum
30 May 2017

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 2017, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

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

have been disclosed in the notes to the financial statements; and ©There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed Company's internal control system over financial reporting.

	Sd/-	sd/-
Trivandrum 30 th May 2017	M.R.Subramonian Managing Director	P.Vinaya Chand Chief Finance Officer

ANNEXURE 4
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Adtech Systems Limited

We have examined the compliance of the conditions of Corporate Governance by Adtech Systems Limited (the Company) for the year ended 31st March 2017 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered by the Company with the stock exchange.

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

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

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

Sd/-

M.R.Ramachandra Warriar
Partner
Membership No FCA 4601

Place Chennai
Date 30th May 2017

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ADTECH SYSTEMS LIMITED

CIN U33111TN1990PLC018678

**Regd Office: 2/796,Second Floor, A Wing, Sakshi Towers
First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041**

ATTENDANCE SLIP

TWENTY SIXTH ANNUAL GENERAL MEETING –28th SEPTEMBER 2017 AT 3.00 PM

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

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.
I hereby record my presence at the TWENTY SIXTH Annual General Meeting of the Company at 2/796,
SECOND FLOOR, A WING,SAKSHI TOWERS, FIRST MAIN ROAD, KAZURA GARDENS,NEELANKARAI,CHENNAI
600 041 on Thursday 28 September 2017 at 3.00 PM.

Member's /Proxy's Name

Member's/Proxy's Signature

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

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

ADTECH SYSTEMS LTD

**Regd Office: 2/796,Second Floor,A Wing, Sakshi Towers
First Main Road, KazuraGardens,Neelankarai, Chennai 600 041**

PROXY FORM

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

CIN : U33111TN1990PLC018678

Name of the Company :Adtech Systems Limited

Registered Office :2/796,Second Floor, A Wing, SakshiTowers,First Main Road, Kazura Gardens, Neelankarai,
Chennai 600 041

Name of the Member (s) :

Registered Address :

Email ID :

Folio/Client ID :

DP ID :

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

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

Address

.....

.....Signature : , or failing him

2. Name : E-mail ID :

Address :

.....

..... Signature :, or failing him

3. Name : E-mail ID :

Address.....

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the 28th day of September 2017 at 3.00 p.m. at 2/796, Second Floor, A Wing, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai 600 041 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Numbers	Particulars of Business		
Ordinary Business		For	Against
1	Adoption of Audited Statement of Profit and Loss Account for the financial year ended 31 st March 2017, Audited Balance Sheet as on that date together with Cash Flow Statement and report of the Board of Directors and Statutory Auditors thereon		
2	To Declare a Dividend on Equity Shares		
3	To Appoint a Director in place of Shri. M.R.Narayanan (DIN 00044926 who retires by rotation.		
4	Appointment of M/s Mahadev & Co, Chartered Accountants as the Statutory Auditors and fixing their remuneration		
Special Business			
5	Increase in Authorised Capital		
6	Alteration of Memorandum of Association of the Company		
7	Issue of Bonus Shares		

Signed thisday of2017

Signature of Shareholder.....

