

## 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*

**Dr M.Ayyappan**  
*Independent Director*

**Suresh T Viswanathan**  
*Independent Director*

**Harikrishnan R Nair**  
*Independent Director*

#### Company Secretary

S.Balamurali

#### Chief Financial Officer

P Vinaya Chand

#### Audit Committee

Shri.Harikrishnan R Nair (Chairman)  
Dr M Ayyappan  
Shri.M.R.Subramonian

#### Nomination & Remuneration Committee

Shri Suresh T Viswanathan (Chairman)  
Shri.M.R.Narayanan  
Shri Harikrishnan R Nair

#### Corporate Social Responsibility Committee

Shri.Harikrishnan R Nair (Chairman)  
Shri.M.R.Subramonian  
Shri.N.Suresh

#### Stakeholders Relationship Committee

Shri.M.R.Narayanan (Chairman)  
Shri.Harikrishnan R Nair  
Shri M R Subramonian

#### Statutory Auditors

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

#### Secretarial Auditor

M/s Sajee & Associates  
Company Secretaries  
Sreesankaram, First Floor  
KRA 74, Opp Kaithamukku PO  
Athani Lane, Thiruvananthapuram 695 024

<b>Bankers</b>	HDFC Bank Limited, 1st Floor, Kenton Tower ,Near Kalabhavan Theatre, Vazhuthacaud, Thiruvananthapuram 695 014
<b>Registrar &amp; Share Transfer Agents</b>	M/s Integrated Registry Management Services Private Limited, 2 <sup>nd</sup> Floor, Kences Towers, North Usman Road T.Nagar, Chennai 600 017
Registered Office	2/796, A Wing, Second Floor, Sakshi Towers First Main Road, Kazura Gardens Neelankarai, Chennai-600 041 Phone 91 44 2449 5156/2449 5157
Corporate Office (NEW)	EMMAR GRANDE, T C 30/1868(1), First Floor, Harita Giri Kanjirampara PO Trivandrum – 695 030 Phone 91 471 2363805
<b>Website</b>	<a href="http://www.adtechindia.com">www.adtechindia.com</a>
<b>Email</b>	mr@adtechindia.in
<b>Shares Listed with</b>	Metropolitan Stock Exchange of India Limited, Vibgyor Towers, 4 <sup>th</sup> Floor, Plot No C-62, Opp Trident Hotel, Bandra Kurla Complex, Bandra Mumbai
<b>Corporate Identity Number (CIN)</b>	L33111TN1990PLC018678
ISIN	INE257C01014
GSTIN Numbers for	
1. KERALA	32AAACA5355K1ZU
2. TAMILNADU	33AAACA5355K1ZS
3. NEW DELHI	07AAACA5355K1ZN

### **APPEAL TO SHARE HOLDERS**

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

## NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of ADTECH SYSTEMS LIMITED will be held on **Thursday, September 30, 2021 at 4.00 PM** through **Video Conferencing (VC)** to transact the following business.

### ORDINARY BUSINESS

Item No 1 Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2021 the Audited Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, together with the reports of the Board of Directors and the Auditors thereon.

Item No 2 Declaration of Dividend

To declare a dividend on Ordinary (Equity) Shares-11913750 Shares of Rs.10/- each for the financial year 2020 21

Item No 3 Re-Appointment of a Director

To appoint a Director in place of Shri. M.R.Narayanan (DIN :00044926), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks reappointment.

### SPECIAL BUSINESS

Item No 4

#### **APPOINTMENT OF Mr. HARIKRISHNAN R NAIR (DIN 01728668) -INDEPENDENT DIRECTOR**

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

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Mr. Harikrishnan R Nair (DIN 01728668) who was appointed as an Additional Independent Director on 31<sup>st</sup> March 2021 pursuant to provisions of Section 161(1) of The Act, and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice under Section 160 of the Act signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from 31<sup>st</sup> March 2021, and whose office shall not henceforth, be liable to determination by retirement of Directors by rotation

ITEM No 5

#### **APPOINTMENT OF Dr. M AYYAPPAN (DIN 00117374) -INDEPENDENT DIRECTOR**

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

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Dr. M. Ayyappan (DIN 00117374) who was appointed as an Additional Independent Director on 31<sup>st</sup> March 2021 pursuant to provisions of Section 161(1) of

The Act, and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice under Section 160 of the Act signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from 31<sup>st</sup> March 2021, and whose office shall not henceforth, be liable to determination by retirement of Directors by rotation

ITEM No 6

**APPOINTMENT OF Mr. SURESH T VISWANATHAN (DIN 01731169) -INDEPENDENT DIRECTOR**

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

**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Mr. Suresh T Viswanathan (DIN 01731169) who was appointed as an Additional Independent Director on 31<sup>st</sup> March 2021 pursuant to provisions of Section 161(1) of The Act, and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice under Section 160 of the Act signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from 31<sup>st</sup> March 2021, and whose office shall not henceforth, be liable to determination by retirement of Directors by rotation

ITEM No 7

**RE-APPOINTMENT OF Mr.M.R SUBRAMONIAN (DIN 00359515) AS MANAGING DIRECTOR**

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

RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Section 196,197,198,203 and other applicable provisions, if any of the Companies Act, 2013 and the rules made under (including any statutory modification or re-enactment thereof) read with Schedule V and Article 169 of the Articles of Association, approval of the Members of the Company be and is hereby accorded to the re-appointment and increase in remuneration of Shri.M.R.Subramonian (00359515) as Managing Director of the Company for a period of five years with effect from 01.09.2021 and that remuneration be paid to him as under:

- (a) By way of maximum managerial remuneration, not exceeding 5% of the net profits for each year from 2021-2026 OR
- (b) By way of minimum managerial remuneration in the event of absence or inadequacy of net profits in any of years during the period 2021-26, when the managerial remuneration exceeds 5% of the net profits, subject to the limits, terms and conditions detailed in schedule V of the Companies Act,2013 as amended from time to time and contained in the draft agreement between the company and Shri.M.R.Subramonian, Managing Director as detailed herein below"

1	Basic pay	:	Rs. 350,000 per month with 10 percent increase every year, and one month salary as yearly Bonus subject to approval by the Nomination and Remuneration Committee every year
2	Designation	:	Managing Director
3	Location of Work	:	At the Corporate Office of the Company
4	Period of appointment	:	Five years from 01 <sup>st</sup> September 2021
5	Medical Benefits	:	Reimbursement of actual medical expenses incurred for self and family subject to a yearly ceiling of one months salary. Unavailed medical benefits for any year not to be carried forward.
6	Leave Travel Concession	:	To and Return Passage for self and family once a year by air to country of Choice
7	Car	:	Free use of Company car with Driver for official use. Use of car for personal purpose shall be billed for
8	Telephone, Electricity, Water	:	Free telephone and internet facility will be provided at residence, payment of electricity and water charges at residence
9	Reporting	:	Executive Director shall functionally be responsible for the business of the Company and report to the Board of Directors
10	Termination of term of Office	:	Term of Office shall be terminated by the Company or by the Executive Director by giving six months notice to other party
11	Income tax liability arising out of the above will have to borne by the Executive Director		

ITEM No 8

**RE-APPOINTMENT OF Mr.M.R KRISHNAN (DIN 00359630) AS EXECUTIVE DIRECTOR**

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

RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Section 196,197,198,203 and other applicable provisions, if any of the Companies Act, 2013 and the rules made under (including any statutory modification or re-enactment thereof) read with Schedule V and Article 169 of the Articles of Association, approval of the Members of the Company be and is hereby accorded to the re-appointment and increase in remuneration of Shri.M.R.Krishnan (00359630) as Executive Director of the Company for a period of five years with effect from 01.09.2021 and that remuneration be paid to him as under:

- (a) By way of maximum managerial remuneration, not exceeding 5% of the net profits for each year from 2021-2026 OR
- (b) By way of minimum managerial remuneration in the event of absence or inadequacy of net profits in any of years during the period 2021-26, when the managerial remuneration exceeds 5% of the net profits, subject to the limits, terms and conditions detailed in schedule V of the Companies Act,2013 as amended from time to time and contained in the draft agreement between the company and Shri.M.R.Krishnan, Executive Director as detailed herein below"

1	Basic pay	:	Rs. 350,000 per month with 10 percent increase every year, and one month salary as yearly Bonus subject to approval by the Nomination and Remuneration Committee every year
2	Designation	:	Executive Director
3	Location of Work	:	At the Registered Office of the Company
4	Period of appointment	:	Five years from 01 <sup>st</sup> September 2021
5	Medical Benefits	:	Reimbursement of actual medical expenses incurred for self and family subject to a yearly ceiling of one months salary. Unavailed medical benefits for any year not to be carried forward.
6	Leave Travel Concession	:	To and Return Passage for self and family once a year by air to country of Choice
7	Car	:	Free use of Company car with Driver for official use. Use of car for personal purpose shall be billed for
8	Telephone, Electricity, Water	:	Free telephone and internet facility will be provided at residence, payment of electricity and water charges at residence
9	Reporting	:	Executive Director shall functionally be responsible for the business of the Company and report to the Board of Directors
10	Termination of term of Office	:	Term of Office shall be terminated by the Company or by the Executive Director by giving six months notice to other party
11	Income tax liability arising out of the above will have to borne by the Executive Director		

ITEM No 9

**TO APPROVE CONTINUATION OF PAYMENT OF REMUNERATION TO EXECUTIVE (WHOLE TIME DIRECTORS) AS PER REGULATION 17(6) OF SEBI (LODR) REGULATIONS, 2015**

RESOLVED FURTHER AS A SPECIAL RESOLUTION THAT pursuant to Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013 and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of Members be and is hereby accorded to the continuation of payment of remuneration as per terms and conditions approved by the Shareholders at this (30<sup>th</sup>) Annual General Meeting to Mr M.R.Subramonian, Managing Director, who is a Promoter, upto 31<sup>st</sup> August 2026 and to Mr M.R.Krishnan, Executive Director, who also is a Promoter upto 31<sup>st</sup> August 2026, notwithstanding that their aggregate annual remuneration exceeds 5 percent of the net profits of the Company calculated as per provisions of Section 198 of the Companies Act 1956

RESOLVED ALSO THAT the Board of Directors be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to the foregoing Resolution.

ITEM NO 10

**APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTIONS BY THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s) the following as an **ORDINARY RESOLUTION**:

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

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

By order of the Board

Place : Trivandrum  
Date: 14.08.2021

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

## NOTES

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

4. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Annual Report 2020-21 which includes the Notice of the AGM, Board's Report, Financial Statements and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.adtechindia.com](http://www.adtechindia.com) website of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited [www.msei.in](http://www.msei.in) and on the website of CDSL <https://www.evotingindia.com>.
5. Attendance of members through VC shall be counted for quorum under Section 103 of the Act.
6. The VC facility shall be kept open at least 15 minutes before the scheduled time of the AGM and shall not be closed till expiry of 15 minutes after the conclusion of the scheduled time for the AGM. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
8. The Company notifies Closure of Register of Members and Share Transfer Books thereof from 21st September 2021 to 30th September, 2021 (both days inclusive) for the purpose of Annual General Meeting and Dividend , if declared at the Annual General Meeting.



9. The Company has appointed Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, North Usman Road, T Nagar, Chennai as the Registrar and Share Transfer Agent of the Company to deal with the physical as well as electronic share registry.
10. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter, shall be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Dividend paid during the year 2013- 14 and remaining unpaid and unclaimed shall be transferred to IEPF fund by 01st November 2021
11. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
12. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of demat shares.
13. Members may kindly update their email address with the Company/Registrar-Integrated Registry Management Service Private Limited such that correspondence reaches members without fail.
14. Members are requested to furnish details of their nominee in the nomination form that can be obtained from the Company on request
15. Members are requested to note that transfer/trading of Company's shares through Stock Exchange is permitted only in electronic/ demat form. Those members who have not yet converted their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.

General Information :

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

**VOTING THROUGH ELECTRONIC MEANS**

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services including remote e-voting provided by Central Depository Services Limited (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:

- The remote e-voting period commences on **Monday, September 27, 2021** (9:00 a.m. IST) and ends on **Wednesday September 29, 2021** (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- The Board of Directors has appointed Mr. P Sajee Nair FCS (FCS No 8705) and (C.P. No. 12772) Practising Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC but shall not be entitled to cast their vote again.
- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (ii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 one-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 2223058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

- (iii) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

- 1) Click on “Shareholders” module.
- 2) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 3) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

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

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

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

- (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiii) 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.
- (xiv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ([balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in)). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in)/ [srirams@integratedindia.in](mailto:srirams@integratedindia.in)
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Other Instructions**

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



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

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

Item No 4

**APPOINTMENT OF Mr. HARIKRISHNAN R NAIR (DIN 01728668) - INDEPENDENT DIRECTOR**

Pursuant to Board's policy of diversification into new fields of business and incidental growth coupled with exposure to additional financial instruments, it was considered necessary and expedient to add rich experience to the Board by inducting new Independent Directors. With this in view, the Board had, pursuant to recommendation of the Nomination and Remuneration Committee, appointed Shri HariKrishnan R Nair as Additional Independent Director on 31<sup>st</sup> March 2021.

A Fellow Member of the Institute of Company Secretaries of India, in Practice for more than 20 years, Mr HariKrishnan R Nair has expertise in advisory role in Secretarial, Legal and Financial matters.

Given his experience and expertise, Mr HariKrishnan R Nair was considered suitable for appointment as an Independent Director on Board

In the opinion of the Board of Directors, Mr. HariKrishnan R Nair has exposure in areas of financial, legal and secretarial compliance matters, besides excellence in academics, and above all, the ability to contribute as a member of the Board. He fulfills the condition prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and he is independent of the management. The Company has also received a declaration from Mr. HariKrishnan R Nair that he meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013. Accordingly, the Company has received notice as envisaged under Section 160 (1) of the Act proposing him for appointment as Independent Director of the Company. The Board recommends the Resolution for appointment of Mr. HariKrishnan R Nair as an Independent Director of the Company for a term of five consecutive years from the date of his appointment as an additional director ie from 31<sup>st</sup> March 2021. Upon his appointment, Mr. HariKrishnan R Nair shall not be liable to retire by rotation. None of the Directors, Key Managerial Personnel and their relatives, except Mr. HariKrishnan R Nair and his relatives, are in any way, concerned or interested in the said Resolution.

Item No 5

**APPOINTMENT OF Dr. M AYYAPPAN (DIN 00117374) -INDEPENDENT DIRECTOR**

Pursuant to Board policy of diversification into new fields of business and incidental growth coupled with exposure to additional financial instruments, it was considered necessary and expedient to add rich experience to the Board by inducting new Independent Directors. With this in view, the Board had, pursuant to recommendation of the Nomination and Remuneration Committee, appointed Dr. M. Ayyappan as Additional Independent Director on 31<sup>st</sup> March 2021.

A Doctorate in Management (Social Marketing) from Kerala University, An MBA degree holder from Cochin University of Science and Technology, a Graduate in Mechanical Engineering, Dr M Ayyappan ranks amongst those who transformed the organization they headed, As Chairman and Managing Director of HLL Life Care Limited with his administrative acumen, futuristic vision, brilliant manufacturing, marketing strategies and unwavering commitment, he transformed HLL Lifecare Limited from a 140 crore to 1600 crore company. Dr M Ayyappan is a fellow of All India Management Association and has been the Chairman/member on the boards of several companies and institutions. Currently he is Chairman of AS Group of Companies involved in setting up of retirement homes, providing Geriatric Care Services, Management Services and Design and Engineering Services and Artificial Intelligence

Given his experience and expertise, Dr M Ayyappan was considered suitable for appointment as an Independent Director on Board

In the opinion of the Board of Directors, Dr M Ayyappan has exposure in areas of management, business and administration, besides excellence in academics, and above all, the ability to contribute as a member of the Board. He fulfills the condition prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and he is independent of the management. The Company has also received a declaration from Dr. M Ayyappan

that he meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013. Accordingly, the Company has received notice as envisaged under Section 160 (1) of the Act proposing him for appointment as Independent Director of the Company. The Board recommends the Resolution for appointment of Dr M Ayyappan as an Independent Director of the Company for a term of five consecutive years from the date of his appointment as an additional director ie from 31<sup>st</sup> March 2021. Upon his appointment, Dr M Ayyappan shall not be liable to retire by rotation. None of the Directors, Key Managerial Personnel and their relatives, except Dr M Ayyappan and his relatives, are in any way, concerned or interested in the said Resolution.

