



COMMSCOPE®



2017 - 2018 Annual Report
ADC India Communications Limited
Enabling a Connected Lifestyle

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CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------|--|
| Mr. S. Devarajan | - Chairman & Independent Director |
| Mr. J. N. Mylaraiah | - Managing Director |
| Ms. Revathy Ashok | - Independent Director |
| Mr. N. Srinivasan | - Independent Director (up to March 04,2018) |
| Mr. Ravi Bosco Rebello | - Nominee Director (w.e.f. August 04, 2017) |

KEY MANAGERIAL PERSONNEL

| | |
|-----------------------|---------------------------|
| Mr. J.N. Mylaraiah | - Managing Director |
| Mr. Rakesh Bhanushali | - Chief Financial Officer |
| Mr. R. Ganesh | - Company Secretary |

Registered Office and Factory

485/8A & 8B, 14th Cross, 4th Phase
Peenya Industrial Area, Bangalore – 560 058

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants

Secretarial Auditors

M/s.V. Sreedharan and Associates
Company Secretaries

Internal Auditors

M/s.Gnanoba & Bhat
Chartered Accountants

Bankers

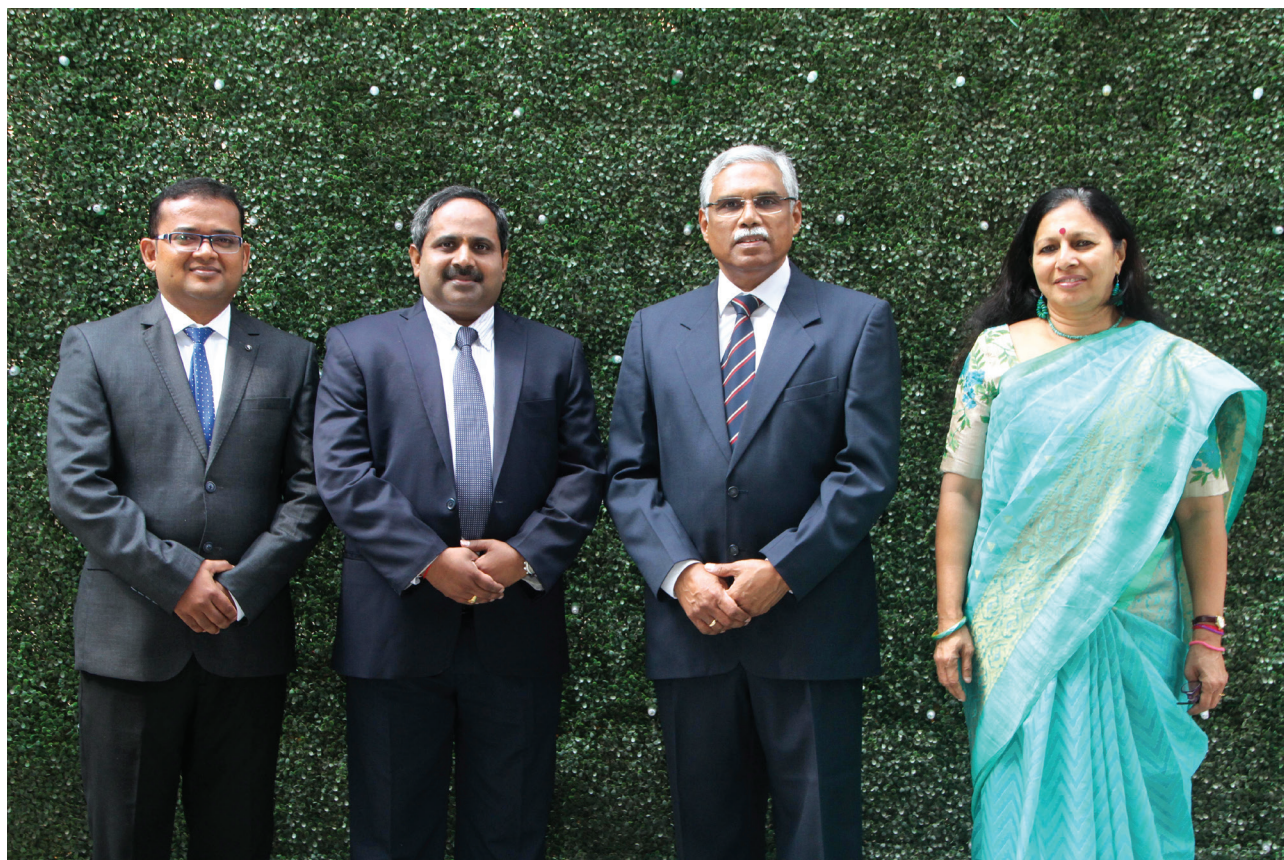
Bank of America
Canara Bank
Citibank NA

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot No. 31-32, Financial District
Nanakramguda, Gachibowli
Hyderabad-500 032
Ph: 040-67161509 / 67161592
Fax: 040-23420814
E-mail: einward.ris@karvy.com

CORPORATE INFORMATION

BOARD OF DIRECTORS



From left to right – Mr. Ravi Bosco Rebello (Nominee Director),
Mr.J.N.Mylaraiah (Managing Director), Mr.S.Devarajan (Chairman & Independent Director),
Ms. Revathy Ashok (Independent Director).

BOARD'S REPORT

To the Members,

The Board of Directors have pleasure in presenting the 30th Annual Report on the business and operations of your Company, along with the audited financial statements for the financial year ended March 31, 2018.

Financial Results

(Rs. in lakhs)

| | Year ended 31st March 2018 | Year ended 31st March 2017 |
|---------------------------------------|----------------------------------|----------------------------------|
| Revenue from operations | 6544.41 | 6176.73 |
| Other Income | 303.94 | 295.81 |
| Total Revenue | 6848.35 | 6472.54 |
| Profit before depreciation and Tax | 615.80 | 659.58 |
| Depreciation | 29.23 | 26.06 |
| Profit for the year before Tax | 586.57 | 633.52 |
| Tax Expense | 232.86 | 245.25 |
