

Company information

Board of Directors

M.R.Subramonian
Managing Director

M.R.Narayanan
Director

N.Suresh
Director

M.R.Krishnan
Executive Director

Company Secretary
and CFO

S.Balamurali

Auditors

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

Bankers

STATE BANK OF INDIA
SIB Branch, Trivandrum 695 001

Share Transfer Agents

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

Registered Office

No.18,III Floor,R.M.S. Apartments
12, Gopalakrishna Street, T.Nagar
Chennai-600 017
Phone 91 44 28150967/28155137

Corporate Office

5/2523, Golf Links Road, Kowdiar P.O
Trivandrum – 695 003
Phone 91 471 2433805/569

Website

www.adtechindia.com

Shares Listed with

Madras Stock Exchange Ltd
Cochin Stock Exchange Ltd
Ahmedabad Stock Exchange Assoc.Ltd

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of ADTECH SYSTEMS LIMITED will be held on Monday, the 30th September 2013 at 4.00 P.M at No.18, III Floor, R.M.S.Apartments, 12, Gopalakrishna Street, T.Nagar, Chennai 600 017 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, and the reports of the Auditors and the Board of Directors thereon.
2. To declare a dividend on equity shares
3. To appoint a Director in place of Shri. M.R.Narayanan, who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint M/s M.R.Ramachandran & Co as auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT M/s M.R Ramachandran & Co, Chartered Accountants (Membership Number FCA 4601), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company on such remuneration as shall be fixed by the Board of Directors”.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to Section 257 and other applicable provisions of the Companies Act, 1956, Mr K.Manmathan Nair be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By order of the Board of Directors
For Adtech Systems Limited

Place : Trivandrum
Date: 19.08.2013

S.BALAMURALI
CFO & Company Secretary

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. The proxies, in order to be valid, must be received at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Members/proxies are requested to bring their Annual Report copies, and the duly filled in attendance slips sent herewith be handed over at the entrance of the Meeting Hall.

3. While members holding shares in physical form may write to the Company or to the Share transfer Registrars M/s Integrated Enterprises India Ltd, 2nd Floor, Kences Towers, North Usman Road, T.Nagar, Chennai 600 017 for any changes pertaining to their address and email address, bank account details, mandates etc, nominations etc, members holding shares in electronic form may write to their depository participants for immediate updation.
4. The Register of Members and Share Transfer Books Shall remain closed from 20th September 2013 to 30th September 2013 (both days inclusive) .
5. Investor grievances/complaints may please be mailed to balamuralis@adtechindia.in
6. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 ,relating to the Special Business to be transacted at the Meeting is annexed hereto.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No 5

The Company requires independent Directors in its Board who are persons of expertise and experience and who can guide the company to greater heights. The Company has received notice in writing from a member along with required deposit, proposing the candidature of Shri K.Manmathan Nair for the office of Director as an independent Director pursuant to the provisions of Section 257 of the Companies Act, 1956.

Shri K.Manmathan Nair is 59 years old and is a graduate in Economics and is a Diploma Holder in Industrial Finance, Co-operation and Banking. He has 42 years of experience and has served the Reserve Bank of India, IDBI, SIDBI in senior positions and also as Managing Director of Kerala Financial Corporation. He is proficient in matters relating to industrial finance, appraisal and monitoring of projects and in laying out and strengthening policies and procedures in Organisations.

Shri K.Manmathan Nair does not hold any shares of the Company.

Your Directors recommend the resolution as set out in item no 5 of the notice for your approval. No Director is in any way, concerned or interested in this resolution.

By order of the Board of Directors
For Adtech Systems Limited

Place : Trivandrum
Date: 19.08.2013

S.BALAMURALI
CFO & Company Secretary

DIRECTOR'S REPORT

Dear Shareholders,

It is indeed a great pleasure for your Board of Directors to present before you the 22nd Annual Report on the working of the Company with the Audited Accounts and the Report of the Auditors for the financial year 2012-13

Key performance indicators of the Company for the year under review are as under

	2012-2013 Rs.Lakhs	2011-12 Rs.Lakhs
Sales & Other Income	5224.46	4200.91
Total Expenditure	4370.07	3585.13
Gross Profit before Tax	854.39	629.58
Provision for Taxes	317.91	203.47
Profit after tax	536.47	426.11
Appropriations		
Transfer to General Reserve	53.87	44.00
Interim Dividend on Equity Shares	---	71.48
Tax on Interim Dividend	---	11.60
Proposed Dividend on Equity Shares	131.05	47.66
Dividend Tax	22.27	7.73