Item No 6

#### **APPOINTMENT OF Dr. SURESH T VISWANATHAN (DIN 01731169) -INDEPENDENT DIRECTOR**

Pursuant to Board policy of diversification into new fields of business and incidental growth coupled with exposure to additional financial instruments, it was considered necessary and expedient to add rich experience to the Board by inducting new Independent Directors. With this in view, the Board had, pursuant to recommendation of the Nomination and Remuneration Committee, appointed Mr Suresh T Viswanathan as Additional Independent Director on 31<sup>st</sup> March 2021.

A Fellow member of the Institute of Company Secretaries of India and a certified Associate of the Indian Institute of Banking and Finance, a renowned expert on Governance, Risk and Compliance (GRC), Mr Suresh is considered an authority in Regulatory Compliance. Guided by strong ethics and transparency, his advisory on Corporate Governance has been valued by many of his clients and former employers.

Apart from having published several research articles on GRC, Capital Markets, Regulatory Compliances, Company law etc., Suresh has also authored 2 books, one on Indian Cyber Law and the other on Indian Competition Law. Presently is authoring a book of COMPLIANCE AUDIT. His articles have been published in leading business dailies including Economic Times. He also delivers guest lectures at several public forums. A SEBI Compliance Officer for various market intermediaries for more than 20 years, Suresh has demonstrated capabilities in the installation, management and automation of proactive GRC systems. A Principal Officer for FIU-Ind, he was instrumental in installing automated AML mechanisms at many market intermediaries. He was also an investment banker for 10 years and had handled 100 odd IPOs in various capacities including that of a Lead Manager.

Suresh is the Founder Director and Chief Consultant of Finteglaw Knowledge Solutions Private Limited, a consulting company engaged mainly in advisory and automation of GRC Processes and Systems; administration of Corporate Laws; and Investment Banking. He is also the Designated Partner of "SVVS & Associates Company Secretaries LLP", engaged in Secretarial Audits, M&A, Appearance before SAT and NCLT.

Given his experience and expertise, Mr Suresh T Viswanathan was considered suitable for appointment as an Independent Director on Board

In the opinion of the Board of Directors, Mr Suresh T Viswanathan has exposure in areas of management, compliance, finance and administration, besides excellence in academics, and above all, the ability to contribute as a member of the Board. He fulfills the condition prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and he is independent of the management. The Company has also received a declaration from Shri Suresh T Viswanathan that he meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013. Accordingly, the Company has received notice as envisaged under Section 160 (1) of the Act proposing him for appointment as Independent Director of the Company. The Board recommends the Resolution for appointment of Mr Suresh T Viswanathan as an Independent Director of the Company for a term of five consecutive years from the date of his appointment as an additional director ie from 31<sup>st</sup> March 2021. Upon his appointment, Mr Suresh T Viswanathan shall not be liable to retire by rotation. None of the Directors, Key Managerial Personnel and their relatives, except Mr Suresh T Viswanathan and his relatives, are in any way, concerned or interested in the said Resolution.



Item No 7

**RE-APPOINTMENT OF Mr. M.R SUBRAMONIAN (DIN 00359515) AS MANAGING DIRECTOR**

Shri. M.R.Subramonian was reappointed as the Managing Director of the Company in the 25<sup>th</sup> Annual General Meeting of the Company. The current tenure of Shri.M.R.Subramonian is upto 31<sup>st</sup> August 2021. Section 196 and 197 read with Schedule V of the Companies Act, 2013 requires payment of minimum remuneration in case of lack or inadequacy of profits to be approved by the Members by way of Special Resolution for a period exceeding three years.

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

- (a) In case of adequate profits: Not exceeding 5 percent of the net profits of the Company as per section 198 of the Companies Act, 2013 payable by way of salaries,allowances, perquisites, commission as determined by the Nomination and Remuneration Committee from time to time.
- (b) Minimum Remuneration in case of lack or inadequacy of profits :  
Where in any financial year during the currency of the tenure of Managing Director, profits are inadequate, remuneration shall be paid as under;
  1. Remuneration payable not exceeding the limits prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, based on the effective capital of the Company and in accordance with the approval of the Nomination and Remuneration Committee at the relevant point of time.
  2. Perquisites shall be valued as per provisions of Income Tax Rules.
  3. Managing Director shall not be entitled to any sitting fee for attending meetings of Board or Committee.

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

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

Shri.M.R.Subramonian,aged 61 years is the son of Shri,M.N.Ramakrishnan(Late), has a Bachelors Degree in Electronics Engineering and has more than 35 years of professional experience in the overall managerial and marketing areas. He is a member of the Board of M/s APT Micro Solutions Limited . He holds 2784525 shares representing 23.37 percent of paid up share capital of the Company.

1. General Information	
Nature of Industry	Electronic Surveillance Systems
Date or expected date of commencement of commercial production	Company was incorporated on 05 <sup>th</sup> February 1990 and the Certificate of Commencement of Business was dated 14 <sup>th</sup> November 1990.
In the case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
Financial performance based on given indicators	Details of financial performance of the Company for the years 2019-20 and 2020-21 are provided in the Annual Report 2021 which accompanies this Notice
Foreign investments or collaborations, if any	Nil

II. Information about the appointee	
Background details	Shri.M.R.Subramonian is the Managing Director of the Company
Past remuneration	Rs. 350,000 per month as salary, One month salary as bonus, use of Company Car with Driver , medical reimbursement of upto one months salary , Leave travel concession as per Company rules as applicable to other employees,and reimbursement of house electricity and water charges .
Recognition of Awards	Under the leadership of Shri. M.R.Subramonian, the Company got awarded as under during the past 5 years <ol style="list-style-type: none"> <li>1. Best SME award from Business Today in 2015</li> <li>2. One of the best 50 retails Professionals in India by ET Now and Asia Retail Congress 2013</li> <li>3. Managerial Excellence award from Madras Management Association 2013</li> <li>4. Kerala State best productivity performance award 2012-12</li> <li>5. Partner of the year Award from Mobotix Germany for 2011,2012 and 2013</li> <li>6. Invue USA- Outstanding Asia Pacific Performance Award 2013</li> <li>7. Tyco -Sensormatic Outstanding Performance Award 2013.</li> <li>8. Invue Presidents club winner 2007,2008,2010,2011</li> </ol>
Remuneration Proposed	Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013,read with Schedule V and is comparable to the remuneration of MD level of similar sized companies in the same field.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Besides the remuneration and holding of 23.37 percent of shares in the Company, Shri. M.R.Subramonian does not have any other pecuniary relationship with the Company. He is also the promoter of the Company along with his brothers Mr.M.R.Narayanan, Chairman and Shri.M.R.Krishnan, Executive Director
III Other Information	
Reasons of loss of inadequate profits	Due to sizeable fall in exports due to intense competition, the Company's revenue and profits declined. The Company has also invested in marketing infrastructure and in appointing of marketing heads in order to increase revenue. The Company had also diversified into floating solar projects which required initial investment in trial projects. The pandemic Covid19, affected revenue growth in retail sector

Steps taken or proposed to be taken for improvement	Appointment of National Marketing Heads in both verticals of Retail will increase the revenue. Steps are being taken to increase export revenue by exploring new avenues. Solar business has started giving higher earnings which is expected to increase profits manifold.
Expected increase in productivity and profits in measurable terms	The aforementioned steps taken/to be taken by the Company are expected to improve the Company's performance and profitability in future.
IV Disclosure: As required, information is provided under Corporate Governance Section of Annual Report 2021.	

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

#### **Item No 8**

#### **RE-APPOINTMENT OF Mr.M.R KRISHNAN (DIN 00359630) AS EXECUTIVE DIRECTOR**

Shri. M.R.Krishnan was reappointed as the Executive Director of the Company in the 25<sup>th</sup> Annual General Meeting of the Company. The current tenure of Shri.M.R.Krishnan is upto 31<sup>st</sup> August 2021 Section 196 and 197 read with Schedule V of the Companies Act, 2013 requires payment of minimum remuneration in case of lack or inadequacy of profits to be approved by the Members by way of Special Resolution for a period exceeding three years.

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

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

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

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

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

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

Shri.M.R.Krishnan,aged 53 years is the son of Shri,M.N.Ramakrishnan(Late), has a Bachelors Degree in Electrical Engineering and has more than 30 years of professional experience in the overall managerial and marketing areas. He holds 2610,075 shares representing 21.90 percent of paid up share capital of the Company.

1.General Information	
Nature of Industry	Electronic Surveillance Systems
Date or expected date of commencement of commercial production	Company was incorporated on 05 <sup>th</sup> February 1990 and the Certificate of Commencement of Business was dated 14 <sup>th</sup> November 1990.
In the case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
Financial performance based on given indicators	Details of financial performance of the Company for the years 2019-20 and 2020-21 are provided in the Annual Report 2021 which accompanies this Notice
Foreign investments or collaborations, if any	Nil
II. Information about the appointee	
Background details	Shri.M.R.Krishnan is the ExecutiveDirector of the Company
Past remuneration	Rs. 350,000 per month as salary, One month salary as bonus, use of Company Car with Driver , medical reimbursement of upto one months salary , Leave travel concession as per Company rules as applicable to other employees,and reimbursement of house electricity and water charges .
Recognition of Awards	Under the leadership of Shri. M.R.Krishnan the Company got awarded as under during the past 5 years 1.Best SME award from Business Today in 2015 2.One of the best 50 retails Professionals in India by ET Now and Asia Retail Congress 2013 3.Managerial Excellence award from Madras Management Association 2013 4. Kerala State best productivity performance award 2012-12 5.Partner of the year Award from Mobotix Germany for 2011,2012 and 2013 6.Invue USA- Outstanding Asia Pacific Performance Award 2013 7.Tyco -Sensormatic Outstanding Performance Award 2013. 8.Invue Presidents club winner 2007,2008,2010,2011
Remuneration Proposed	Details of proposed remuneration are presented in the resolution and also in the statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is as per Section 197 & 198 of the Companies Act, 2013,read with Schedule V and is comparable to the remuneration of Executive Director level of similar sized companies in the same field.

Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Other than the remuneration and holding of 23.37 percent of shares in the Company, Shri. M.R.Krishnan does not have any other pecuniary relationship with the Company. He is also the promoter of the Company along with his brothers Mr.M.R.Narayanan, Chairman and Shri.M.R.Subramonian, Managing Director
III Other Information	
Reasons of loss of inadequate profits	Due to sizeable fall in exports due to intense competition, the Company's revenue and profits declined. The Company has also invested in marketing infrastructure and in appointing of marketing heads in order to increase revenue. The Company had also diversified into floating solar projects which required initial investment in trial projects. The pandemic Covid19, affected revenue growth in retail sector
Steps taken or proposed to be taken for improvement	Appointment of National Marketing Heads in both verticals of Retail will increase the revenue. Steps are being taken to increase export revenue by exploring new avenues. Solar business has started giving higher earnings which is expected to increase profits manifold.
Expected increase in productivity and profits in measurable terms	The aforementioned steps taken/to be taken by the Company are expected to improve the Company's performance and profitability in future.
IV Disclosure: As required, information is provided under Corporate Governance Section of Annual Report 2021.	

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

Item No 9

**TO APPROVE CONTINUATION OF PAYMENT OF REMUNERATION TO EXECUTIVE (WHOLE TIME DIRECTORS) AS PER REGULATION 17(6) OF SEBI (LODR) REGULATIONS, 2015**

In accordance with the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval by Shareholders by special resolution in general meeting, if- (i) the annual remuneration payable to such executive director exceeds 5 crores or 2.5 percent of the net profits of the company, whichever is higher, or (2) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the company, provided that the approval of shareholders under this provision shall be valid only expiry of the term of such director. The net profits shall be calculated as per Section 198 of the Companies Act, 2013

The Board of Directors of your Company comprises of two executive directors ie Mr M.R.Subramonian, Managing Director and Mr. M.R.Krishnan, Executive Director, both belonging to Promoter and Promoter Group and one Non- Executive Director and six Independent Directors

The members are requested to note that the Company had approved the appointment and remuneration payable to these two executive directors by way of Special Resolution at the 30<sup>th</sup> Annual General Meeting which is in progress today.

A fresh approval by way of a separate Special Resolution is being sought for retaining all existing terms and conditions of appointment of aforesaid executive directors including remuneration payable to them and for payment of aggregate annual remuneration to both these Executive Directors exceeding 5 percent of the net profits of the Company, till expiry of their respective terms which is 31<sup>st</sup> August 2026 for both these Executive Directors, in view of specific provisions of Regulation 17(6)(e) of SEBI LODR, Regulations, 2015.

In consideration of valuable contributions of Mr M R Subramonian and Mr M.R Krishnan in the growth and sustainability of the Company, the proposed remuneration payment to them is justified.

Except Shri M.R.Narayanan, none of the other Directors/Key Managerial Personnel of the Company and their respective relatives, is in any way concerned or interested, financially or otherwise in the resolution set out in at item No 9 of the accompanying notice.

The Board recommends passing of the special resolution as set out at Item No 9 of the notice for approval by the Members

Item 10

#### **APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTION BY THE COMPANY**

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

#### **PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2021 TO 30.09.2022 FOR THE PURPOSE OF APPROVALS U/s 188 OF THE COMPANIES ACT, 2013**

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

Name of Related Party	Director/KMP related and nature of relation ship	Nature of Transaction	Maximum Value of Transaction (in Rs Lakhs)	Period of Transaction
Southern Floating Solar Private Limited	M.R.Narayanan, Director of Southern Floating Solar Private Limited	Purchase/Sale of Goods	2500	01.10.2021 to
	M.R.Subramonian , Relative of Director / PAC	Availing /Rendering of Services	1500	30.09.2022
	M.R.Krishnan, Relative of Director/ PAC			

Trans Float Solar Private Limited	M.R.Narayanan, Director of Trans Float Solar Private Limited	Purchase/Sale of Goods	3500	01.10.2021 to 30.09.2022
		Availing /Rendering of Services	2000	
	M.R.Subramonian, Relative of Director / PAC			
	M.R.Krishnan, Relative of Director/ PAC			

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

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

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



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

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

Name	M.R. Narayanan DIN00044926	M.R.Subramonian	M.R. Krishnan	M. Ayyappan	Suresh T Viswanathan	Harikrishnan R Nair
Age (Years)	70 Yrs	61 years	54 Years	65 years	61 years	62 years
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment	01.10.2021	01.10.2021	01.10.2021	31.03.2021	31.03.2021	31.03.2021
Qualification	B tech	B tech	B tech	Doctorate Management	In Company Secretary	Company Secretary
Expertise	Rich Experience of more than 35 years in technical matters, especially in electronics. Currently heads the Solar Project Division of the Company.	Rich Experience of more than 25 years in technical matters, especially in electronics.	Experience of more than 25 years in technical matters, especially in electronics.	experience in business management and strategy formation	A renowned expert on Governance, Risk and Compliance (GRC) and with an experience spanning nearly four decades in the BFSI Sector. considered an authority in Regulatory Compliance.	Expert in Corporate laws and finance
Other Directorships excluding foreign Companies	13	2	Nil	8	13	6
Member/Chairman of committees of other Companies	Nil	Nil	Nil	Chairman Audit Committee And Member Nomination and Remuneration Committee Accel Limited	Nil	Nil
Relationship, if any, between Directors inter se	Brother of M.R.Subramonian and MR Krishnan	Brother of M.R.Narayanan and MR Krishnan	Brother of M.R.Subramonian and M.R Narayanan	NIL	NIL	NIL
Shareholding in the Company	2242825 shares 18.83 % of paid up capital	2784825 shares 23.37 % of paid up capital	2610075 shares 21.91 % of paid up capital	Nil	Nil	Nil



**DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2020-21**

To

The Members

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2021.

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

(Rupees in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Turnover	7028.99	4672.46
Profit/(Loss) before taxation	381.83	351.59
Income Tax Expense	95.00	89.77
<b>Profit/(Loss) after tax</b>	<b>275.15</b>	<b>250.40</b>
Transfer to General Reserve	76.50	60.00
Dividend on Equity Shares @ 5 percent	59.57	83.40
Dividend Tax	0.00	17.14

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

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

- ❖ Revenue increased 50.43 percent to Rs 7028.99 lakhs
- ❖ Profit before taxes increased by 8.60 percent to Rs. 381.83 lakhs
- ❖ Profit after taxes (Net Profit) increased by 9.88 percent to Rs.275.15 lakhs

The year 2020-21 has been one of the worst hit globally due to the pandemic. Even though everyone wished the pandemic would be overcome by introducing medical measures, the overall situation in India continues to be far from satisfactory. It is expected that the economic situation would bounce back to normalcy only by 2022.