| Profit for the year after Tax | 353.71 | 388.27 |

FINANCIAL PERFORMANCE

In the financial year 2017-18 the overall revenue from operations grew by about 6% over that of previous year. Revenue from the Telecommunication business decreased by about 4% and the revenue from IT-Networking (Enterprise network) business grew by about 9% over that of previous year.

DIVIDEND

Your Directors recommend a dividend of Rs.4.00 per equity share, of the face value of Rs.10/-each, to be appropriated from the profits of the financial year ended March 31, 2018, subject to the approval by the shareholders at the ensuing Annual General Meeting.

STRATEGY AND OPERATIONS

The economic environment continued to improve

where Enterprise network market growth continues to improve compared to Telecom sector which grapple with fewer orders. Pressure on profitability continues due to major issue with greater competition for every single opportunity leading to pressure on margins in the market place. Your Company foresee continued growth in Enterprise network in the next few years and another challenging year for the Telecom sector, which continue to be volatile.

The market overall is expected to improve in the medium term driven by domestic demand and Government projects, Infrastructure projects, Defense sector, E-commerce. Your Company do see growth in Fiber Business over copper due to large infrastructure corridors, national fiber optic network, digital India & smart city initiatives. Your Company should be able to favorably participate in the areas of its strength within each Opportunity as the market activities picks up.

Apart from outsourcing a major portion of manufacturing operations, the Company continued to look at other ways of cost reduction and be cost competitive in the market. As you are aware the Company continue to operate from smaller location which fits into overall operational requirement at this moment and continue to rent the company's own facility, which has yielded better results as expected and expect the same in the years to follow.

DIRECTORS

Mr.N.Srinivasan, Independent Director passed away on March 04, 2018. Your Board of Directors and the Employees of ADC India express their profound grief and place on record their sincere appreciation for his guidance and valuable contributions to the Company during his tenure as a Director of the Company.