DIVIDEND

Your Directors are pleased to recommend a final dividend of Rs.5.50 per equity share (55 percent per equity share of Rs.10 each) on 23,82,750 fully paid up Equity Shares of Rs.10/- each for the financial year ended 31st March 2013 which, if approved at the ensuing Annual General Meeting will be paid to (i) all those members whose names appear on the register of members as on 29 September, 2013 and (ii) all those members whose names appear on that date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services (India) Ltd .

The total cash outflow on account of equity dividend for the year 2012-13 would be Rs.153.32 lakhs (inclusive of dividend tax). The quantum of dividend is higher than that of the previous year by 5 percent and is the highest percentage of dividend paid by your Company since its inception.

Shareholders may please note that as on 19 August 2013, an amount of Rs. 471,385.50/- 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 2005-2006 to 2011-12 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.

SHARECAPITAL AND RESERVES

There has been no increase in the paid up share capital of the Company during the year under review. The Capital and Reserves of the Company as on 31st March 2013 stood at Rs.1784.68 lakhs as against that of Rs.1401.53 lakhs as on 31st March 2012.

PERFORMANCE/SALES TURNOVER

The Company achieved a Sales and Service Income of Rs 51.63 crores for the financial year under review as against a turnover of Rs 41.71 crores for the immediately preceding previous year which represents a growth of 23.78 percent.

FUTURE PROSPECTS

Your company has put its vision to continue and strengthen its growth in spite of the slowdown being felt in the market recently.

Retail Solutions Group

Your Company continues its focus on all retail formats and verticals. The market for Sensormatic EAS, InVue PODs and Fixtures, People Count System, Tablet based Digital Sales Assistant is bound to increase especially due to the relaxations of FDI rules in Retail by the Government.

C/I Group

Adtech has set its focus to strengthen the sales / marketing team for the CCTV, Access Control, Building automation products. Your Company sees a large opportunity for IBMS (Intelligent Building Management System) projects. Trial orders executed have been quite successful and the Company is gearing up its Sales / Marketing / Support infrastructure to meet wider coverage.

Exports

On the export front, your Company has made excellent progress with a steep 76 percent jump in revenues to Rs.1,200.77 lakhs for the year ending 2012-13 (PY 681.77 lakhs). Your Company hopes to achieve increased export revenues this year.

ISO Certification

Your company strictly adheres to ISO 9001:2008 requirements as to supply of quality products and provision of prompt service consistently and strives to exceed customer expectations.

Awards and Recognitions

Your Company received two award recognitions this year. M.R. Subramonian, Managing Director was recognized as one among India's Top 50 Retail Professionals in the Service Sector award instituted by Economic Times Now & Asia Retail congress.

Another important recognition came from the Madras Management Association who conferred the Managerial Excellence Award to Adtech under the SME Sector (service category).

These type of recognitions have given a boost to the Company and the team to continuously work towards exceeding customer expectations.

INDUSTRIAL RELATIONS

Industrial relations scenario continues to be cordial. Your Directors appreciate the dedicated hard work rendered by the Employees in improving the performance of the company at all levels.

DIRECTORS

Your Directors expresses profoundly its grief at the sad demise of Shri.M.S.Kunchitham, Director in October 2012. Your Company places on record its sincere appreciation and gratitude for the professional advice and services rendered to the Company by Shri M S Kuchitham during his tenure as non executive Director. The Board expresses its heart felt condolences to the family of the bereaved on its behalf and on behalf of the employees and their families .

Shri.M.R,Narayanan, director of your Company retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Proposal for appointment of Shri K.Manmathan Nair as an independent, non executive Director is placed before the General Meeting for approval.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that :

- a. In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. They have selected such accounting policies and applied them consistently and made judgments 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 31st March 2013 and of the profit of the company for that period.
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. They have prepared the annual accounts on a "going concern" basis.

AGGREGATE OF NON-PROMOTER SHAREHOLDING AS ON 31st March 2013

No.of Shares	% to total paid-up
818,725	34.36

AUDITORS.

The Auditors M/s M.R.Ramachandran & Co, Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and are eligible for reappointment. Your Directors recommend their reappointment.