The Company however posted a growth in annual revenue by 50.43 percent. This was possible due to the Floating Solar Orders in hand as well as a major order of 15 crore from KSEB for High end CCTV Systems. These orders received last year will be completed this year by December 2021. There has also been a Growth in exports compared to previous year.

The year 2020-21 witnessed economic shock due to pandemic induced lockdowns and closure of businesses which was almost total in first half, which eased off during second half. Even though your Company was expecting a doubling in turnover, only 50 percent or so increase was recorded as covid19 hit our business also hard, like it did to other businesses. We were rather fortunate enough to have gone through the phase without much bruises.

The Company posted annual revenues of 70.29 crores as against 46.72 cr. recorded last year. Due to lockdowns, retail sales came to a total stand still during first half of 2020-21. The Company has 3 revenue segments – Retail, Commercial / Industrial and Solar. The retail segment recorded a dip of 36.73 percent over last year. Exports however jumped from Rs. 274.89 lakhs to 680.66 lakhs as your company was able to quote competitively amidst cutthroat competition.

The commercial / industrial segment recorded a 29.14 percent increase in revenues from 1012.79 lacs last year to Rs.1307.88 lakhs this year due to a large order from State Electricity Board for surveillance camera systems

The solar segment did 3616.96 lacs this year as against 617.78 lacs last year. Major orders received from BHEL and Tata Solar are under execution. Due to the pandemic and mostly due to delays in receipt of working capital funds, completion of these large projects have been delayed.

Earnings per share (EPS) was Rs. 2.31 per share for the year under review as against Rs. 2.10 in the previous year.

Future Outlook is positive on account of the vision of your company to continue the growth pattern. Your Company has made two senior level appointments. The first one has been, appointing a VP(Projects) to head the commercial/industrial segment business. His role is to grow the C/I business in the South, North and West regions. Next, your company has appointed a National Business Head to head the retail business. His role and leadership skills is to grow the retail business by another 30 percent from the pre pandemic year. He will also make needed changes to the present sales team and improve their sales/marketing skills.

## **DIVIDEND**

Your Board of Directors at their meeting held on 30<sup>th</sup> June 2021 have recommended a Dividend of 5 percent (Rs. 0.50 per equity share of Rs. 10 each) on the 11913750 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. Your Directors recommend to approve the dividend payout .

As on 31<sup>st</sup> March 2021, an amount of Rs. 8,00,470.50 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 2013-14 to 2019-20 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 2012-13 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 Company. Shareholders may approach and claim such transferred amounts from the Funds by following prescribed procedure

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. 76.50 lakhs to General Reserve out of the profits generated by the Company .

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

The Capital and Reserves of the Company as on 31<sup>st</sup> March 2021 stood at Rs. 4231.98 lakhs as against that of Rs. 4016.40 lakhs as on the corresponding day of the previous year.

## **WORKING CAPITAL**

The Company has been sanctioned Cash Credit facility to the tune of Rs. 10 Crores by M/s HDFC Bank,Vazhuthacaud Trivandrum and additionally a working capital demand loan of Rs 15 crore, out of which an amount of Rs. 23.01crore has been availed as on 31<sup>st</sup> March 2021.

## **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 or 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 2021 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 31<sup>st</sup> March 2021. Your Company has zero tolerance towards sexual harassment at the work place. The Company has constituted an Internal Complaint Committee in line and in compliance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Your Directors state that

- (a) In the preparation of annual accounts for the year ended March 31, 2021, 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, 2021
- (c) and of the profit of the Company for the year ended on that date;
- (d) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (e) The Directors have prepared the annual accounts on a 'going concern' basis;
- (f) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (g) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

During the Financial year 2020-21, 8 meetings of the Board of Directors were held on the following dates: 30<sup>th</sup> June 2020, 17<sup>th</sup> July 2020, 31<sup>st</sup> July 2020, 27<sup>th</sup> August 2020, 15<sup>th</sup> September 2020, 13<sup>th</sup> November 2020, 13<sup>th</sup> February 2021 and 31<sup>st</sup> March 2021.

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

Date of Meeting Name of Director	30 June 2020	17 July 2020	31 July 2020	27 Aug 2020	15 Sept 2020	13 Nov 2020	13 Feb 2021	31 Mar 2021	Total Number of Meetings Attended
M.R Subramonian	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
M.R Narayanan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
M.R Krishnan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
N.Suresh	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	7
K.Manmathan Nair	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	7
PK.Anandavally Ammal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
Harikrishnan R Nair	-	-	-	-	-	-	-	Yes	1
Dr. Ayyappan.M	-	-	-	-	-	-	-	Yes	1
Suresh T Viswanathan	-	-	-	-	-	-	-	Yes	1

#### **Contracts and arrangements with related parties**

All contracts/arrangements/transactions with related parties entered into by the Company during the financial year were in the ordinary course of business and are on arm's length. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. All related party transactions were at arms length and in the ordinary course of business and conforming to the requirements of Companies Act, 2013. Omnibus approval is taken from the Board of Directors and Audit Committee for approval of transactions what are of a repetitive nature and Special Resolution was passed at the 29<sup>th</sup> Annual General Meeting for transactions with M/s Southern Floating Solar Private Limited from whom purchases of Rs. 395.76 lakhs was made during the course of execution of floating solar project at Tuticorin. 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**

During the financial year 2020-21, the Company has made an inter corporate deposit with MPG Hotels and Infrastructure Ventures Private Limited for an amount of Rs.550 lakhs of which Rs.150 lakhs carry an interest rate of 9 percent per annum and Rs. 400 lakhs carry an interest rate of 7 percent per annum payable monthly for a period of 6 months

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

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

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

**A. Conservation of Energy.**

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

**B. Technology Absorption, Research & Development.**

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

**C. Foreign exchange earnings and outgo.**

i. Earnings in Foreign Currency

Head of Earnings	2020-21 in Rs Lakhs	2019-20 in Rs Lakhs
Export Sales	680.66	274.89
Sales Incentives on Direct orders placed on overseas principals	18.94 lakhs	Nil

ii. Expenditure in Foreign Currency

Head of Expenditure	2020-21 in Rs Lakhs	2019-20 in Rs Lakhs
Foreign Travel Expenses	0.00	04.92
Import Purchases	404.31	583.29

**Particulars of Employees and related disclosures**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees of the Company drawing remuneration in excess of the limits set out in the said rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure D.

Your Company does not have any subsidiaries, joint ventures or associates and there are no details to be disclosed.

**Risk Management Policy**

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

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

## INTERNAL FINANCIAL CONTROLS

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

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

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

### Listing with Stock Exchanges

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. Your Company has also inducted three new Independent Directors as additional Directors whose particulars are mentioned in detail elsewhere in this report.

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

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

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 2020-21**

During the year under review, the Company has inducted three Independent Directors as Additional Directors on Board namely Shri Hari Krishnan R Nair, Dr. Ayyappan. M, Shri. Suresh T Viswanathan subject to approval of appointment by the shareholders at the ensuing 30<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 30<sup>th</sup> of September, 2021.

The Company has received necessary declarations from all the six 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.

During the year under review, there has been no change in Key Managerial Personnel of the company. 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 Regulation 17 (1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company shall have at least one Woman Director on the Board and accordingly, your Board has Smt P.K Anandavally Ammal as Woman Director.

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

The Company has six 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 30<sup>th</sup> June 2021 that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and subsequently the same was placed at the Board Meeting held on 30<sup>th</sup> June 2021

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 2020-21 , the Company had conducted a refresher programme for its Independent Directors.

Policy for bringing diversity to the Board includes the following

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



### **Nomination and Remuneration Committee and policies**

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

The Committee had met once during the financial year on 26<sup>th</sup> December 2020. All the committee members attended the meeting held on 26<sup>th</sup> December 2020.

Change in Composition during the year:

The Board of Directors of the Company has approved, appointed and reconstituted the Nomination and Remuneration Committee at their meeting held on 31<sup>st</sup> March 2021 by inducting Shri Suresh T Viswanathan, Independent Director as Chairman and member of the Nomination and Remuneration Committee in place of Shri N Suresh and Shri Harikrishnan R Nair, Independent Director in place of Smt P. K. Anandavally Ammal as member of Nomination and Remuneration Committee.

The composition of the Nomination and Remuneration Committee is as under.

<b>Name of the Members</b>	
Shri Suresh Viswanathan	Chairman
Shri M.R Narayanan	Member
Shri Harikrishnan R Nair	Member

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

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

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

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

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

- (a) The candidate possesses appropriate skills experience and knowledge in one or more fields of managerial/business/administrative/legal/finance qualifications and experience over two decades ;
- (b) The candidate shall be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;
- (c) In the case of appointment of an Independent Director, the candidate meets the conditions of being independent as stipulated under Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015
- (d) The candidate also complies with the "Fit and Proper" criteria as laid down by the policy of the Company.



(ii) Criteria for Selection of Senior Management Personnel

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

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

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

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

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

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

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**

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 had met five times during the financial year 2020-21 on the dates 30<sup>th</sup> June 2020, 31<sup>st</sup> July 2020, 15<sup>th</sup> September 2020, 13<sup>th</sup> November 2020 and 13<sup>th</sup> February 2021 in which meetings, all the members were present.

Change in Composition during the year:

The Board of Directors of the Company has approved, appointed and reconstituted the Audit Committee at their meeting held on 31<sup>st</sup> March 2021 by inducting Shri Harikrishnan R Nair, Independent Director as Chairman and member of the Audit Committee in place of Shri N Suresh and Dr Ayyappan M, Independent Director in place of Smt P. K. Anandavally Ammal as member of the Audit Committee.

Composition of the Audit Committee is as follows:

<b>Name of the Members</b>	
Shri Harikrishnan R Nair	Chairman
Shri. M.R.Subramonian	Member
Dr. Ayyappan M	Member

The terms of reference of Audit committee in accordance with Section 177(4) of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 are as under

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

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

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

The Company has also in place a Code of Conduct for Prevention of Insider Trading for its designated Persons, in compliance with the SEBI (Prohibition of Insider Trading ) Regulations, 1992. The code advises them on the procedures to be followed and disclosures to be

made, while dealing in shares of the Company and cautioning them of the consequences of violations. The Code of Conduct for Directors and Senior Management is placed in the website of the Company. However, since the company is not listed in NSE or BSE, there is no trading in shares of the Company.

### **Stakeholders' Relationship Committee**

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

During the year 2020-21, The Committee met once during the financial year on 13<sup>th</sup> February 2021. All the committee members attended the meeting held on 13<sup>th</sup> February 2021.

Change in Composition during the year:

The Board of Directors of the Company has approved, appointed and reconstituted the Stakeholders Relationship Committee by inducting Shri Harikrishnan R Nair in place of Shri N Suresh as member of the Stakeholders Relationship Committee.

The Stakeholders' Relationship Committee comprises of the following directors:

<b>Name of the Members</b>	
Shri. M.R.Narayanan	Chairman
Shri. Harikrishnan R Nair	Member
Shri. M.R.Subramonian	Member

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

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

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

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

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

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

### **Statutory Auditors**

M/s Mahadev & Co, Chartered Accountants, New No.23 , Old No.12 , 1<sup>st</sup> Floor , Murali Street , Mahalingapuram Chennai 600 034 (Firm Regn No 001924S) were appointed as Statutory Auditors of the Company during 26<sup>th</sup> AGM held on 28<sup>th</sup> September 2017 for a period of five years. As per provisions of Section 139 of the Companies Act, 2013, an audit firm cannot be appointed as Statutory Auditors for more than two terms of five consecutive years and after completing such term, the audit firm shall not be eligible for re-appointment as auditor of the same company for five years from the completion of such term.

There has been no frauds reported as per the Internal control system prevalent in the company or by the Auditors during the Financial Year ended 31st March, 2021.

### **Auditors Report**

There are no qualifications or adverse remarks mentioned in the Auditors Report for the financial year 2020-21. The notes on accounts forming part of financial statements are self explanatory.

### **Secretarial Auditors Report**

Secretarial Auditors Report for the financial year 2020-21 as provided by M/s Sajee & Associates, Company Secretaries, Sreesankaram, First Floor, TC 83/211-2, Opp Kaithamukku PO, Athani Lane, Trivandrum 695 024 is annexed to this report.

Explanation to adverse remark made by the Secretarial Auditor in his report dated 14th August 2021 under Section 134(3)(f) of the Companies Act, 2013

1. Explanation to comment under sl no 1

Delay in filing CHG-1 was due to delay in receiving documents from bank, subsequently filed paying additional fee.

2. Explanation to comment under sl no 2

Promoter group has dematerialised 94.83 % of their shareholding as on 31<sup>st</sup> March 2021 and is in the process of dematerialising the remaining 5.17%

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

### **Corporate Social Responsibility (CSR) Committee**

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

During the financial year 2020-21, The Committee met twice on the dates 31<sup>st</sup> July 2020 and 13<sup>th</sup> February 2021 in which meetings, all the members were present.

Change in Composition during the year:

The Board of Directors of the Company has approved, appointed and reconstituted the Corporate Social Responsibility Committee by inducting Shri Harikrishnan R Nair, Independent Director in place of Shri M R Narayanan as Chairman and member of the committee.

The composition and other details of the CSR Committee is detailed here under:

<b>Name of the Members</b>	
Shri. Harikrishnan R Nair	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 an amount of atleast 2 percent of the average net profits of the Company made during the three immediately preceding financial years calculated in accordance with the provisions of Section 198 on CSR activities.

During the year under review, the Company was not required to spend any amount towards CSR as its net profit for immediately preceding previous year was less than Rs 5 crore

### **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.

Place: Trivandrum  
Date: 30.06.2021

For and on behalf of the Board of Directors  
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, Smt. P.K.Anandavally Ammal, Shri Harikrishnan R Nair, Shri Suresh T Viswanathan and Dr Ayyappan. M, a certificate stating their independence as required under Section 149(6) of the Companies Act, 2013.