We are glad to invite Mr. Ravi Bosco Rebello who joined the Board on August 04, 2017 as an Additional Director. Brief resume of Mr. Ravi Bosco Rebello is provided in the Notice of the Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the company, confirming

that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

Six Board meetings were held during the financial year 2017-18 on May 16, 2017, July 21, 2017, August 04, 2017, November 15, 2017, February 02, 2018 and March 21, 2018. The details of meetings held by various Committees of the Board are given in the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) (C) of the Companies Act, 2013, the Directors based on the information and representations received from the Company Management confirm that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed with no material departures;
- b. The Directors had 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 at the end of the financial year and of the profit of the Company for that period ;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d. The Directors had prepared the Annual Accounts on a 'going concern' basis;
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and have been operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS' APPOINTMENT AND REMUNERATION

Considering the requirements of the skill-sets on the Board, persons having professional expertise in their individual capacity as independent professionals and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The Non-Executive Directors appointed on the Board are paid sitting fees for attending the Board and Board Committee Meetings. No other remuneration or commission is paid to the Non-Executive Directors. The remuneration paid to the Managing Director is governed by the relevant provisions of the Companies Act, 2013, rules of the Company and Shareholders' approval.

AUDITORS AND AUDITORS' REPORT

At the 26th Annual General Meeting of the Company held on August 08, 2014 M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company were appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting and in terms of section 139 of the Companies Act, 2013 and the Rules made thereunder this appointment was subject to ratification by members at every annual general meeting. The Companies (Amendment) Act, 2017 has amended Section 139 of the Companies Act, 2013 where in the provision regarding ratification of appointment of the Auditors at every Annual General Meeting has been omitted. Consequently, the matter of ratification of appointment of M/s. Deloitte Haskins & Sells need not be placed before the forthcoming Annual General Meeting.

The Auditors' report read with Notes to Financial Statements are self-explanatory and do not call for any further explanation or comments under Section 134(f) of the Companies Act, 2013.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies, 2013 and the Rules made thereunder,

M/s.V.Sreedharan and Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors to conduct a secretarial audit of the Company's Secretarial and related records for the financial year 2017-18. The Secretarial Auditors' Report for the financial year ended March 31, 2018 is annexed to this Report as Annexure 1. No adverse comments have been made in the said report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has spent an amount of Rs.20 lakhs, which includes the unspent amount of Rs.6.90 lakhs during the financial year 2016-17 towards various CSR Programs undertaken by the Company during the year. The Annual Report on CSR activities is in accordance with the Companies (Corporate Social Responsibility) Rules, 2014 is annexed to this Report as Annexure 2.

CORPORATE GOVERNANCE

Your Company has always practiced sound corporate governance and has complied with various provisions of corporate governance.

As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report, Corporate Governance Report and the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

During the financial year 2017-18 unclaimed dividend amount of Rs. 0.80 Lakhs pertaining to dividend declared for the financial year 2008-09 was transferred to the Investor Education and Protection Fund. During this year in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company transferred the corresponding shares, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders to IEPF on December 01, 2017.

Unclaimed dividend amounting to Rs. 0.77 Lakhs pertaining to dividend declared for the financial year 2009-10 was transferred to the Investor Education and Protection Fund on April 12, 2018. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company has also transferred the corresponding shares, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders to IEPF on May 10, 2018.

TRANSFER TO RESERVES

During the year no amount has been transferred to the General Reserve.

WEBSITE OF THE COMPANY

The Company maintains a website www.adckcl.com where information related to the Company are displayed.

FIXED DEPOSITS

During the year, the Company has not accepted any fixed deposits. Hence, there is no outstanding amount as on the Balance Sheet date.

LISTING

The equity shares of the Company are listed with Bombay Stock Exchange Limited. There are no arrears on account of payment of listing fees to them.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. Conservation of Energy

The following energy conservation measures were implemented during the year:

- Replaced Air Conditioner Reciprocating Compressor to Scroll compressor to reduce power consumption.
- Replaced Push Cock water taps to Hall Round taps to reduce water consumption.