Signature of Proxy Holder

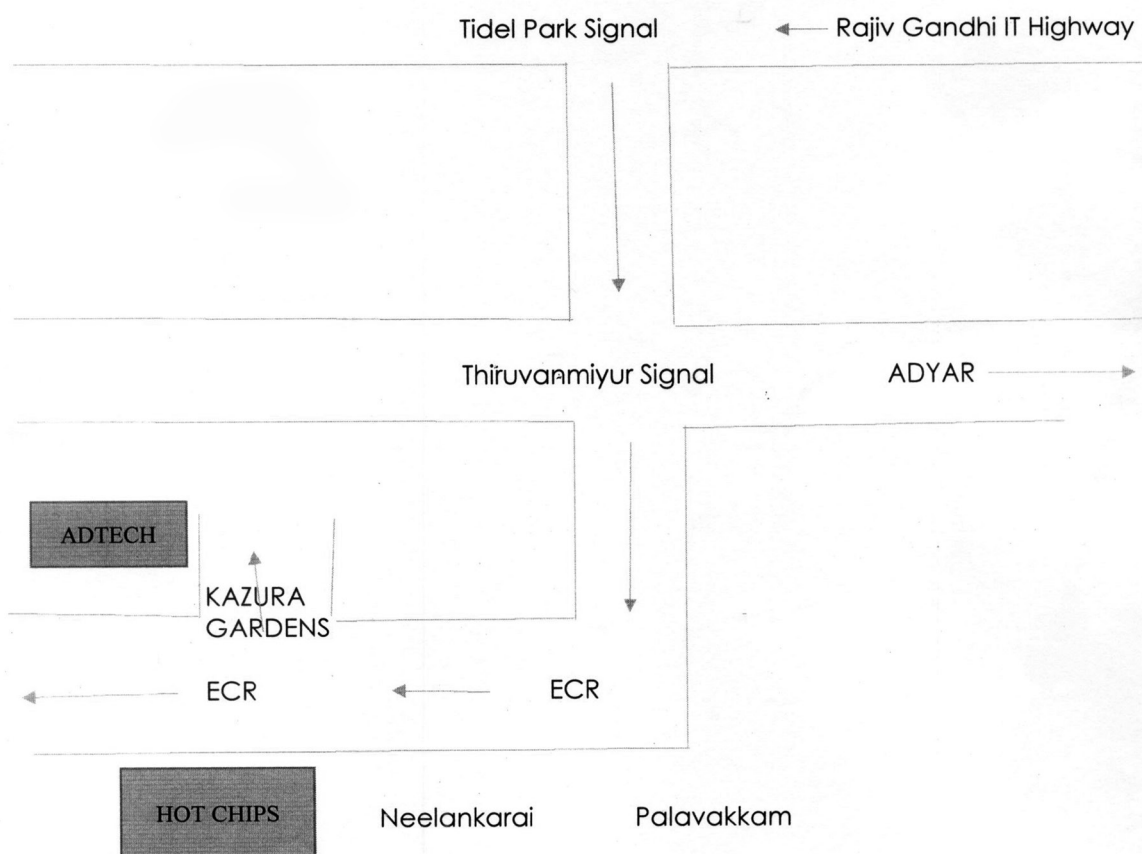
Affix
Revenue
Stamp

Note:- 1.This form in order to be effective should be duly stamped, completed and must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2.It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

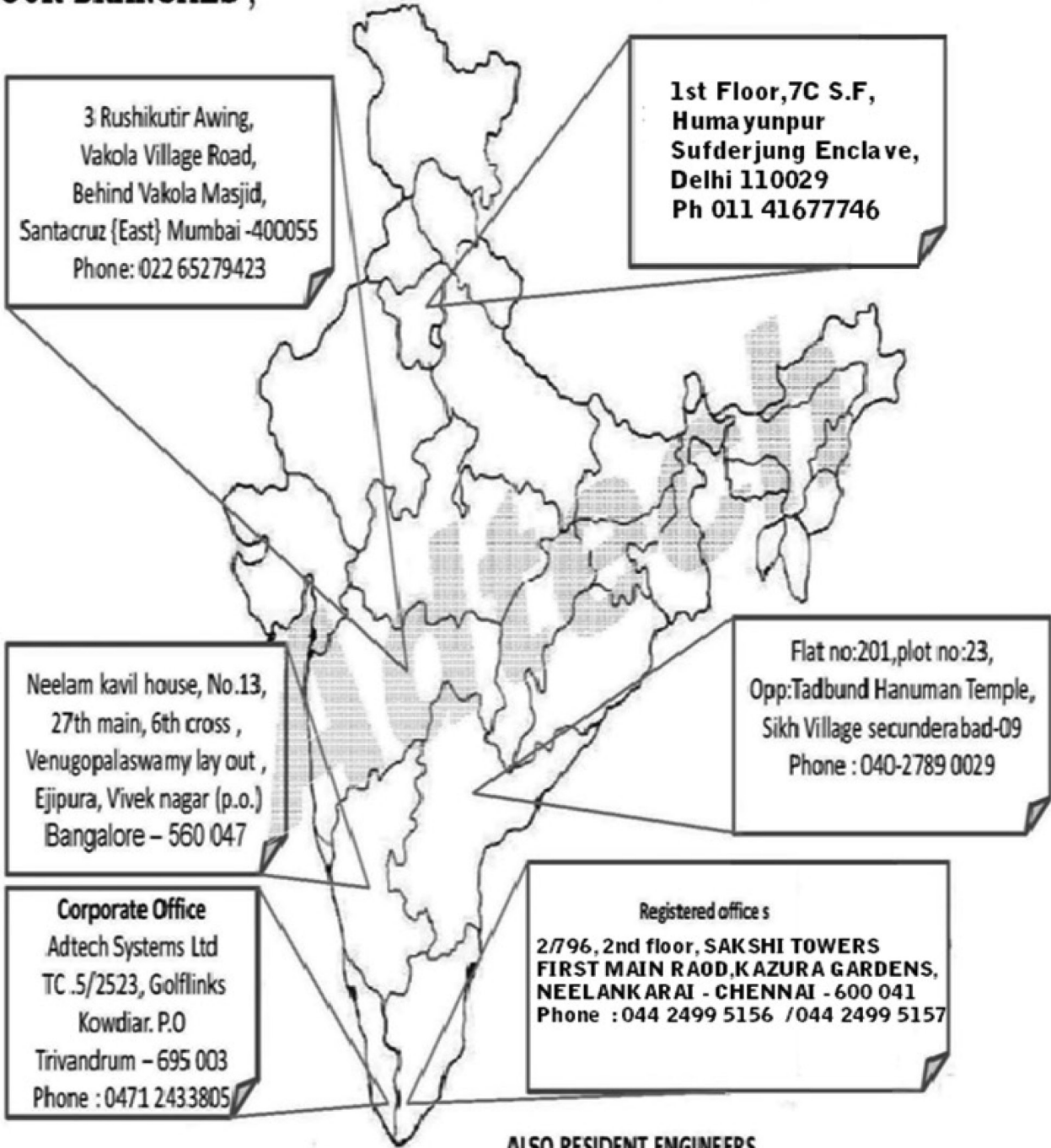
ADTECH SYSTEMS LIMITED
Annual Report 2016-17

ADTECH SYSTEMS LIMITED
2/796,SECOND FLOOR,A WING,SAKSHI TOWERS
FIRST MAIN ROAD, NEELANKARAI,CHENNAI 600 041
CIN L333111TN1990PLC018678
LOCATION MAP of Venue of 26th Annual General Meeting

From Tidel Park Chennai



OUR BRANCHES ,



ALSO RESIDENT ENGINEERS

@

KOLKATA, PUNE, RAJKOT, INDORE,
COIMBATORE & COCHIN