Trivandrum  
30 June 2021

For an on behalf of the Board of Directors  
Sd/-  
M.R.Subramonian  
Managing Director

**Annexure B**  
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2021**

[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  
2<sup>nd</sup> Floor, Kences Towers, North Usman Road, T Nagar,  
Chennai 600 017

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% total turnover of the company
1	Supply, Installation, Testing, Commissioning, and maintenance of Electronic Security Systems	85318000	45.73 %
2	Supply, Installation, Testing, Commissioning and maintenance of Solar PV Systems	85410000	51.46%

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

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian a) Individual b) Central Govt c) State Govt d) Bodies Corp e) Banks / FI f) Any Other....	7692800	419325	8112125	68.09	7692800	419325	8112125	68.09	0.00
<b>Sub-total (A) (1):-</b>	7692800	419325	8112125	68.09	7692800	419325	8112125	68.09	0.00
(2) Foreign a) NRIs - Individuals b) Other – Individuals c) Bodies Corp. d) Banks / FI e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	--
<b>Sub-total (A) (2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	7692800	419325	8112125	68.09	7692800	419325	8112125	68.09	0.00
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govts e) Venture Capital Funds f) Insurance Companies g) FIs h) Foreign Venture Capital Funds i) Others Investor Education & Protection Fund (IEPF) (specify)	100000	0	100000	0.84	100000	0	100000	0.84	0.00
	450	0	4500	0.04	4500	0	4500	0.04	0.00
<b>Sub-total (B)(1):-</b>	104500	0	104500	0.88	104500	0	104500	0.88	0.00



<b>2. Non-Institutions</b>									
a) Bodies Corp									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	578870	398390	977260	08.20	589350	385890	975240	08.19	-0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	198065	352950	551015	04.63	198065	352950	551015	04.63	0.00
c) Others					10000	0	10000	0.08	0.08
NBFCs Registered with RBI	2168850	0	2168850	18.20	2160870	0	2160870	18.14	-0.06
D.) Domestic body corporate									
<b>Sub-total (B)(2):-</b>	2945785	751340	3697125	31.03	2958285	738840	3697125	31.03	0.01
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	3050285	751340	3801625	31.91	3062785	738840	3801625	31.91	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Grand Total (A+ B +C)</b>	<b>10743085</b>	<b>1170665</b>	<b>11913750</b>	<b>100</b>	<b>10755585</b>	<b>1158165</b>	<b>11913750</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters

Sl. no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M.R.SUBRAMONIAN	2784825	23.37	99.98	2784825	23.37	09.86	NIL
2	M.R.KRISHNAN	2610075	21.91	99.98	2610075	21.91	09.86	NIL
3	M.R.NARAYANAN	2242825	18.83	99.84	2242825	18.83	09.86	NIL

4	THANKAM RAMAKRISHNAN	63550	0.53	0.00	63550	0.53	0.00	NIL
5	SHOBHA KRISHNAN	51450	0.43	0.00	51450	0.43	0.00	NIL
6	RADHA NARAYANAN	76000	0.64	0.00	76000	0.64	0.00	NIL
7	ASHA SUBRAMONIAN	57100	0.48	0.00	57100	0.48	0.00	NIL
8	M.S.RAMAKRISHNAN	33650	0.28	0.00	33650	0.28	0.00	NIL
9	KARTHIK NARAYANAN	192650	1.62	0.00	192650	1.62	0.00	NIL
	<b>TOTAL</b>	8112125	68.09	93.87	8112125	68.09	29.59	NIL

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

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1	Tops Security Limited	1750000	14.69	1750000	14.69
2	Muthoot Exim Private Limited	400,000	3.36	3,90,000	3.27
3	Dhanlakshmi Bank Limited	100000	0.84	100000	0.84
4	Vijayakumar	83375	0.70	83375	0.70
5	Kunchitham M S	57550	0.48	57550	0.48
6	Vinaya Chand P	46250	0.39	46250	0.39
7	Chandrasahsan K C	41625	0.35	41625	0.35
8	Thomas Alocious Fernandez	41625	0.35	41625	0.35
9	Thomas John Muthoot	41500	0.35	41500	0.35
10	Ravindran T	40000	0.34	40000	0.34

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

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

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment -Rs 2438.35 lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	268.37			268.37
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	268.37	0.00	0.00	268.37
<b>Change in Indebtedness during the financial year-</b>				
Addition	2389.06	0		2389.06
Repayment	238.28	0.00	0	238.28
<b>Net Change</b>	2150.78	0.00	0.00	2150.78
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2419.15	0.00	0.00	2438.15
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	19.20	0.00	0.00	19.20
<b>Total (i+ii+iii)</b>	2438.35	0.00	0.00	2438.35

**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	39.50	39.50	79.00
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify Medical			
	<b>Total (A)</b>	<b>39.50</b>	<b>39.50</b>	<b>79.00</b>
	Ceiling as per the Act	79 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	0.50	0.60	0.60	1.7
	<b>Total (1)</b>	<b>0.50</b>	<b>0.60</b>	<b>0.60</b>	<b>1.70</b>
	2. Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	M.R.Narayanan  Nil Nil			Nil
	<b>Total (2)</b>	<b>Nil</b>			<b>Nil</b>
	<b>Total (B)=(1 +2)</b>	<b>1.70</b>			
	<b>Total Managerial Remuneration</b>	<b>Rs. 1.70 lakhs</b>			
	<b>Overall Ceiling as per the Act</b>	Rs. 3.72 lakhs being 1 % of net profits of the Company calculated as per Section 198 of the Companies Act, 2013 excluding sitting fee paid.			

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

(in Rs Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	31.63	7.44	39.07
2.	Stock Option		Nil	Nil	Nil
3.	Sweat Equity		Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...		Nil	Nil	Nil
5.	Others- Medical		0.00	0.00	00
	Total		31.63	7.44	39.07

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

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

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

**ANNEXURE – C**

**FORM NO. AOC.2**

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

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

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

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

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

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

Trivandrum  
30 June 2021

For an on behalf of the Board of Directors  
Sd/-  
M.R.Narayanan  
Chairman

**ANNEXURE D**

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

(i) The ratio of remuneration of Managing Director/Executive Director to the median remuneration of the employees of the Company for the financial year ended 31 <sup>st</sup> March 2021	10.85
(ii) The ratio of remuneration of Non Executive Non Independent Director to the median remuneration of the employees of the Company for the financial year ended 31 <sup>st</sup> March 2021	NA
(iii) The median remuneration of employees of the Company during the financial year	364,000
(iv) Percentage increase in the median remuneration of the employees in the financial year 2020-21	6.43 %
(v) Number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March 2021	97
(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	6.43 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 2020-21 and the comparison of remuneration of each KMP against the performance of the Company are as under

SI No	Name of Director/Key Managerial Personnel and Designation	Remuneration for FY In Rs Lakhs		% increase/ (-Decrease) for financial year 2020-21	Comparison of the remuneration against the performance of the Company
		2020 -21	2019 -20		
01	M.R.Subramonian, Managing Director	39.50	43.25	(-) 8.67	Profits before tax increased by 08.06 % and Profits after tax increased by 9.88 %
02	M.R.Narayanan, Director	Nil	Nil	NA	
03	S.Balamurali, Company Secretary	31.63	34.00	(-)6.97	
04	P.Vinaya Chand, Chief Financial Officer	7.44	7.45	0.00	

Variations in:

	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Market Capitalisation	Not Applicable	Not Applicable
Market Price	Not Applicable	Not Applicable
Earnings Per Share	Rs. 2.31	Rs. 2.10
Price Earning Ratio	Not Applicable	Not Applicable
Net Worth	4231.98 lakhs	4016.40 lakhs

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

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

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

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

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

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

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

### 4. SCOPE OF ACTIVITIES:

#### A. EDUCATION:

- i. Awareness Programmes on girl education
- ii. Promotion of Professional Education by way of conducting seminars and other activities
- iii. Adult literacy amongst those belonging to BPL
- iv Provision of basic amenities/facilities for needed schools

#### B. ENVIRONMENT

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

#### C. WATER SUPPLY :

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

#### D. HEALTH RELATED ACTIVITIES:

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

#### E. SPORTS AND CULTURES ACTIVITIES:

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

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

2. Composition of the CSR Committee:

Name of the Members	
Shri. Harikrishnan R Nair	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 an amount of atleast 2 percent of the average net profits of the Company made during the three immediately preceding financial years calculated in accordance with the provisions of Section 198 on CSR activities.

During the year under review, the Company has not spent any amount towards CSR as net profit for the immediately preceding previous year was less than 5 crores.

**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/-  
Harikrishnan R Nair  
Chairman, CSR Committee

30 June, 2021  
Trivandrum

## Independent Auditors' Report

To the Members of Adtech Systems Limited  
Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Adtech Systems Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

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

### Auditor's Response

#### Principal Audit Procedures

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard as applicable to the Company's regular revenue stream and new areas of revenue being E-Locker and Solar Projects. Our audit approach consisted testing and evaluating of the design and operating effectiveness of the internal controls and substantive testing to verify the efficacy of these procedures Viz-a- Viz the adoption of IND AS 115 and we are of the opinion that the same are adequate to ensure compliance with the provision of the above standard.

## 2. Key Audit Matter

### Evaluation of uncertain tax positions

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

Refer Notes r(b) to the Standalone Financial Statements

### Auditor's Response

#### Principal Audit Procedures

We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2021 to evaluate whether any change was required to management's position on these uncertainties.

## 3. Key Audit Matter

### Capitalisation of Property , Plant and Equipment

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

### Auditor's Response

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

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

## Emphasis of Matter

We draw attention to Note(q) in the Financial statements, which describes the economic and social [consequences/disruption] the entity is facing as a result of COVID-19 which is impacting [supply chains / consumer demand/financial markets/commodity prices/ personnel available for work and or being able to access offices]. Our opinion is not modified in respect of this matter

## Other Information

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

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

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

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- (A) As required by Section 143 (3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. r (b) to the standalone financial statements;
  - b. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - c. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv the disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Mahadev & Co.,**  
**Chartered Accountants**  
**FRN No: 001924S**  
**Sd/-**  
**C.Narayanan**  
**Partner**  
**Membership No: 028424**

**Place Chennai**  
**Date 30.06.2021**



### **Annexure A to the Independent Auditors' Report – 31 March, 2021**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.  
(b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification of fixed assets in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.  
(c) On the basis of our examination of records, the title deeds of immovable properties are held in the name of the Company except the one in which the Company has entered into an agreement with M/s Star Micronix, a firm in which the Directors are interested, for the purchase of fixed assets of Star Micronix and an advance of Rs.33,05,662.00 has been made. The Company is in possession of the said fixed assets and the same has been mortgaged with M/s HDFC Bank Limited as collateral security for the cash credit facility availed by the company, though the same is yet to be registered in the company's name
2. (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year and no material discrepancies were noticed during such verification. In our opinion the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted or has taken any loans secured or unsecured to companies, firms or other parties in the register maintained under Section 189 of the Companies Act, 2013.  
(b) Since the company has not granted any loans to parties in the register maintained under Section 189 of the Companies Act, 2013, (except trade advances to M/s. Southern Floating Solar Pvt Ltd – where Director is interested) 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, 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes as on 31st March 2021 except the following.

Name of the Statute	Nature of Dues and financial year to which it pertains	Forum where dispute is pending	Amount involved in Rs Lakhs	Security Deposit made in Rs Laks
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2012-13	DC(Appeals), Tvm	Rs.18.84	Rs. 7.15
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2012-13	High Court of Kerala	Rs. 313.80	Rs.9.27
Kerala VAT Act, 2003	Kerala Value Added Tax and Interest for FY 2013-14	DC (Appeals),Tvm	Rs.43.54	Rs. 8.71
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2013-14	DC (Appeals),Tvm	Rs 5.73	Rs. 1.34
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2014-15	Remanded back to Assessing officer by DC Appeals,tvm	Rs. 18.13	Rs.3.63
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2015-16	Remanded back to Assessing officer by DC Appeals,tvm	Rs. 38.36	Rs.13.71
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2015-16	In the process of preferring Appeal	Rs.60.97	Rs Nil
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2016-17	Remanded back to Assessing officer by DC Appeals,tvm	Rs,16.55	Rs.3.90
Kerala VAT Act 2003	Penalty imposed by Intelligence Officer on raid for 2012-13, 2013-14 and 2014-15	High Court of Kerala	1638.22	Nil
			2154.14	47.71

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

**For Mahadev & Co.,**  
**Chartered Accountants**  
**FRN No: 001924S**  
**Sd/-**  
**C.Narayanan**  
**Partner**  
**Membership No: 028424**  
**UDIN 21028424AAAACM1465**

Chennai  
30 June 2021

## **Annexure B to the Independent Auditors' Report – 31 March, 2021**

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

### **Opinion**

**We have audited the internal financial controls with reference to standalone financial statements of M/s.Adtech Systems Limited (“the Company”) as at 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

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

generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

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

Sd/-

**C.Narayanan**

**Partner**

**Membership No: 028424**

**UDIN 21028424AAAACM1465**

Chennai

30 June 2021

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2021**

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

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Adtech Systems Limited for the Financial Year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and overseas direct investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

- i. The Company has filed one form CHG-1 form with additional fee.
- ii. Whereas in terms of the Regulation 31 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 5.17% of promoters shares are not dematerialised yet.

We further report that:

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

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

For Sajee & Associates

**UDIN: F008705C000765681**

Sd/-

Thiruvananthapuram  
14<sup>th</sup> August 2021

P Sajee Nair, FCS  
FCS No: 8705  
CP No: 12772

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



**'Annexure A'**

The Members

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

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

For Sajee & Associates

**UDIN: F008705C000765681**

Thiruvananthapuram  
14 August 2021

**Sd/-**

P Sajee Nair, FCS  
Practicing Company Secretary  
FCS No: 8705  
CP No:12772

**Annual Secretarial Compliance Report**

**Secretarial compliance report of M/s. Adtech Systems Limited for the year ended 31<sup>st</sup> March, 2021**

I, P Sajee Nair, Company Secretary have examined:

- a) all the documents and records made available to us and
- b) explanation provided by Adtech Systems Limited (“the listed entity”),
- c) the filings/ submissions made by the listed entity to the stock exchange
- d) website of the listed entity
- e) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March, 2021 in respect of compliance with the provisions of :
  - a.) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”)and the Regulations, circulars, guidelines issued thereunder; and
  - b.) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

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

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

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

SI No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 31(2) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015	Dematerialization of promoters holdings not completed	5.17% of promoters holding not yet dematerialised
2.	Regulation 33(1) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015	The auditor, who had given limited review or audit report, has not completed the peer review process of ICAI.	Company has to take steps to avoid such noncompliance from the auditor

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

SI no	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Dematerialisation of Promoters holdings not completed	5.17 % of promoters equity holdings not dematerialized yet	Company had requested promoters to Dematerialize their holdings	Company has to make aware the promoters to comply with the legal provision and to dematerialize their holdings.
2	Statutory Auditor has not completed the peer review process of ICAI	Company has to take steps to avoid such non-compliances from the Auditor	Informed the Auditor the requirement of getting peer reviewed and requested early compliance	Statutory Auditors M/s Mahadev & Co has completed their peer review for a period of 2016-19. Listed entity has taken active steps to get the auditing firm in completing their peer review.

For Sajee & Associates

UDIN: F008705C000536815  
Thiruvananthapuram  
29.06.2021

Sd/-  
P Sajee Nair, FCS  
Practicing Company Secretary  
FCS No: 8705  
CP No:12772

**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 2021

	Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
	Assets			
1	Non Current Assets			
	Property, Plant & Equipments	3	9,02,64,172.29	7,90,79,526.77
	Capital Work in Progress	4	6,23,24,222.49	5,05,87,356.16
2	Current Assets			
	Inventories	5	13,24,62,761.00	10,91,02,694.00
	Financial Assets			
	Investments	6	0.00	0.00
	Trade Receivables	7	30,30,55,372.58	14,41,69,391.06
	Cash & Cash Equivalents	8	2,45,34,935.08	1,26,64,771.78
	Bank Balances other than above	9	5,58,56,816.00	1,38,70,297.00
	Loans		0.00	0.00
	Others	10	11,74,33,234.48	9,51,43,531.16
	Current Tax Assets	11	3,18,83,215.10	2,37,42,157.72
	Other Current Assets	12	33,05,662.00	33,05,662.00
	Total Assets		82,11,20,391.02	53,16,65,387.65
	Equity & Liabilities			
	Equity			
	Equity Share Capital	13	12,30,91,490.00	12,30,91,490.00
	Other Equity	14	30,01,06,449.83	27,85,48,531.88
	Liabilities			
1	Non Current Liabilities			
	Financial Liabilities			
	Borrowings	15	76,63,313.57	28,37,209.39
	Provisions			
	Deferred Tax Liabilities	16	1,10,41,689.70	98,73,964.70
	Other Non Current Liabilities			
2	Current Liabilities			
	Financial Liabilities			
	Borrowings	17	23,61,71,514.76	3,05,68,469.03
	Trade Payables	18	10,38,70,306.27	6,37,97,077.54
	Other Financial Liabilities	19	75,21,006.89	68,54,914.11
	Other Current Liabilities			
	Provisions	20	3,16,54,620.00	1,60,93,731.00
	Current Tax Liabilities			
	Total Liabilities		82,11,20,391.02	53,16,65,387.65