B. Technology

During the year under review the Company successfully completed the migration to cloud based ERP System which also enabled compliance with GST Rules and Regulations.

C. Research and Development

- Focus on continuous improvement activities continued during the year.
- Provided battery operated stacker to the sub-contractor to reduce operator fatigue and accidents.
- Fixed safety brackets for a few material storage racks to prevent accidents.
- 50 Ton Injection Molding Machine operating front panel was repaired locally using the old parts of 80 Ton Injection Molding Machine resulting in a saving of around Rs. 6 lakhs.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW

During the year your Company has earned Foreign Exchange of Rs.47.72 Lakhs and the Foreign Exchange outflow was Rs.17.37 Lakhs.

EXTRACT OF ANNUAL RETURN

As required under the provisions of section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 an extract of the annual return for the year ended March 31, 2018 is annexed to this report as Annexure 3

MANAGERIAL REMUNERATION AND RELATED DISCLOSURES

The details of the remuneration paid to the Directors of the Company is mentioned in the Corporate Governance Report. The disclosure pursuant to the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) is annexed to this report as Annexure 4.

WHISTLE BLOWER MECHANISM

The Company has established a mechanism called "Vigil Mechanism Policy" for employees, directors and others who are associated with the Company to report to management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Policy provides adequate safeguards against victimization

of employees/directors who avail the mechanism. The Vigil Mechanism also cover the Whistle Blower mechanism aspect as stipulated under clause 49 of the Listing Agreement. The Company affirms that no person has been denied access to the Audit Committee in this respect. The policy has been communicated to all employees by displaying the same on the Company's website.

SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES

The Company does not have any Subsidiary/Associate/Joint Venture Company.

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

The Company has implemented a policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. The Company is committed to creating a safe and healthy working environment. The Company believes that all individuals have the right to be treated with dignity and strives to create a workplace which is free of gender bias and Sexual Harassment. The Company has a zero tolerance approach to any form of Sexual Harassment. The policy has been displayed in the Company's website.

RELATED PARTY TRANSACTIONS

The Related Party Transaction Policy for determining the materiality of related party transactions and on the dealings with related parties has been displayed in the Company's website.

All transactions with related parties during the year were in the ordinary course of business and at arm's length. There are no related party transactions that may have potential conflict with the interest of the Company at large. The details of related party transactions are disclosed in Note No.32 to financial statements forming part of the accounts.

RISK MANAGEMENT

The Company has formed a Risk Management Committee and the constitution and terms of reference of this Committee are set out in detail

in the Corporate Governance Report. The details of risks faced by the Company and its mitigation process was discussed by the Risk Management Committee at its meeting held on February 02, 2018 and the same was also reviewed by the Board of Directors at its meeting a held on the same day.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Directors to the best of their ability have laid down internal financial controls to be followed by the Company, which they believe are adequate keeping in view the size and nature of Company's business. Adequate financial procedures are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. This ensures the quality and reliability of financial data, financial statements and financial reporting.

Your Company's internal financial controls are deployed through an internally evolved framework that address material risks in your Company's operations and financial reporting objectives, through a combination of entity level controls and process controls (both manual and automated), information technology based controls, period end financial reporting and closing controls and through internal audit. The Audit Committee of the Board reviews the adequacy of internal financial controls on an ongoing basis to identify opportunities for improvement in the existing systems to further strengthen the internal control environment in your Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Company's Policy and process for evaluation lays down a structured questionnaire to be used in the evaluation of the entire Board of the Company, Board Sub-Committees and Individual Directors

including the Independent Directors. This Policy has been displayed in the Company's website www.adckcl.com.

Using the structured questionnaire the evaluations of the entire Board, Board Committees and individual Board Members including the Chairman of the Board has been carried out. The Directors have expressed their full satisfaction with the performance of the Board, Board Committees and the members of the Board.

LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or guarantee nor has made any investment during the financial year 2017-18 attracting the provisions of section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the financial year ended March 31, 2018 and the date of the Directors Report.