DISCLOSURE OF PARTICULARS.

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

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.

The information on foreign exchange earnings and outgo are contained in note Nos.(s) and (t) forming part of Accounts.

D. There are no employees drawing remuneration which attracts the provisions of Section 217 (2A) of the Companies Act, 1956 .

Since the paid up share capital of the Company is less than Rs.3.00 Crores the listing requirements as to report on Corporate Governance are not applicable to the Company.

ACKNOWLEDGEMENT.

Your Directors thank the clients, vendors, Kerala State Industrial Development Corporation Limited, Bankers, business Associates and various government as well as regulatory agencies for their valuable support for 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 have enabled the Company to achieve growth.

Place : Trivandrum
Date: 19.08.2013

For and on behalf of the Board

M.R.NARAYANAN
CHAIRMAN

AUDITOR'S REPORT

To

The Shareholders,
Adtech Systems Ltd
Chennai-17

1. We have audited the accompanying financial statements of Adtech Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M.R.RAMACHANDRAN &Co
CHARTERED ACCOUNTANTS

Date : 27th May 2013
Place : Chennai

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

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Adtech Systems Limited. on the accounts of the company for the year ended 31st March, 2013.

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) According to the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the year and hence in our opinion the going concern status of the Company is not affected.

2. (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year. 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 any loans secured or unsecured to companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956. The company has taken interest free unsecured loans from parties as listed below:

Number of Parties	Amount involved (maximum o/s)	Balance o/s as on 31 st March 2013
1	737,125	487,125

(b) The company has received interest free unsecured loans as mentioned in 3(a) and the terms and conditions of the loan is not prejudicial to the interest of the company.

(c) The company has not effected any repayment of the loan as no repayment schedule has been stipulated at the point of borrowal.

(d) As no repayment schedule has been stipulated for the loan there is no overdue amount on the loan.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, particulars of transactions in pursuance of contracts or arrangements have been entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000/- (Rupees Five Lakhs Only) or more in respect of any party.
 - (b) On the basis of explanations and information provided to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. In respect of statutory dues
 - (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, 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 outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company has no accumulated losses at the beginning of the financial year. The company has not incurred any cash losses during the financial year or the immediately preceding financial year.
11. 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.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, clause 4(Xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.

14. Based on the records examined by us, as the company is not dealing or trading in shares, securities, debentures and other investments, this provision is not applicable.
15. Based on the records examined by us and information made available to us we are of the opinion that the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has availed of term loan from M/s HDFC Bank Limited, Trivandrum Branch for purchase of motor car and the said loan has been utilized for the purpose for which they were taken .
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act,1956.
19. The Company has not issued any debentures during the year and hence no securities have been created in respect of debentures.
20. The company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For M.R.RAMACHANDRAN &Co
CHARTERED ACCOUNTANTS

sd/-

Date : 27th May 2013
Place : Chennai

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

Note 1 : Corporate Information

Adtech Systems Limited (formerly Adtech Power Systems Limited) (hereinafter referred to as “ASL” or “the Company”) was incorporated on 05th February 1990 in Chennai, Tamilnadu. The Company is an electronic system integrator and provides a wide range of solutions in electronic security systems with a pan India presence .

Note 2 : Significant Accounting Policies.

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 . The financial statements have been prepared under the historical cost convention and on an accrual basis The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 . The financial statements have been prepared under the historical cost convention and on an accrual basis The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year,

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

(a) Disclosure and Presentation of financial statements

The financial statements for the year ended 31st March 2013 are prepared and presented in the the revised Schedule VI notified under the Companies Act, 1956 . Previous year’s figures has also been reclassified in accordance with the disclosure and presentation requirements applicable for the current year.

(b) Fixed Assets

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

(c) Depreciation

Depreciation is provided, from the date the assets have been installed and put to use, on Straight Line Method at the rate and in the manner specified under Schedule XIV of the Companies Act, 1956.

(d) Inventory Valuation

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

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

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

[f]Cash flow statement

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

[g] 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.

[h] Prior period income and Extraordinary items

Prior period income Rs.906,391.74 (PY Rs.13,80,026.97) represents sundry outstanding unclaimed balances written back to revenue account.