See accompanying notes forming part of these standalone financial statement

This is the Balancesheet referred to in our report of even date

for and on behalf of the Board of Directors

for Mahadev & Co  
Chartered Accountants  
Firm Regn No 001924S

Sd/-  
M.R.Subramonian  
Managing Director

Sd/-  
M.R.Krishnan  
Executive Director

Sd/-  
C.Narayanan  
Partner  
Membership Number 028424

Sd/-  
S.Balamurali  
Company Secretary

Sd/-  
P.Vinaya Chand  
Chief Financial Officer

Place : Chennai  
Date : 30 June 2021 UDIN 21028424AAAACM1465

**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 2021

Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
Revenue from Operations	21	70,28,99,261.45	46,72,45,699.16
Other Income	22	74,15,618.35	53,04,022.30
Total Income		71,03,14,879.80	47,25,49,721.46
Cost of Materials consumed			
Purchases of Stock in Trade	23	52,47,41,954.25	27,93,08,176.51
Other Direct Expenses	24	2,58,98,797.05	38,31,804.75
Changes in Inventories of finished Goods, Stock in Trade & Work in Progress	25	-2,33,60,067.00	4,38,95,185.00
Employee Benefit Expenses	26	5,35,06,526.00	5,71,46,529.87
Finance Costs	27	1,66,47,309.50	20,09,542.10
Depreciation & amortization Expenses		1,00,22,122.22	42,38,006.57
Other Expenses	28	6,39,31,776.77	4,66,99,478.27
Total Expenses		67,13,88,418.79	43,71,28,723.07
Profit/Loss before exceptional items		3,89,26,461.01	3,54,20,998.39
Exceptional Items		7,43,943.06	2,61,551.00
Profit/Loss Before Tax		3,81,82,517.95	3,51,59,447.39
Tax Expense			
Current Tax		95,00,000.00	89,77,208.00
Deferred Tax		11,67,725.00	11,42,108.00
Profit & Loss for the period from Continuing operations		2,75,14,792.95	2,50,40,131.39
Income for the period from Dis Continued operations			
Tax Expense of Discnotinued Operations			
Profit/Loss for the period from Dis Continued operations			
Profit & Loss for the period		2,75,14,792.95	2,50,40,131.39
Other Comprehensive Income			
Items that will not be reclassified to P&L		0.00	0.00
Income Tax relating to items that will not be reclassified to P&L		0.00	0.00
Items that will be reclassified to P&L		0.00	0.00
Income Tax relating to items that will be reclassified to P&L			
Total Comprehensive Income		2,75,14,792.95	2,50,40,131.39
EPS for Continuing & Discontinued	29		
Basic		2.31	2.10
Diluted		2.31	2.10

See accompanying notes forming part of these standalone financial statement  
Corporate Information and Significant accounting policies 1 & 2

This is the Statement of Profit & Loss referred to in our report of even date  
for Mahadev & Co

Chartered Accountants  
Firm Regn No 001924S  
for Mahadev & Co  
Chartered Accountants  
Firm Regn No 001924S

Sd/-  
C.Narayanan  
Partner  
Membership Number 028424

Place : Chennai  
Date : 30 June 2021 UDIN 21028424AAAACM1465

for and on behalf of the Board of Directors

Sd/-  
M.R.Subramonian  
Managing Director

Sd/-  
M.R.Krishnan  
Executive Director

Sd/-  
S.Balamurali  
Company Secretary

Sd/-  
P.Vinaya Chand  
Chief Financial Officer

**Statement of Changes in Equity for the year ended 31st March 2021**

A	Equity Share Capital (All amounts are in Indian Rupees, unless otherwise stated)		No of Shares	Amount in INR	
	Equity Shares of Rs. 10/- each, Issued, Subscribed and fully paid up				
	As at 01st April 2017		23,82,750	238,27,500	
	Shares issued during 2017-18 as fully paid Bonus Shares		95,31,000	953,10,000	
	As at 01st April 2018		119,13,750	1191,37,500	
	As at 01st April 2019		119,13,750	1191,37,500	
	As at 01st April 2020		119,13,750	1191,37,500	
	Equity Share Capital as at 31st March 2021		119,13,750	1191,37,500	
	Forfeited Shares (Amount Originally paid up)		39,53,990.00	39,53,990.00	
B	Other Equity	Capital Reserves	Revaluation Reserves	General Reserve	Retained Earnings
	As at 01st April 2019	53,37,500.00	17,220.00	4,79,95,207.00	21,02,12,620.49
	Add Profit for the year				2,50,40,131.39
	Total			60,00,000.00	23,52,52,751.88
	Transfer during the year				-60,00,000.00
	Transactions with Owners in their capacity as Owners				
	Dividends				-83,39,625.00
	Corporate Dividend Tax on Dividend				-17,14,522.00
	As at 31st March 2020	53,37,500.00	17,220.00	5,39,95,207.00	21,91,98,604.88
	Add Profit for the year				2,75,14,792.95
	Total			76,50,000.00	24,67,13,397.83
	Transfer during the year				-76,50,000.00
	Transactions with Owners in their capacity as Owners				
	Dividends				-59,56,875.00
	Corporate Dividend Tax on Dividend				0.00
	As at 31st March 2021	53,37,500.00	17,220.00	6,16,45,207.00	23,31,06,522.83

for and on behalf of the Board of Directors

for Mahadev & Co  
Chartered Accountants  
Firm Regn No 001924S

Sd/-  
C.Narayanan  
Partner

Membership Number 028424  
Place : Chennai  
Date : 30 June 2021 UDIN 21028424AAAAACM1465

Sd/-  
M.R.Subramonian  
Managing Director

Sd/-  
M.R.Krishnan  
Executive Director

Sd/-  
S.Balamurali  
Company Secretary

Sd/-  
P.Vinaya Chand  
Chief Financial Officer

Notes forming part of the financial statements for the year ended  
(All amounts are in Indian Rupees, unless otherwise stated)  
Note 3 Property, Plant & Equipment

SI No	Particulars	Gross Block			Depreciation Block			Net Block		
		At cost as on 31.03.2020	Additions	Sale/Transfer/Write off	At cost as 31.3.2021	Up to 31.03.2020	For the Period	Up to 31.03.2021	As at 31.03.2020	As at 31.03.2021
1	Furniture & Fittings	7,44,161.82	0.00	0.00	7,44,161.82	5,24,664.85	31,750.66	5,56,415.51	2,19,496.97	1,87,746.31
2	Computer Systems	39,88,546.20	4,40,403.00	0.00	44,28,949.20	29,57,051.03	5,60,849.65	35,17,900.68	10,31,495.17	9,11,048.52
3	Tools & Fixtures	1,71,159.35	0.00	0.00	1,71,159.35	1,62,564.35	0.00	1,62,564.35	8,595.00	8,595.00
4	Power Contrl Accessories	3,62,432.15	2,469.82	0.00	3,64,901.97	3,16,307.68	29,525.82	3,45,833.50	46,124.47	19,068.47
5	Office Equip	6,19,795.58	0.00	0.00	6,19,795.58	4,82,236.04	68,560.10	5,50,796.14	1,37,559.54	68,999.44
6	Motor Car	1,35,71,418.17	0.00	0.00	1,35,71,418.17	59,25,343.33	12,35,763.56	71,61,106.89	76,46,074.84	64,10,311.28
7	EPBEX	94,108.06	0.00	0.00	94,108.06	78,883.36	10,007.50	88,890.86	15,224.70	5,217.20
8	Building Renovation A/c	12,80,286.99	0.00	0.00	12,80,286.99	7,79,334.98	85,789.56	8,65,124.54	5,00,952.01	4,15,162.45
9	Software Development	5,16,939.00	0.00	0.00	5,16,939.00	4,66,291.06	18,488.95	4,84,780.01	5,0647.94	32,158.99
10	Land	1,56,86,060.00	0.00	0.00	1,56,86,060.00	0.00	0.00	0.00	1,56,86,060.00	1,56,86,060.00
11	Testing Equipments	51,658.00	0.00	0.00	51,658.00	20,818.73	7,343.13	28,161.86	30,839.27	23,496.14
12	Solar Power Plant 623KW Nagpur	2,67,89,001.00	0.00	22,22,919.20	2,45,66,081.80	34,14,716.88	16,60,662.45	50,75,379.33	2,33,74,284.12	1,94,90,702.47
13	Solar Power Plant 250 KW Kochin	30,44,307.00	10,35,362.00	0.00	40,79,669.00	0.00	0.00	0.00	30,44,307.00	40,79,669.00
14	Plant & Machinery Solar Div	11,92,867.25	1,71,35,254.00	0.00	1,83,28,121.25	3,82,781.89	16,50,379.57	20,33,161.46	8,10,085.36	1,62,94,959.79
15	Equipments & Devices Solar Division	0.00	42,38,878.12	0.00	42,38,878.12	0.00	3,43,103.49	3,43,103.49	0.00	38,95,774.63
16	E Locking Systems for IOCL	2,68,06,892.00	5,77,320.00	0.00	2,73,84,212.00	3,29,111.62	4,319,897.78	46,49,009.40	2,64,77,780.38	22,735,202.60
		94,9,19,632.57	2,34,29,686.94	22,22,919.20	11,61,26,400.31	1,58,40,105.80	1,00,22,122.22	2,58,62,228.02	7,90,79,526.77	90,264,172.29



Notes forming part of the financial statements for the year ended (All amounts are in Indian Rupees, unless otherwise stated)  
 Note 4 Capital Work in Progress

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

Building Construction Account	
Amount spend as at 31st March 2020	5,05,87,356.16
Add Additions for the year ended 31st March 2021	1,17,36,866.33
Amount Spend as on 31.03.2021	6,23,24,222.49

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

31 March 2021                      31 March 2020

**Note 5 : Inventories**

Inventories at Trivandrum

EAS Systems	5,51,96,451.00	7,17,26,442.26
Display Security Systems	2,14,97,920.02	2,38,95,273.91
CCTV & Alarm Systems	69,53,224.07	47,03,973.49
Access Control Systems & Cables	39,38,262.21	21,90,938.65
Solar Panels in Stock	53,30,171.00	53,30,171.00
Solar Rawmaterials	93,60,156.00	0.00
Solar Work in progress	56,03,160.00	0.00
Solar Finished Goods-Floating HDPE Panels	2,31,28,042.00	0.00
<b>Total Inventories at Trivandrum</b>	<b>13,10,07,386.30</b>	<b>10,78,46,799.31</b>
<b>Inventories at Delhi &amp; Chennai</b>	<b>14,55,374.70</b>	<b>12,55,894.69</b>
<b>Total Inventories</b>	<b>13,24,62,761.00</b>	<b>10,91,02,694.00</b>

Note 06 : Current Non-Trade Investments

Total Current Non-Trade Investments	0.00	0.00
-------------------------------------	------	------

**Note 07 : Trade Receivables**

Receivables Outstanding for a period more than 6 months unsecured, Considered good	2,22,36,661.01	3,46,18,240.77
Receivables Outstanding for a period more than 6 months Unsecured,Doubtful	31,19,203.99	28,63,908.75
Receivables Outstanding for a period less than 6 months Unsecured, Considered Good	27,76,99,507.58	10,66,87,241.54
<b>Total Trade Receivables</b>	<b>30,30,55,372.58</b>	<b>14,41,69,391.06</b>

**Note 08 Cash and Cash Equivalents**

Cash in Hand	31,480.00	7,038.00
Unrestricted Balances with scheduled banks on current accounts	2,45,03,455.08	1,26,57,733.78
Unrestricted Balances with scheduled banks on deposit accounts	0.00	0.00
<b>Total Cash and Cash Equivalentts</b>	<b>2,45,34,935.08</b>	<b>1,26,64,771.78</b>

**Note 09 Bank balances other than above**

Earmarked balances with Scheduled Banks	5,58,56,816.00	1,38,70,297.00
---	----------------	----------------

**Note 10 Other Financial Assets**

Advance for Expenses,Unsecured, considered good	36,50,475.84	17,05,726.17
Advance for Purchases,Unsecured, considered good	4,88,19,027.25	2,49,75,565.60

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

	31 March 2021	31 March 2020
Earnest Money Deposit	1,15,501.00	8,14,501.00
Intercompany Deposit with Muthoot Capital Services Ltd	0.00	1,76,03,887.00
Intercompany Deposit with MPG Hotels	5,50,00,000.00	4,01,61,095.00
Security Deposit	68,10,562.73	68,09,562.73
Rental Deposits	9,20,440.00	9,05,440.00
Other Loans and advances, Unsecured, considered good	21,17,227.66	21,67,753.66
Total	11,74,33,234.48	9,51,43,531.16

**Note 11 Current Tax Assets**

Tax Deducted at Source	47,37,066.31	29,72,343.41
TCS Collected at source Asset	2,03,167.01	0.00
GST Paid in Advance	1,36,41,476.56	54,22,595.09
Advance Income Tax	1,33,01,505.22	1,53,47,219.22
Total	3,18,83,215.10	2,37,42,157.72

**Note 12 - Other Current Assets**

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

**Note 13 : Equity Share Capital**

	As at 31 March 2021	As at 31 March 2020
<b>Authorised Shares</b>		
140,00,000 Equity Shares of Rs.10 each	14,00,00,000	14,00,00,000
Issued, Subscribed and fully paid up shares	11,91,37,500	11,91,37,500
<b>Total Issued Subscribed and fully paid up Shares</b>	<b>11,91,37,500</b>	<b>11,91,37,500</b>

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

	As at 31st March 2021	
Ordinary equity shares of Rs 10/- each	No of Shares	In Rs
Balance at the beginning of the year	1,19,137,750	11,91,37,500
Balance at the end of the Year	1,19,137,750	11,91,37,500.00

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

b. Terms/rights attached to equity shares

The Company has only one class of shares viz equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and interim dividend is declared. by the Board of Directors at their duly convened meeting.. During the year ended 31st March 2021, Board of Directors have recommended dividend of 0.50/- per share, in view of expansion plans. share.(Previous year ended 31st March 2020 dividend was Rs.0.70/- per share)

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

c. No bonus shares were issued and no shares were issued for consideration other than cash during the period of five years immediately preceding the reporting date except for an issue of 9531000 equity shares of Rs. 10 each fully paid up as bonus shares as stated in para (a) above.

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

	As on 31st March 2021		As on 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M.R.Narayanan	2242825	18.83	2242825	18.83
M.R.Subramonian	2784825	23.37	2784825	23.37
M.R.Krishnan	2610075	21.91	2610075	21.91
Tops Security Limited	1750000	14.69	1750000	14.69
e. Forfeited Shares (Amount Originally paid up)			39,53,990.00	39,53,990.00

<b>Note 14 : Other Equity -Reserves and Surplus</b>		
<b>Reserves &amp; Surplus</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>a. Capital Reserves</b>		
Balance as per last financial statements	53,37,500.00	53,37,500.00
(+) Current Year Transfer		
Closing Balance	53,37,500.00	53,37,500.00
<b>b. Revaluation Reserve</b>		
Balance as per last financial statements	17,220.00	17,220.00
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	17,220.00	17,220.00
<b>c. General Reserve</b>		
Opening Balance	5,39,95,207.00	4,79,95,207.00
Add Transfer from current year profits	76,50,000.00	60,00,000.00
(-) Written Back in Current Year		
<b>Closing Balance</b>	<b>6,16,45,207.00</b>	<b>5,39,95,207.00</b>

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

31 March 2021

31 March 2020

<b>d Surplus/(deficit) statement in the statement of Profit and Loss</b>		
Balance as per last financial statements	21,91,98,604.88	21,02,12,620.49
Add : Profit for the current year	2,75,14,792.95	2,50,40,131.39
Add: GST transitional credit availed on stock of goods		
Less : Appropriations		
Proposed Dividend @Rs 0.5 per share (PY Rs.0.70 per share)	59,56,875.00	83,39,625.00
Dividend Tax	0.00	17,14,522.00
Transfer to General Reserve	76,50,000.00	60,00,000.00
Capitalised upon issue of fully paid bonus shares of Rs. 10/- each		
Net surplus in the statement of profit and loss	23,31,06,522.83	21,91,98,604.88
<b>Total Reserves and Surplus</b>	<b>30,01,06,449.83</b>	<b>27,85,48,531.88</b>

**Note 15 Non Current Liabilities -Financial Liabilities : Borrowings**

1. Vehicle Loan from HDFC Bank, Vazhuthacaud Trivandrum secured by hypothecation of Vehicle purchased using the loan amount	5,74,699.16	13,25,006.39
2. Vehicle Loan from State Bank of India, SME Branch, Tvm secured by hypothecation of Vehicle purchased using the loan amount	4,72,090.41	15,12,203.00
7. Equipment Finance Loan from Small Industries Bank of India (SIDBI) Secured by hypothecation of machinery purchased out of the loan amount and on Fixed Deposit of Rs. 29 lakhs placed with SIDBI	66,16,524.00	

**Total Borrowings** **76,63,313.57** **28,37,209.39**

**Note 16: Deferred Tax Liabilities (Net)**

Deferred Tax Liability (opening balance)	98,73,964.70	87,31,856.70
Add: Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting	11,67,725.00	11,42,108.00
Deferred Tax Liabilities (Net)	1,10,41,689.70	98,73,964.70