ACKNOWLEDGEMENTS

Your Directors thank the customers, channel partners, distributors, vendors and bankers for the support and co-operation given by them during the year. Your Directors also take this opportunity to place on record their appreciation to all employees for their hard work and support during the year as well as for the advice and support received from the Promoters of the Company.

For and on behalf of the Board of Directors

S. Devarajan
Chairman

J. N. Mylaraiah
Managing Director

Place: Bangalore
Date: May 23, 2018

ANNEXURE - 1 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED: MARCH 31, 2018

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members of ADC India Communications Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ADC INDIA COMMUNICATIONS 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 financial year ended on March 31, 2018 (the audit period) 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 Company during the audit period 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The company has not made any Overseas Direct Investment and has no External Commercial Borrowings during the period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period);**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period);**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period);**
 - 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 client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not Applicable to the Company during the Audit Period);**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Company has identified the following laws as specifically applicable to the Company:
- a. Factories Act, 1948 & the Central Rules or concerned State Rules, made there under
 - b. Boilers Act, 1923 & Rules made there under
 - c. Environment (Protection) Act, 1986
 - d. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ concerned State Rules.

- e) The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ concerned State Rules
- f) Hazardous Wastes (Management and Handling) Rules, 1989
- g) The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules.
- h) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
- i) The Employees' State Insurance Act, 1948 & its Central Rules / concerned State Rules.
- j) The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
- k) The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules if any.
- l) The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules if any.
- m) The Payment of Gratuity Act & its Central Rules/ concerned State Rules if any.
- n) The Maternity Benefit Act, 1961 & its Rules.
- o) The Equal Remuneration Act, 1976.
- p) The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
- q) The Apprentices Act, 1961 & its Rules.
- r) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
- s) The Workmen's Compensation Act, 1923
- t) The Industrial Dispute Act, 1947
- u) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting:

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

We have not examined compliance with applicable Financial Laws, like Direct and

Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except with respect to those agenda items which the company deemed to be unpublished price sensitive information (UPSI), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the review of the legal compliance reports obtained from the concerned departments' heads regarding compliance with the applicable laws and its adherence, which were taken on record by the Board of Directors on a quarterly basis, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

For V. SREEDHARAN & ASSOCIATES

(Pradeep B. Kulkarni)

Partner

FCS: 7260;CP No.7835

Bengaluru

Date : May 09, 2018

ANNEXURE - 2 ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

| | | |
|---|--|---|
| 1 | A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. | <p>The Company's CSR Policy is placed on Company's website www.adckcl.com. The focus areas for the CSR programs/projects to be undertaken by the Company under this policy shall be in the following areas:</p> <ul style="list-style-type: none"> i. Environment: To undertake activities in relation to increasing accountability through investments in energy and the environment, ensuring environmental sustainability, ecological balance, conservation of natural resources etc. ii. Health and Wellness: To promote healthcare including preventive health care and sanitation and to undertake other activities in relation to health and wellness. iii. Education: Fostering innovation through investment in education, vocation skills among children, women and elderly persons emphasizing on science, technology, engineering and mathematics. iv. Technology: To contribute to technology incubators located within academic institutions approved by the Central Government. v. Disaster Relief: To contribute to disaster relief efforts in compliance with legal guidelines. |
| 2 | Composition of CSR Committee | <ul style="list-style-type: none"> 1. Ms. Revathy Ashok – Chairman of the Committee & Independent Director 2. Mr. N. Srinivasan – Independent Director (up to 04.03.2018) 3. Mr. S. Devarajan – Independent Director (w.e.f.21.03.2018) 4. Mr.J.N.Mylaraiah- Managing Director |
| 3 | Average net profit of the Company for last three financial years (Amount in Lakhs). | Rs.654.28 |
| 4 | Prescribed CSR Expenditure (two percent of the amounts as in item 3 above) (Amount in Lakhs). | Rs.13.09 |
| 5 | Details of CSR spent during the financial year: | |
| | (a) Total amount to be spent for the financial year; (Amount in Lakhs) | Rs.20.00 |
| | (b) Amount unspent, if any; (Amount in Lakhs) | Nil |
| | (c) Manner in which the amount spent during the financial year. | |