Extraordinary items Rs.660,457.55 (net) include profit on sale of land Rs.100,000, profit on sale of windmill Rs.15,77,463,55 and service tax audit demand Rs.10,17,006 (relating to years 2007 -08 to 2011-12 on account of reversal of excess input credit availed) .

[i] Revenue recognition

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

[j] 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.316.75 lakhs (PY Rs.221.03 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. 71,152 has been debited to the statement of Profit and Loss on account of deferred tax .

[k] Employee Retirement 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 an amount of Rs.21.57 lakhs (current year provision Rs.4.17 lakhs) as per actuarial valuation made by LIC of India. An amount of Rs.21.57 lakhs has been paid by the Company to LIC of India Group Gratuity Fund (current year contribution 4.17 lakhs). Value of the Gratuity Fund as on 31st March 2013 is Rs.21.57 lakhs.

(iii) Leave Encashment Benefit

The Company has a leave encashment policy whereby leave not availed of can be carried forward/encashed for a period not exceeding forty days. The unavailed leave can either be utilized by the employee or encashed within a period of 3 years from the date on which it has fallen due. The liability on account of such unavailed/unencashed leave salary as on 31st March 2013 is Rs 9.62 lakhs (PY 6.18 lakhs) For which provision has been made in the accounts.

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

(l) Segment Accounting Policies

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

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

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

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

(m) Impairment of Assets

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

(n) Related party transactions

During the year, the Company has entered into certain transactions with related parties. Those transactions along with the related balances as at March 31st, 2013 and for the year then ended are presented in the following table:

Key Management Personnel	Mr.M.R.Subramonian Mr.M.R.Krishnan Mr M.R.Narayanan
Associates/entities owned or significantly Influenced by key management personnel or their Relatives	Transdot Private Limited Industrial Aids Star Micronix Floatels India Pvt Limited APT Micro Solutions Limited Hoteltek Beverages Pvt Ltd KK Assets Private Limited Floatels Engineering Pvt Ltd Accel Transmatic Limited PR Holiday Homes Pvt Ltd Poovar Ayurveda Centre&Hotels Pvt Ltd Perumbalam Resorts Pvt Ltd

Summary of transactions with the above related parties is as follows

Nature of Transactions	Amount in Rs.lakhs	
	Transactions for the year 2012-2013	2011-12
Sales	35.49	32.31
Purchases	0.78	0.10
Assets	33.05	33.05
Receivables	34.60	31.81
Payables	08.80	9.53
Remuneration to Directors	46.30	37.25

(o) An amount of Rs. 471,385.50/- is lying in the Unpaid Dividend Account with State Bank of India on 10th August 2013 towards the dividend declared and paid but not claimed for the financial years as detailed below.

Financial Year	Amount Unclaimed
2005-06	11,667.50
2006-07	45,768.00
2007-08	27,650.00
2008-09	58,425.00
2009-10	42,750.00
2010-11	147,275.00
Interim Dividend 2012	76,950.00
2011-12	60,900.00

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

<u>[p] Sales and Service Income</u>	As at 31.03.2013 Value Rs	As at 31.03.2012 Value Rs.
(a) Sale of goods		
Electronic Security goods traded	48,86,67,196.50	38,84,71,982.01
Sale of Electricity Generated	672,154.00	34,34,652.00
(b) Service and Maintenance Income	<u>269,42,344.19</u>	<u>252,20,721.16</u>
Total Sales and Service Income	51,62,81,694.69 =====	41,71,27,355.17 =====

[q]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 2,55,030/- (Previous year Rs.10,05,541/-). Banks have marked lien on Company's fixed deposits to the extent of outstanding bank guarantee amount.
- b. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil (Previous Year Rs.Nil)
- c. There is no outstanding (Previous year Rs.Nil/-) as on 31st March 2013 towards letters of credit opened by the Company for purchases effected during the year.

[r]Expenditure in Foreign Currency.

	2012-2013 Rs.	2011-12 Rs
(a) Foreign Travel Expenses	20,59,397.63	11,84,867.48
(b) Amount paid for import of raw materials	11,59,02,010.07	858,24,502.43
	<u>11,79,61,407.70</u>	<u>870,09,369.91</u>

The Company has remitted on account of dividends (for the year 2012-13) Rs.192.650/- in foreign currency to one non-resident Share Holder for the 38530 shares held, during the year.