**Note 17 : Current Liabilities -Financial Liabilities- Borrowings**

**Secured**

1. Vehicle Loan from HDFC Bank, Vazhuthacaud Trivandrum secured by hypothecation of Vehicle purchased using the loan amount	7,50,000.00	7,14,000.00
2. Vehicle Loan from State Bank of India, SME Branch, Tvm secured by hypothecation of Vehicle purchased using the loan amount	12,12,000.00	12,85,540.00
3. Cash Credit Demand Loan from HDFC Bank Limited secured by hypothecation of Stock and Book Debts created out of bank finance and by personal guarantee of promoters and by mortgage of land and building owned by Company and mortgage of land and building belonging to promoter's firm as collateral security	9,51,40,444.76	
4. Interest accrued but not due on above	8,32,107.00	

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

	31 March 2021	31 March 2020
5 Working Capital Demand Loan from HDFC Bank Limited secured by hypothecation of Stock and Book Debts created out of bank finance and by personal guarantee of promoters and by mortgage of land and building owned by Company and mortgage of land and building belonging to promoter's firm as collateral security	13,50,00,000.00	
6. Interest accrued but not due on above	10,87,945.00	
7. Equipment Finance Loan from Small Industries Bank of India (SIDBI) Secured by hypothecation of machinery purchased out of the loan amount and on Fixed Deposit of Rs. 29 lakhs placed with SIDBI	21,00,000.00	
8 Interest accrued but not due on above	49,018.00	
9. Cash Credit Demand Loan from State Bank of India secured by hypothecation of Stock and Book Debts created out of bank finance and by personal guarantee of promoters and by mortgage of land and building belonging to promoter's firm as collateral security	0.00	2,85,68,929.03
Interest accrued and due on above	0.00	0.00
<b>Total</b>	<b>23,61,71,514.76</b>	<b>3,05,68,469.03</b>
<b>Note 18 : Trade Payables</b>		
(a) Creditors for Purchases	7,77,78,541.26	4,85,72,427.40
(b) Creditors for Expenses	1,51,57,245.89	94,34,630.46
© Advance against supply of goods	1,09,34,519.12	57,90,019.68
<b>Total Trade Payables</b>	<b>10,38,70,306.27</b>	<b>6,37,97,077.54</b>
<b>Note 19 Other Financial Liabilities</b>		
(a) Statutory dues payable	22,03,073.28	19,60,436.00
(b) Employee related Payables	35,51,660.11	34,30,841.11
(c) Income received in advance	11,66,273.50	2,63,637.00
(d) Advances received- Others	6,00,000.00	12,00,000.00
<b>Total Other Financial Liabilities</b>	<b>75,21,006.89</b>	<b>68,54,914.11</b>
<b>Note 20 Short Term Provisions</b>		
<b>(a) Provision for employee benefits</b>		
Provision for Leave Encashment (non funded)	26,07,325.00	26,71,578.00
Provision for Bonus	44,52,600.00	42,84,333.00
Total provisions for employee benefits	70,59,925.00	69,55,911.00
<b>(b) Other Provisions</b>		
Provision for Taxation	1,86,37,820.00	91,37,820.00
Provision for Dividend	59,56,875.00	0
Provision for Dividend Tax		0
Total other provisions	2,45,94,695.00	91,37,820.00
<b>Total Short Term Provisions</b>	<b>3,16,54,620.00</b>	<b>1,60,93,731.00</b>

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

	31 March 2021	31 March 2020
<b>Note 21 Revenue from Operations</b>		
(a) Revenue from Sale of Products		
Interstate Sales -Kerala	26,63,11,382.01	34,86,09,599.46
Interstate Sales -Tamilnadu	17,400.00	27,450.00
Interstate Sales- Delhi	1,23,250.00	0.00
Local sales-Kerala	27,33,47,730.17	1,98,28,914.79
Local Sales Tamilnadu	4,29,94,286.00	1,81,14,631.00
Local Sale -Delhi	4,000.00	21,100.00
Export sales	6,80,80,300.70	2,74,89,063.83
Sale of Electricity	15,52,070.00	25,52,802.00
	65,24,30,418.88	41,66,43,561.08
Less Sales Returns		
Revenue from Sale of Products (net of returns)	65,24,30,418.88	41,66,43,561.08
(b) Revenue from Sale of Service and Maintenance		
AMC received	2,37,49,281.76	3,31,84,483.18
Forwarding & Handling Charges Kerala	2,27,823.25	6,03,386.01
Forwarding & Handling Charges Tamilnadu	2,500.00	37,500.00
Income from services Kerala	18,94,981.10	20,21,413.01
Income from services Tamilnadu	1,000.00	3,500.00
Income from services New Delhi		1,000.00
Installation Charges received Kerala	26,35,899.23	1,08,40,993.94
Installation Charges received Tamilnadu	2,88,135.52	11,28,773.00
Rental Income Kerala		12,500.00
Rental Income Tamilnadu for E Locks	1,97,74,972.53	27,68,588.94
Marketing Incentives on Direct Orders	18,94,249.18	
Revenue from Sale of Service and Maintenance	5,04,68,842.57	5,06,02,138.08
<b>Total Sales and Service Income</b>	<b>70,28,99,261.45</b>	<b>46,72,45,699.16</b>
<b>Note 22. Other Income</b>		
Interest on Deposits	63,56,195.92	39,56,292.50
Foreign Exchange Gain	10,58,036.43	13,47,429.80
Dividend from SBI Mutual Fund		
Miscellaneous Income	1,386.00	300.00
Total Other Income	74,15,618.35	53,04,022.30

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

	31 March 2021	31 March 2020
<b>Note 23. Purchases of stock in trade</b>		
Local Purchases Kerala	10,84,68,617.90	4,75,75,248.81
Local Purchases Tamilnadu	3,80,13,853.56	1,45,78,376.74
Interstate Purchases Kerala	26,08,32,777.40	9,67,78,687.40
Interstate Purchases Tamilnadu	5,78,030.73	30,55,388.81
Interstate Purchases Delhi	20,000.00	
Import Purchases Tamilnadu		
Import Purchases High Sea Sales	6,57,79,690.96	3,67,32,130.52
Import Purchases Kerala	5,10,48,983.70	8,05,88,344.23
Total purchases of Stock in Trade	52,47,41,954.25	27,93,08,176.51
<b>Note 24 Direct Expenses</b>		
Carriage Inwards	6,62,491.52	2,39,719.19
Consumables	20,18,652.52	24,43,156.98
Solar Plants Maintenance and Repairs	3,29,553.00	
Consumables Solar Systems	52,40,631.20	
Freight charges Solar Systems	96,70,953.54	
Support Expenses for E Locks	79,76,515.27	11,48,928.58
Total Direct Expenses	2,58,98,797.05	38,31,804.75
<b>Note 25 Changes in Inventories</b>		
Opening Stock	10,91,02,694.00	15,29,97,879.00
Less Closing Stock	13,24,62,761.00	10,91,02,694.00
Change in Inventory	2,33,60,067.00	-4,38,95,185.00
<b>Note 26 :Employee benefits expense</b>		
Bonus	44,52,600.00	41,10,600.00
Festival Allowance		0.00
ESI Contribution	2,45,134.00	2,17,915.00
Gratuity	5,15,815.00	7,67,508.00
Contribution to Workers Welfare Fund	9,600.00	7,99,660.00
Leave Encashment	1,63,946.00	14,38,667.00
Leave Travel Concession		10,78,862.74
Medical reimbursement	83,331.00	20,44,806.13
PF Contribution	28,40,189.00	25,79,369.00
Salaries - Directors	73,50,000.00	80,28,000.00
Salaries - Others	3,78,45,911.00	3,60,81,142.00
TOTAL	5,35,06,526.00	5,71,46,529.87



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

	31 March 2021	31 March 2020
<b>Note 27 . Finance Charges</b>		
Interest on overdraft	1,21,68,962.83	4,43,234.17
Bank Charges and Commission	30,75,248.37	10,65,504.60
Bill Discounting Charges	4,78,653.62	
Interest on Car Loans	3,27,317.68	5,00,803.33
Interest on Term Loan from SIDBI	5,95,901.00	
Interest paid others	1,226.00	
<b>TOTAL</b>	<b>1,66,47,309.50</b>	<b>20,09,542.10</b>
<b>Note 28 : Other Expenses</b>		
<b>(a). Administrative Expenses</b>		
AMC Paid	11,000.00	19,000.00
Audit Fee	1,00,000.00	1,00,000.00
Tax Audit Fee	4,50,000.00	
Books and Periodicals	1,840.00	75,881.00
Consultancy Charges	35,42,117.25	16,65,786.04
Conveyance	13,12,534.12	19,98,628.67
Corporate Social Responsibility Expenses	5,000.00	13,04,090.00
Demat Charges	1,15,261.00	1,68,483.00
Donation	5,000.00	27,900.00
Electricity and Water Charges	4,74,332.00	5,04,786.00
Filing Fee	6,000.00	17,400.00
Foreign Travel Expenses	0.00	4,91,716.55
Insurance	6,80,352.00	4,66,265.00
Internal Audit Fee	2,00,000.00	2,00,000.00
Listing Fee	55,000.00	55,000.00
Legal Expenses	1,05,000.00	4,00,000.00
Loss on Sale of Asset		60,267.85
Membership fee	1,49,004.00	75,773.00
Office Expenses	6,48,024.80	5,96,404.53
Pooja Expenses	19,277.00	29,283.00
Postage and Telegram	2,48,318.50	3,57,195.80
Printing and Stationery	2,40,565.98	10,08,794.93
Professional Charges	37,73,555.18	12,80,138.00
Professional tax	1,250.00	

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

	31 March 2021	31 March 2020
Rent A/c	25,90,191.00	22,48,492.00
Repairs and Maintenance	12,59,153.13	5,45,948.76
Sales tax Expenses		14,90,907.00
Security Service Charges	2,75,709.10	2,03,383.48
Service Charges	42,45,557.00	29,44,975.00
Service Expenses	7,577.00	
Sitting Fee	1,70,000.00	1,11,000.00
Solar Project Expenses	2,03,48,613.08	
Staff Welfare Expenses	1,65,080.86	2,82,616.60
Telephone, Fax and Email	7,15,421.83	9,50,133.34
Training Expenses	5,000.00	24,823.00
Travelling Expenses	22,37,632.28	72,66,413.40
<b>TOTAL</b>	<b>4,41,63,367.11</b>	<b>2,69,71,485.95</b>

**(b) Selling Expenses**

Advertisement	75,530.00	1,45,296.00
Bad Debts written off	43,42,409.31	6,41,547.32
Carriage Outwards	22,87,569.15	46,70,309.96
Commission	3,70,143.00	2,49,400.00
Courier Charges	1,51,501.37	2,01,383.62
Exhibition Expenses	6,272.00	80,910.00
Freight on Export	8,05,379.23	7,80,425.07
Installation Expenses	83,65,715.00	57,78,853.67
Liquidated Damages	29,73,345.89	20,37,964.35
Solar Project Expenses		23,03,923.80
Marketing Expenses	89,598.00	21,98,990.40
Marketing Incentive		1,33,000.00
Packing Materials	1,12,702.28	2,14,172.48
Rates and Taxes	41,465.50	65,015.00
Rebates and Discount	1,41,213.93	42,407.46
Tender Form Purchased	5,565.00	23,670.00
Sales Promotion Expenses		
Seminar Expenses		1,60,723.19

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

	31 March 2021	31 March 2020
TOTAL	1,97,68,409.66	1,97,27,992.32
Total Other Expenses	6,39,31,776.77	4,66,99,478.27

**Note 29 : 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	2,75,14,792.95	2,50,40,131.39
Number of Shares	1,19,13,750	1,19,13,750
Earnings per Share	2.31	2.10

**ADTECH SYSTEMS LIMITED**  
2/796, Second Floor, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai 600 115

**CASH FLOW STATEMENT**  
(All amounts are in Indian Rupees, unless otherwise stated)

Cash Flow Statement as at	31st March 2021	31st March 2020
<b>Cash Flow from Operating Activities</b>		
Net profit after tax as per Statement of Profit and Loss	2,75,14,793	2,50,40,131
<b>Adjustments to reconcile profit before tax to cash generated by operating activities</b>		
Depreciation and amortisation expenses	100,22,122	42,38,007
Loss on Sale of property, plant and equipment	0	60,268
Tax Expense	1,06,67,725	1,01,19,316
Change in Inventories of finished goods, work in progress, stock in trade		
GST Transitional Credit		
Finance Costs	1,66,47,310	20,09,542
Dividend Income (SBI Mutual Fund)	0	0
Interest Income	-63,56,196	-39,56,293
Operating Profit before Working Capital Changes	5,84,95,754	3,75,10,971
Net Change in :		
Inventories	-2,33,60,067	4,38,95,185
Receivables	-15,88,85,982	2,99,36,504
Other Financial Assets	-2,22,89,703	-4,78,87,518
Current Tax Assets	-81,41,057	6,98,47,092
Trade Payables	4,00,73,229	-5,34,24,161
Other Financial Liabilities	6,66,093	-13,94,187
Other Liabilities & Provisions	1,55,60,889	-8,94,46,205
Cash Generated from Operations	-9,78,80,845	-1,09,62,318
Income Tax	-95,00,000.00	-89,76,208
Net Cash provided by Operating activities	-10,73,80,845	-1,99,38,526
<b>Cash Flow from Investing Activities</b>		
Payments for purchase of property, plant and equipment	-3,29,43,635	-588,89,819
Net Change in Investments (Decrease)	0	0
Dividend Income (SBI Mutual Fund)	0	0
Net Change in Earmarked Deposits	-4,19,86,519	-88,99,978
Sale of property, plant and equipment	0	51,000

Interest Income		
Net Cash provided by/ (used in) Investing Activities	-7,49,30,154	-6,77,38,797
Cash Flow from Financing Activities		
Finance Costs	-1,66,47,310	-20,09,542
Interest Income	63,56,196	39,56,293
Dividend & Dividend Distribution Tax	-59,56,875	-1,00,54,147
Change in borrowings	21,04,29,150	2,68,37,128
Net cash flow from financing activities	19,41,81,161	1,87,29,732
Net Increase/Decrease in Cash	1,18,70,162	-6,89,47,591
Add: Cash and Cash Equivalents at beginning (Opening Balance)	1,26,64,771	8,16,12,363
Cash and Cash Equivalents as at end (Closing Balance)	2,45,34,935	1,26,64,771

This is the cash flow statement referred to in our report of even dated

for Mahadev & Co  
Chartered Accountants  
Firm Regn No 001924S  
for Mahadev & Co  
Chartered Accountants  
Firm Regn No 001924S

Sd/-  
C.Narayanan  
Partner  
Membership Number 028424  
Place : Chennai  
Date : 30 June 2021 UDIN 21028424AAAACM1465

Sd/-  
M.R.Subramonian  
Managing Director

Sd/-  
M.R.Krishnan  
Executive Director

Sd/-  
S.Balamurali  
Company Secretary

Sd/-  
P. Vinaya Chand  
Chief Financial Officer

Schedules forming part of the financial statements (All amounts are in Indian Rupees, unless otherwise stated)												
Segmental Reporting	EAS				CCTV/ACS(C/I)		Solar		Others		Amt in Rs Lakhs	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2019-20	2019-20
1. Segment Revenue												
(a) External Sales	1,906.4	3,013.3	1,307.88	1,012.79	3,616.96	617.78	208.33	42.07	7,039.57	4,685.94		
(b) Inter-Segment Sales												
© Total Revenue	1,906.4	3,013.3	1,307.88	1,012.79	3,616.96	617.78	208.33	42.07	7,039.57	4,685.94		
2. Total Revenue of each segment as a percentage of total revenue of all segments	27.08	64.31	18.58	21.61	51.38	13.18	2.96	0.90	100.00	100.00		
3. Segment Result [Profit/(Loss)]	342.29	493.33	113.31	192.55	212.28	21.28	88.34	30.58	756.22	737.74		
4. Unallocated Corporate expenses											365.08	405.60
5. Operating Profit											391.14	332.14
6. Interest Expense							72.87	20.10	72.87	20.10		
7. Interest Income							0	0	63.56	39.56		
8. Net Profit before taxes									381.83	351.60		
9. Segment Assets	1,415.34	1,751.75	929.35	466.57	2,929.59	817.54	248.84	0	5,523.12	3,035.86		
10. Segment assets as a percentage of total assets	17.24	32.95	11.32	8.78	35.68	15.38	0.00	0.00	0.00	0.00		
11. Unallocated Corporate Assets							0	0	2,688.08	2,280.79		
12. Total Assets									8,211.20	5,316.65		
13. Segment Liabilities	343.39	379.44	82.24	97.05	1,876.15	105.52	11.04	0	2,312.82	582.01		
14. Unallocated Corporate liabilities									1,666.40	718.24		

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

Note 1: Corporate Information

Adtech Systems Limited (formerly Adtech Power Systems Limited) (hereinafter referred to as "ASL" or "the Company") was incorporated on 05<sup>th</sup> February 1990 in Chennai, Tamilnadu. The Company is an electronic system integrator and provides a wide range of solutions in electronic security systems with a pan India presence. The Company is also providing solutions in various types of Solar Projects. Corporate Identity Number (CIN) is U33111TN1990PLC018678. Paid up Share Capital of the Company is Rs. 1191.375 lakhs divided into 11913750 equity shares of Rs. 10/- each fully paid up.

The financial statements for the year ended 31<sup>st</sup> March 2021 were approved by the Board of Directors and authorized for issue on June 30, 2021

Note 2 : Significant Accounting Policies.

The financial statements for the year ended 31<sup>st</sup> March 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule, as amended from time to time.. The Company has prepared these financial statements to comply in all material respects with the mandatory and relevant Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013 as mentioned above. Financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

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

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

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

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

Preparation of the financial statements requires the use of estimates, judgements and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the managements evaluation of the relevant facts and circumstances as the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years. The financial statements for the year ended 31<sup>st</sup> March 2021 are prepared and presented in the format prescribed Schedule III of the Companies Act, 2013. Previous year's figures has also been reclassified in accordance with the disclosure and presentation requirements applicable for the current year.

(b) Property, Plant and Equipment

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

(c) Depreciation

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

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

Sl No	Description of the Asset	Useful years of life
01	Furniture and Fittings	10 years
02	Computer Systems	3 years
03	Tools and Fixtures	5 years
04	Power Control Accessories	5 years
05	Office Equipments	5 years
06	Motor Car	8 years
07	EPBEX	5 years
08	Building Renovation	10 years
09	Software	3 years
10	Solar Plant	15 years
11	E Locking System	6 years

[d] Inventory Valuation

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

[e] Financial Assets

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

Cash and cash equivalents (for purposes of Cash Flow Statement)

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

[f] Cash flow statement

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

[g] Investments

The Company has not made any investments during the period under review

[ga] Intercompany Deposits

The Company has made inter corporate deposits with M/s MPG Hotels and Infrastructure Private Limited of Rs 400 lakhs on 10<sup>th</sup> September 2020 for a period of 12 months which carries an interest rate of 7 percent per annum out of the surplus funds and another deposit with M/s MPG Hotels and Infrastructure Private Limited for Rs, 150 lakhs on 30<sup>th</sup> March 2021 for a period of 6 months which carry an interest rate of 9 percent. The deposits are classified under the head "Short Term Loans and Advances" in the Balance Sheet.



[h] Foreign exchange transactions :

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

[i] Prior period income and Exceptional Items

Prior period income Rs Nil lakhs (PY Rs.Nil).Exceptional Items Rs.743,943.06(PY Rs.261,551) represents loss incurred on forex remittance to a wrong bank account based on acting upon a fraudulent email for which criminal complaint has been lodged with the jurisdictional cyber dome police department.

[j] Revenue recognition

- 1. Revenue on sale of goods on acceptance by the transferee of receipt of goods and as per terms and conditions of sale.
- 2. Service income is recognised on redressal of customer complaint and acceptance of service charges.
- 3. Revenue from Annual Maintenance contract are recognized pro-rata over the period of contract and to the extent to which it is applicable for the year under consideration.
- 4. E-Locker revenue recognized periodically based on contract entered into with the end user.
- 5. Solar Division is based on acceptance by end user and subsequent dispatch from the manufacturing locations.

[k] Taxation

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

Current income tax is measured at the amount expected to be paid to the Income Tax authorities in accordance with the Income –tax Act, 1961. Provision for Income Tax for the period comes to Rs.95.00 lakhs (PY Rs.89.77 lakhs).

Deferred tax :The company provides for deferred tax liabilities on the basis of the tax effect of the timing differences resulting from the recognition of items in the financial statement and in estimating its current income tax provision. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future. An amount of Rs. 11.68 lakhs has been debited to the statement of Profit and Loss on account of deferred tax (PY Rs 11.42 lakhs).

[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.71.53 lakhs (current year provision Rs.3.76 lakhs) as per actuarial valuation made by LIC of India. An amount of Rs.66.74 lakhs has been paid by the Company to LIC of India Group Gratuity Fund (current year contribution 3.76 lakhs). Value of the Gratuity Fund as on 31<sup>st</sup> March 2021 is Rs.98.39 lakhs which includes interest credited to fund by LIC year on year.

(iii) Leave Encashment Benefit

The Company has a leave encashment policy whereby leave not availed of can be carried forward/encashed for a period not exceeding forty days. The unavailed leave can either be utilized by the employee or encashed within a period of 3 years from the date on which it has fallen due. The liability on account of such unavailed/unencashed leave salary as on 31<sup>st</sup> March 2021 is Rs 26.07 lakhs (PY 26.72 lakhs) For which provision has been made in the accounts.

(iv) Provident Fund

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

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

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

(m) Segment Accounting Policies

The Company had been so far operating mainly in one single segment viz Supply and integration of Electronic Security Systems. In 2017, the Company diversified into Solar business. Though not strictly necessary, the Company has, for as a measure of providing greater understanding, divided this segment into two viz the "Electronic Article Surveillance Systems "(EAS) used for providing security to the retail segment and the "Commercial Industrial (C/I) for providing security solutions for industrial use. Segment accounting policies are in line with the accounting policies of the Company. Hence the Company is reporting business financials under the three segments of EAS, CI and Solar. The following specific accounting policies have been followed for segment reporting.

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

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

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

(n) Impairment of Assets

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

In the opinion of the Management, on the basis of an assessment of the net selling price, there is no impairment in the value of fixed assets of the Company

(o) Related party transactions

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

During the year, the Company has entered into certain transactions with related parties. Those transactions along with the related balances as at March 31<sup>st</sup>, 2021 and for the year then ended are presented in the following table:

The Company does not have any subsidiary.

Promoters and Key Management Personnel

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

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

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

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

Amount in Rs Lakhs

SI No	Nature of Transaction (Excluding Reimbursements)	Associates	Key Managerial Personnel/Relative	Others	Total
01	Sales 2020-21	Rs. 0.35	-----	-----	Rs. 0.35
	2019-20	Rs. Nil	-----	-----	Rs. Nil
02	Purchases/services 20-21	395.76	Nil-	Nil	396.76
	19-20	137.81	Nil	Nil	137.81
02	Payment to Key Managerial Person/Relative 2020-21	Nil	118.07	-----	118.07
	2019-20	Nil	127.95	----	127.95

Balance as on 31<sup>st</sup> March 2021

SI No	Nature of Transaction	Associates	Key Managerial Personnel/Relative	Others	Total
01	Trade Receivables/ Advances 2020-21	316.15	1.81	---	317.96
	2019-20	258.29	Nil		258.29
02	Land Advance 2020-21	33.06			33.06
	2019-20	33.06			33.06

(p) An amount of Rs. 8,00,470.50 is lying in the Unpaid Dividend Account with State Bank of India on 31<sup>st</sup> March 2021 towards the dividend declared and paid but not claimed for the financial years as detailed below. All dividends declared but which remained unpaid upto and including financial year 2012-13 has been transferred to the account of Investor Education and Protection Fund (IEPF)

Financial Year	Amount Unclaimed
2013-14	85,940.00
2014-15	75,990.00
2015-16 Interim dividend	86,325.00
2016-17	105,812.50
2017-18	101,625
2018-19	146,706
2019-20	198,072

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

[q] Impact of Covid19 on the financials :

The Company, being pioneer in electronic security integration segment, has most of the prominent retailers PAN India in its client list. Closure of Shopping Malls and locking down of the country has affected the the revenue and future expansion plans of all such retailers and in turn has affected revenue of the Company which is evident from fall in sales in EAS segment and which may continue to affect till covid19 threat is completely over. Lockdowns are not expected to affect revenues of Solar Division but has slowed down projects which may lead to levying of damages for which the company is in the process of making representations by revoking the force majeure clause

<u>[qa] Sales and Service Income</u>	As at 31.03.2021 Value in Rs Lakhs	As at 31.03.2020 Value In Rs. lakhs
(a) Sale of goods		
Electronic Security goods traded	2907.20	3587.32
Solar Projects Supply & Electricity Sale	3616.96	579.04
(b) Service and Maintenance Income	504.83	506.10
Total Sales and Service Income	7028.99	4672.46
	=====	=====

[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 Rs 603.44 lakhs( Previous year Rs.156.35 lakhs-).Banks have marked lien on Company's fixed deposits to the extent of outstanding bank guarantee amount.
- b. The Company has received assessment orders for Kerala State VAT and CST for the years 2012-13, 2013-14, 2014-15,2015-16, and 2016 17demanding amounts as detailed in below statement due to non-submission of exemption forms and other reasons. The Company has preferred appeals against each assessment order and has given security deposit of 30/20 percent of the demand before the Deputy Commissioner (Appeals)/Kerala High Court 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 favorable 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 in Rs Lakhs	Security Deposit made in Rs Laks
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2012-13	DC(Appeals), Tvm	Rs.18.84	Rs. 7.15
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2012-13	High Court of Kerala	Rs. 313.80	Rs.9.27
Kerala VAT Act, 2003	Kerala Value Added Tax and Interest for FY 2013-14	DC (Appeals),Tvm	Rs.43.54	Rs. 8.71
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2013-14	DC (Appeals),Tvm	Rs 5.73	Rs. 1.34
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2014-15	Remanded back to Assessing officer by DC Appeals,tvm	Rs. 18.13	Rs.3.63
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2015-16	Remanded back to Assessing officer by DC Appeals,tvm	Rs. 38.36	Rs.13.71
Kerala VAT Act, 2003	Kerala Value Added Tax and interest for FY 2015-16	In the process of preferring Appeal	Rs.60.97	Rs Nil
Central Sales Tax Act, 1956	Central Sales Tax and interest for 2016-17	Remanded back to Assessing officer by DC Appeals,tvm	Rs,16.55	Rs.3.90
Kerala VAT Act 2003	Penalty imposed by Intelligence Officer on raid for 2012-13, 2013-14 and 2014-15	High Court of Kerala	1638.22	Nil
			2154.14	47.71

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs Nil lakhs (Previous Year Rs.Nil)
- b. There is no outstanding (Previous year Rs.Nil/-) as on 31<sup>st</sup> March 2021 towards letters of credit opened by the Company for purchases effected during the year.

[s] Expenditure in Foreign Currency.

	2020-2021 In Rs. Lakhs	2019-20 In Rs Lakhs
(a) Foreign Travel Expenses	Nil	04.92
(b) Amount paid for import of goods	404.31	583.29
(c) Import of Capital Goods	81.94	Nil
	<b>486.25</b>	<b>588.21</b>

[t] Earnings in Foreign Currency

Export Sales	680.66	274.89
Sales Incentives on Orders placed by Customers on Overseas Principals	Nil	Nil

[u] Value of imports calculated on CIF basis

(a) Purchases	1168.29	1173.20
	<b>1168.29</b>	<b>1173.20</b>

[v] Percentage of Consumption of traded goods

	Value In Rs lakhs Current year	% to total Consumption	Value in Rs.lakhs Previous Year	% to total consumption
Imported	1344.12	41.59	1627.47	50.35
Indigenous	1887.92	58.41	1604.57	49.65
	<b>3232.04</b>	<b>100</b>	<b>3232.04</b>	<b>100.00</b>

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

[w] Managerial Remuneration

As per resolution adopted at the 25<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> 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	<b>2020-21</b>	<b>2019-20</b>
M.R.Subramonian	39.50 lakhs	43.25 lakhs
M.R.Krishnan	39.50 lakhs	43.25 lakhs
Sitting fee to non working Directors	1.70 lakhs	1.11 lakhs
	-----	-----
	80.70 lakhs	84.90 lakhs
	=====	=====
<b>[x] <u>Auditors Remuneration</u></b>	<b>2020-21</b>	<b>2019-20</b>
Audit Fee	Rs.1.00 lakhs	Rs.1.00 lakhs
For Taxation	Rs. 4.50 lakhs	Rs.4.50 lakhs
Internal Audit Fee	Rs. 2.00 lakhs	Rs.2.00 lakhs

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

**[z] Bad Debts :**

An amount of Rs 43.42 lakhs has been written off as bad debts during the financial year(PY 6.42 Lakhs)

[za] Provision for Income Tax for the period comes to Rs.95.00 lakhs (PY Rs.89.76 Lakhs).

**[zb] Loans& Advances**

The Company has entered into an agreement with M/s Star Micronix, a firm in which the Directors are interested , for the purchase of fixed assets of Star Micronix and an advance of Rs.33,05,662.00 has been made. The Company is in possession of the said fixed assets and the same has been mortgaged with M/s State Bank of India as collateral security for the cash credit facility availed by the company, though the same is yet to be registered in the company's name

[zc] The company estimates deferred tax charge /(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and the estimated taxable income for the current year. The net accumulated tax liability as at 31<sup>st</sup> March 2021 provided in the balance sheet is Rs.110.42 lakhs which is due to cumulative timing difference on account of depreciation.

**[zd] Events occurring after the Balance Sheet Date**

There are no material events that occurred after the Balance Sheet Date except disruption in business due to lockdowns effected PAN India due to impact of Covid19 which has been dealt with and disclosed separately elsewhere in this report.

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

The Management Discussion and Analysis Report (MDA) is an integral part of, and is to be read along with, the Company's financial statements and has been prepared by the Management with the purpose of providing a descriptive explanation from the management's point of view, of how the company has performed in the past, its financial condition and its future prospects. This report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in this report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) complying with the requirements of the Companies Act, 2013 and the guidelines issued by the Securities and Exchange Board of India (SEBI).

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

Adtech Systems Limited is a leading solution provider in electronic security/ surveillance industry. We provide our clients with cost effective solutions for total security protection and also efficient after sales service which is difficult to match. The Company has also diversified into Solar Power Projects and has successfully commissioned several floating solar power projects including one for Kerala State Electricity Board at Banasura Sagar Dam and for Larsen and Toubro in Andhrapradesh. The Company is in the process of executing large projects for BHEL and Tata Solar with many more projects in pipeline

The Company is a Public Limited Company having its registered office in Chennai, Tamilnadu. The Company had been listed in the regional stock exchanges of Cochin, Chennai and Ahmedabad all of which had to close down following exit order by the Securities and Exchange Board of India (SEBI). The Company has subsequently listed its equity shares in Metropolitan Stock Exchange of India Limited, Mumbai

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

### GLOBAL ECONOMY

In the year under review, global economic activity, got badly thrashed by outbreak of the pandemic Covid19 which originated in Wuhan, China towards later part of December 2019. This has produced a humane and economic crisis unlike any in recent memory. Global economy experienced its deepest recession since World War II, disrupting economic activity, travel, supply chains and many more. Governments have responded with lock down measures and stimulus plans, but the extent of these actions has been unequal across countries. Within countries, the most vulnerable populations have been disproportionately affected, both in regard to job loss and the spread of the virus. The outbreak resulted in shutdowns and lockdowns across the world causing deep cuts and massive bleeding in the global economy, which is still reeling under the Covid19 impact. The hope is that policy makers can rise to the challenge in the medium term to tackle the Covid19 virus and the related challenges that the pandemic has exacerbated.

### INDIAN ECONOMY in view of the Impact of Covid19

Overall rate of contraction in India was (in real terms, adjusted for inflation) 7.3% for the whole 2020-'21 financial year. This means that 2020-'21 is the worst year in terms of economic contraction in the country's history and much worse than the overall contraction in the World. While economies worldwide have been hit hard, India has suffered one of the largest contractions. During the 2020-'21 financial year, the rate of decline in GDP for the world was 3.3% and 2.2% for emerging market and developing economies. The fact that India's growth rate in 2019 was among the highest makes the drop due to Covid-19 even more noticeable. The pandemic has brought severe economic hardship, especially to young individuals who are over-represented in informal work. India has a large share of young people in its workforce and the pandemic has put them at heightened risk of long-term unemployment. To avoid another livelihood crisis, India turned to local lockdowns during the second wave of the virus. But the second wave has made India's position significantly worse. The total confirmed cases per million now are comparable to those in the rest the world and the rate of vaccination is lower in India.