[s] Earnings in Foreign Currency

Export Sales	1200,76,955.69	681,77,039.50
Sales Incentives on Orders placed by Customers on Overseas Principals	68,81,799.39	57,64,720.68

[t]Value of imports calculated on CIF basis

(a) Purchases	Rs.1597,29,825.74	Rs.1170,58,334.38
(b) Capital Goods	Nil	Nil
	-----	-----
	<u>Rs.1597,29,825.74</u>	<u>Rs.1170,58,334.38</u>
	=====	=====

[u] Percentage of Consumption of traded goods

	Value In Rs	% to total Consumption Current year	Value in Rs. Previous Year	% to total consumption
Imported	Rs.1520,06,195.02	41.11	Rs.1109,35,719.38	39.24
Indigenous	Rs.2177,67,739.47	58.89	Rs.1717,91,133.09	60.76
	-----	-----	-----	-----
	Rs. 3697,73,934.49	100.00	Rs. 2827,26,852.47	100.00
	=====	=====	=====	=====

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

[v] Managerial Remuneration

As per resolution adopted at the 20th Annual General Meeting of the Company held on 30th September, 2011 the Managing Director and Executive Director are to be remunerated as per Section 309 read with Section 198 of the Companies Act, 1956 subject to overall ceiling of 5 percent of the net profits for the year per managerial person to be calculated in the manner set out in Section 349 of the Companies Act, 1956. As adequate profits are available, the managerial remuneration has been provided within the limits specified under and in compliance with Schedule XIII of the Companies Act, 1956.

Statement showing computation of net profits in accordance with section 198 read with section 349 of the Companies Act, 1956

Total Income as per Profit and Loss Account		Rs.5224,46,690
Less Working Charges	Rs. 4305,41,228	
Depreciation	Rs. 940,545	
Bonus	Rs. 22,23,760	
Interest on Loans	Rs. 239,115	
	-----	Rs. 4339,44,648
Net Profit for computing Managerial remuneration		Rs. 885,02,042

10 percent of Net Profits		Rs.,88,50,204
		=====
 Managerial Remuneration Paid	2012-13	2011-12
M.R.Subramonian	Rs.19,50,000	17,75,000
M.R.Krishnan	Rs.19,50,000	17,75,000
Commission to non working Directors	Rs. 730,340	4,25,000
	-----	-----
	Rs.46,30,340	Rs.39,75,000
	=====	=====

[w] Auditors Remuneration

Audit Fee	Rs.280,900.00	Rs.220,600.00
For Taxation	Rs.112,360.00	Rs.110,300.00
Internal Audit Fee	Rs.161,798.00	Rs.132,360.00

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

[y]Bad Debts :

An amount of Rs.35.26 lakhs has been written off as bad debts during the financial year 2012-2013(P.Y 39.73 Lakhs)

[z] Provision for Income Tax for the period comes to Rs.316.75 lakhs (PY Rs.221.03 Lakhs).

[za] Loans & Advances

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

[zd] The company estimates deferred tax charge /(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and the estimated taxable income for the current year. The net accumulated tax liability as at 31st March 2013 provided in the balance sheet is Rs.36.48 lakhs which is due to cumulative timing difference on account of depreciation.

ADTECH SYSTEMS LIMITED
Regd Office: No.18, 3rd Floor, R.M.S.Appartments,
12,Gopalakrishna Street, T.Nagar , Chennai -17

ATTENDANCE SLIP
TWENTY SECOND ANNUAL GENERAL MEETING - 30th SEPTEMBER 2013 AT 4.00 PM

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

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

I hereby record my presence at the TWENTY FIRST Annual General Meeting of the Company at No.5,Ground Floor, R.M.S.Appartments, Gopalakrishna Street, T.Nagar, Chennai - 400 017 on Monday 30 September 2013 at 4.00 PM.

Member's /Proxy's Name

Member's/Proxy's Signature

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

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

ADTECH SYSTEMS LTD
Regd Office: No.18, 3rd Floor, R.M.S.Appartments,
Gopalakrishna Street, T.Nagar , Chennai -17

PROXY FORM

I/Weofbeing a member/member(s) of Adtech Systems Limited hereby appointofor failing him.....as my/our proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company on Monday 30th September, 2013 at 4.00 PM or at any adjournment thereof.

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

Signed thisday of2013

Signature of Member.....



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

OUR BRANCHES ,