## **OUTLOOK ON INDUSTRY**

Electronic Security industry goes along with retail industry and with development of new facilities, be it in the retail malls or in software companies facilities, all of which has been badly affected by Covid19 pandemic. Lockdowns have resulted in total stoppage of activity for retail industry and construction of new shopping malls and places of business along with new plans for real estate sector can be estimated only once the pandemic subsides, either by way of complete vaccination or by the country achieving herd immunity, as pointed out by WHO. Either of these events being expected in Q3 of FY 2021-22 or later will be the single most factor that will serve to kick start business in retail segment and thereafter for the Electronic Security Segment.

Solar Segment does see immense activity in the year 2021-22 and afterwards, with many PSUs floating tenders for utilizing water bodies for construction of floating solar farms.

## **OUTLOOK OF ADTECH SYSTEMS LIMITED**

The Company, being pioneer in electronic security integration segment, has most of the prominent retailers PAN India in its client list. Closure of shopping malls and locking down of the country has affected the revenue and future expansion plans of all such retailers and in turn has started affecting revenue of the Company. State specific lockdowns having started in the last week of April 2021 at the outset of 2<sup>nd</sup> wave has somewhat affected Q1 of FY 2021-22 but is expected to ease by Q2. What is in store for the year to come will be decided partly by any third wave of the virus or the extent and pace of vaccination.

## **OPPORTUNITIES AND THREATS**

The Company is engaged in providing sophisticated solutions in the electronic surveillance segment. Due to statutory requirements, need for protection by way of electronic security solutions is increasing not only among corporates but also among individuals. The Company seeks to make full use of this growing awareness of the requirement of electronic security protection. The Company provides integrated solution and employs professional work force. We now cater to numerous corporates as their exclusive electronic security solutions provider which position is not unassailable. Constant attempts both from the organised and unorganised sector remains a threat to our business and earnings. The Team works hard to retain the customers which affects by providing the latest solution at the best price and support. Solar Division which caters to solutions by way of providing floating solar platforms has the first mover advantage in this field and gets numerous enquiries PAN India. Solar projects being of high value requires substantial amounts as working capital to execute the projects which is found to be the main hindrance. Our efforts to access funds from banks by way of working capital has so far not met with success in view of stringent requirements collateral security requirements demanded by banks. In spite of repeated announcements by the Government of India to make credit easily available to MSMEs, banks are shying away from providing much needed credit facilities even when the purchase orders from PSUs are well received.

## **RISK FACTORS AND CONCERNS**

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

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

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

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

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

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

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

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

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

The Company had till been operating in a single segment viz electronic security systems. In the current year, the Company has diversified into Solar Power business which turnover has crossed that of electronic security systems, details of which are mentioned elsewhere in this report.

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

### **FINANCIAL PERFORMANCE**

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

Total Income was Rs. 7103.15 lakhs during the financial year 2020-21 as against Rs.4725.50 lakhs for the previous year.

Total expenses for the year ended 31<sup>st</sup> March 2021 was Rs 6713.88 lakhs which consists of purchase cost of Rs. 5247.42 lakhs , employee benefit expenses Rs.535.07 lakhs,finance charges Rs.166.47 lakhs ,other expenses Rs. 639.32 lakhs and depreciation Rs. 100.22 lakhs.

The Company has been sanctioned a cash credit facility of Rupees 25 crores including a project specific working capital demand loan of Rs. 15 crores mainly meant to diversify into solar power projects, of which an amount of 23.01 crores has been utilised as at end of the year.

The Company has total manpower of 97 employees as on 31<sup>st</sup> March 2021. 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.

Place: Trivandrum  
Date: 30 June 2021

For and on behalf of the Board of Directors  
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 stakeholders 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 nine 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 six 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 2020-21 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	
Shri. N.Suresh	Non- Executive Independent Directors
Shri. K.Manmathan Nair	
Smt. P.K.Anandavally Ammal	
Shri. Harikrishnan R Nair	
Dr. Ayyappan. M	
Shri. Suresh T Viswanathan	

Pursuant to Sections 149, 150 and 152 of the Companies Act, 2013, the Company has six Independent Directors of which three directors namely, Shri.N. Suresh, Shri.K Manmathan Nair and Smt. P.K.Anandavally Ammal were re appointed at the 28<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September 2019 for a tenure of five years.

The Company has inducted three Independent Directors as Additional Directors on Board namely Shri Harikrishnan R Nair, Dr. Ayyappan. M, Shri. Suresh T Viswanathan subject to approval of appointment by the shareholders at the ensuing 30<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 30<sup>th</sup> of September, 2021.

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

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

The Independent Directors of the Company met on 13<sup>th</sup> February 2021. The meeting has inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman and assessed the relevance and timeliness of flow of information from the management to the Board of Directors.

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

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

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

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

The Company has 08 women employees in various cadres as on 31<sup>st</sup> March 2021. The Company has zero tolerance towards sexual harassment at the work place. The Company has constituted an Internal Complaint Committee in line and in compliance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

During the Financial year 2020-21, 8 meetings of the Board of Directors were held on the following dates: 30<sup>th</sup> June 2020, 17<sup>th</sup> July 2020, 31<sup>st</sup> July 2020, 27<sup>th</sup> August 2020, 15<sup>th</sup> September 2020, 13<sup>th</sup> November 2020, 13<sup>th</sup> February 2021 and 31<sup>st</sup> March 2021.

Attendance at the Board meetings held during 2020-21 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 Meetings during FY 2020-21		Whether attended Last AGM	Sitting Fee paid during FY 2020-21	No of Directorships in other Public Limited Companies	No of Committee positions in other Public Companies	
	Held	Attended				Chairman	Member
Shri. M.R.Narayanan	8	8	YES	NIL	1	0	0
Shri.M.R.Subramonian	8	8	YES	NIL	1	0	0
Shri.M.R.Krishnan	8	8	YES	NIL	0	0	0
Shri.N.Suresh	8	7	YES	50,000	0	0	0
Shri. K.M.Nair	8	7	YES	60,000	1	0	0
Smt.P.K. Anandavally Ammal	8	8	YES	60,000	0	0	0
Dr. Ayyappan M	8	1	NA	NIL	1	1	1
Shri Suresh Viswanthan	8	1	NA	NIL	0	0	0
Shri Harikrishnan R Nair	8	1	NA	NIL	0	0	0

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

### 3.Audit Committee

Composition of the Audit Committee is as follows

Name of the Members	
Shri Harikrishnan R Nair	Chairman
Shri. M.R.Subramonian	Member
Dr. Ayyappan M	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 had met five times during the financial year 2020-21 on the dates 30<sup>th</sup> June 2020, 31<sup>st</sup> July 2020, 15<sup>th</sup> September 2020, 13<sup>th</sup> November 2020 and 13<sup>th</sup> February 2021 in which meetings, all the members were present.

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

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process and discussions thereon;
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company;
7. Evaluation of internal financial controls and risk management systems;

8. Monitoring the end use of funds raised through public offers and or debt;
9. Discussion with internal auditors of any significant findings and follow up thereon;
10. To review the functions of Whistle Blower mechanism;
11. To carry out such other functions as may be referred to it.

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

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

#### **4.Nomination and Remuneration Committee and policies**

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

The Committee met once during the financial year on 26<sup>th</sup> December 2020. The composition of the Nomination and Remuneration Committee is as under. All the committee members attended the meeting held on 26<sup>th</sup> December 2020.

Name of the Members	
Shri Suresh T Viswanathan	Chairman
Shri M.R Narayanan	Member
Shri Harikrishnan R Nair	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 interalia, on the basis of understanding and knowledge of the market in which the Company is operating, ability to appreciate the working of the Company and the challenges it faces, attendance to meetings, extend of participation and involvement in the meetings and ability to convey one's views and flexibility to work with others. The performance of the Committees was evaluated by the based on the composition of the Committees, effectiveness of the Committee meetings with respect to the terms of reference and conduct of the meetings and the procedures followed.

#### Remuneration Policy

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

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

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

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

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

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

##### (iii) Remuneration of Senior Management Personnel and KMP

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

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

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

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

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

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

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

Salary 3,50,000 per month with an annual increase of upto 10 percent as recommended by the Nomination and Remuneration Committee.

Yearly Bonus equivalent to one month's 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.

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

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

(c) The Company does not have any scheme for issue of Stock Options.

#### **5.Stakeholders' Relationship Committee**

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

<b>Name of the Members</b>	
Shri. M.R.Narayanan	Chairman
Shri. Harikrishnan R Nair	Member
Shri. M.R.Subramonian	Member

During the year 2020-21, The Committee met once during the financial year on 13<sup>th</sup> February 2021. All the committee members attended the meeting held on 13<sup>th</sup> February 2021.

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

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

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

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

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

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

Pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the status of investor complaints received and redressed during FY 2020-21 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 2020)	Nil
2.	Number of Investor complaints received during the year	Nil
3.	Number of investor complaints redressed during the year	Nil
4.	Number of Investor complaints remaining unresolved at the end Of the year (ie as on 31st March 2021)	Nil

## 6. Corporate Social Responsibility (CSR)

As on 31<sup>st</sup> March 2021, the Corporate Social Responsibility (CSR) Committee of the Company, under Section 135 of the Companies Act, 2013, consists of two Non-Executive Directors, of which both are Independent Directors. 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 2020-21, the committee met twice on the following dates and all the committee members attended both meetings.

31<sup>st</sup> July 2020

13<sup>th</sup> February 2021

The Composition of the CSR Committee is given below.

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

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

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

## 7. Share Transfer Committee

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

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

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

## 9. GENERAL MEETINGS

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

Financial Year ended	Date of meeting	Time	Mode/Venue
31 March 2020	30 September 2020	04.00 PM	Video Conferencing (VC)
31 March 2019	21 September 2019	03.00 PM	Registered Office
31 March 2018	29 September 2018	03.00 PM	Registered Office

### Special Resolutions passed at the last three AGMs:

SL No	Date of AGM	Special Resolution
01	30.09.2020	No Special Resolution
02	21.09.2019	Special Resolution for (i) Reappointment of Independent Director Shri. N.Suresh (ii) Reappointment of Independent Director Shri.K.Manmathan Nair (iii) Reappointment of Independent Director Smt.P.K.Anandavally Ammal
03	29.09.2018	No Special Resolution

## 10. CEO/CFO Certification

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr.M.R.Subramonian, Managing Director and Mr.P.Vinaya Chand, Chief Finance Officer had provided CEO/CFO certificate for the quarter and year ended 31<sup>st</sup> March 2021 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.

## 12. DISCLOSURES

- There were no materially significant Related Party Transactions having potential conflict with the interests of the Company at large
- The Company has complied with all the applicable provisions of Companies Act, 2013, and Companies Act, 1956 to the extent applicable, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable acts/provisions
- The Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006 (as amended) in preparation of the financial statements

## 13. Means of Communication

- Quarterly and annual audited financial results of the Company were published in Trinity Mirror (English Daily) and Makkal Kural (Vernacular Language)
- The results are displayed on the company's website at [www.adtechindia.com](http://www.adtechindia.com).

## 14. 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.

## 15. UNCLAIMED DIVIDENDS.

The Company had during the financial year 2020-21, transferred an amount of Rs.45,540/- lying in the unpaid dividend account to Investor Education and Protection FUND (IEPF), being the unclaimed dividend for the year 2012-13 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 2013-14 and subsequent years are requested to contact the Company/Registrar and Share Transfer Agents.

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

## 16. 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

## 17. DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company shall be closed from Tuesday, 21<sup>st</sup> September 2021 to Thursday, 30<sup>th</sup> September 2021 (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.

## 18. 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.

## 19. GENERAL SHAREHOLDER INFORMATION

- (a) 30<sup>th</sup> Annual General Meeting

	<b>Date</b>	<b>Time</b>	<b>Mode/Venue</b>
	30 <sup>th</sup> September 2021	04.00 PM	through Video Conferencing
(b)	Financial Year	01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	
(c)	Dividend Details	Dividend of 5 percent (Rupees 0.50 per equity share) recommended by Board of Directors subject to approval of shareholders at the AGM.	
(d)	Listing details	The Company is listed with Metropolitan Stock Exchange of India Limited, Mumbai The Company has paid listing fee of Rs. 64,900/- (including GST) for the year 2020-21 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 L33111TN1990PLC018678.		
(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. 90.28 % of shares of the Company were held in dematerialised form as on 31 <sup>st</sup> March 2021.		

(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 31<sup>st</sup> March 2021

Sl No	Category	No of Holders	% Holders	Shares	% Shares
1	upto 100	19	05.57	665	0.00
2	100-500	33	09.68	9605	0.08
3.	501-600	1	00.29	520	0.00
4	601-700	4	01.17	2600	0.02
5.	701-800	3	00.88	2300	0.01
6	801-900	0	00.00	0	0.00
7	901-1000	24	07.04	23980	0.20
8	1001-2000	30	08.80	49985	0.43
9	2001-5000	164	48.10	567690	04.76
10	5001-10000	24	07.04	186065	01.56
11	10001-20000	13	03.81	188325	01.58
12	20001-50000	13	03.81	451090	03.79
13	50001-100000	7	02.05	465050	03.91
14	Above 100000	6	01.76	9965875	83.65
Total		341	100.00	11913750	100.00

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

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

- (a) S.Balamurali  
Company Secretary  
Adtech Systems Limited  
T C 5/2523, Golf Links Road, Kowdiar PO,  
Trivandrum 695 003  
Tel 0471 2433805/2433569  
Email [balamuralis@adtechindia.in](mailto:balamuralis@adtechindia.in)
- (b) Integrated Registry Management Services Private Limited  
Registrar and Share Transfer Agents  
2<sup>nd</sup> Floor, Kences Towers, No 1, Ramakrishna Street  
Off North Usman Road, T.Nagar, Chennai 600 017  
Tel: 044028140801-803  
Email [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

**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 31<sup>st</sup> March 2021

Trivandrum  
30 June 2021

Sd/-  
M.R.Subramonian  
Managing Director

**Annexure II**

**Declaration**

To  
The Members of Adtech Systems Limited

I confirm that the Company has received from all the Directors, a declaration of compliance in accordance with the provisions of Section 165 of the Companies Act, 2013 and Regulation 25(1) and 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March 2021.

Trivandrum  
30 June 2021

Sd/-  
M.R.Subramonian  
Managing Director

**Annexure III**

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

- A. We have reviewed financial statements and the cash flow statement for the quarter ended 31<sup>st</sup> March 2021 and that to the best of our knowledge and belief:
- (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.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. 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 listed entity 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.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the quarter;

- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.
- E. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- F. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Sd/-

sd/-

Trivandrum  
28 June 2021

M.R.Subramonian  
Managing Director

P. Vinaya Chand  
Chief Finance Officer

UDIN: F008705C000765725

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

To

The Members

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Adtech Systems Limited having CIN L33111TN1990PLC018678 and having registered office at 2/796, Second Floor, Sakshi Towers, First Main Road, Kazura Gardens, Neelankarai, Chennai, Tamilnadu-600 041 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities

SI No	Name of Director	DIN	Date of appointment in the company
1	Mavelikalam Ramakrishnan Narayanan	00044926	06/01/1992
2	Subramoniam Ramakrishnan	00359515	05/02/1990
3	Krishnan Ramakrishnan	00359630	05/02/1990
4	Krishnan Nair Manmathan Nair	00173417	30/09/2013
5	Suresh Natesan	00385139	20/05/1995
6	Anandavally Ammal Krishna Pillai	06947217	24/09/2014
7	Dr M Ayyappan	00117374	31/03/2021
8	Harikrishnan Rajabhushanan Nair	01728668	31/03/2021
9	Suresh Thiruvananthapuram Viswanathan	01731169	31/03/2021

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

For M/s Sajee & Associates

Thiruvananthapuram  
14.08.2021

Sd/-  
P Sajee Nair, FCS  
Company Secretary

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

UDIN: F008705C000765736

To  
The Members of Adtech Systems Limited

We have examined the compliance of the conditions of Corporate Governance by Adtech Systems Limited (the Company) for the year ended 31<sup>st</sup> March 2021 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered by the Company with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as far as applicable to the Company.

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

Trivandrum  
14 August 2021  
**UDIN:** F008705C000765736

For M/s Sajee & Associates

Sd/-  
P. Sajee Nair FCS  
Company Secretary  
FCS 8705  
CP 12772