(Rs. Lakhs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|---|--|---|---|--|---|--|
| SL. No. | CSR project or activity identified | Sector in which the project is covered | Projects or Programs 1. Local area or other 2. Specify the state and district where Projects or Programs was undertaken | Amount outlay (budget) Projects or Programs-wise | Amount spent on the Projects or Programs Subheads: 1. Direct expenditure on Projects or Programs 2. Overheads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency |
| I | SELCO's Light for Education Program supported by Technology Alumni Association Bangalore (TAAB) | Education | 1. Local Area 2. Karnataka, Bangalore | Rs.5.00 | Rs.5.00 | Rs.5.00 | Through implementing agency |
| II | "Project Hope"- provision of Bone Marrow Biopsy/ Aspiration Needles for children from economically weaker sections suffering from Leukaemia of Rotary Club of Bangalore Cantonment | Health & Wellness | 1. Local Area 2. Karnataka, Bangalore | Rs.5.00 | Rs.5.00 | Rs.5.00 | Through implementing agency |
| III | Palliative care for advanced stage cancer patients through The Bangalore Hospice Trust (Karunashraya), a Public Charitable Trust. | Health & Wellness | 1. Local Area 2. Karnataka, Bangalore | Rs.10.00 | Rs.10.00 | Rs.10.00 | Through implementing agency |
| 6 | In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report. | | | | Not Applicable | | |

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-
Revathy Ashok.
Chairman of the CSR Committee

Sd/-
Devarajan
Independent Director

Sd/-
J.N.Mylaraiah
Managing Director

Bangalore
May 23, 2018

ANNEXURE - 3 EXTRACT OF ANNUAL RETURN**As on the financial year ended on March 31, 2018**

[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) CIN: | L32209KA1988PLC009313 |
| ii) Registration Date | July 26, 1988 |
| iii) Name of the Company : | ADC India Communications Limited |
| iv) Category / Sub-Category of the Company | Public Limited |
| v) Address of the Registered office and contact details | No.485/8A & 8B, 14th Cross, 4th Phase, Peenya Industrial Area, Bangalore - 560058 |
| vi) Whether listed company Yes / No | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Limited Karvy Selenium Tower B Plot No. 31-32, Financial District Nanakramguda, Gachibowli Hyderabad-500 032 Phone: 040-67161509/67161592 Fax: 040-23420814 E-mail: einward.ris@karvy.com |

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 | % to total turnover of the Company |
|--------|--|-----------------------------------|------------------------------------|
| 1 | Copper, Fiber and Connectivity products | C26309 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SL No. | Name and Address of the Company | CIN/ GLN | Holding/Subsidiary/ Associate | % of Shares held | Applicable Section |
|--------|---------------------------------|----------|-------------------------------|------------------|--------------------|
| 1. | CommScope Connectivity LLC | Nil | Holding Company | 67.49 | 2(46) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up 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/HUF | | | | | | | | | |
| b) Central Govt. | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corporate | | | | | | | | | |
| e) Banks /FI | | | | | | | | | |
| f) Any Other... | | | | | | | | | |
| Sub-Total (A)(1) | | | | | | | | | |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | | | | | | | | | |
| b) Other Individuals | | | | | | | | | |
| c) Bodies Corporate | 3313037 | Nil | 3313037 | 72.02 | 3313037 | Nil | 3313037 | 72.02 | - |
| d) Banks /FI | | | | | | | | | |
| e) Any other ... | | | | | | | | | |
| Sub- Total (A)(2) | 3313037 | Nil | 3313037 | 72.02 | 3313037 | Nil | 3313037 | 72.02 | - |
| Total Shareholding of Promoter | 3313037 | Nil | 3313037 | 72.02 | 3313037 | Nil | 3313037 | 72.02 | - |
| (A)=(A)(1) + (A)(2) | | | | | | | | | |

| | | | | | | | | | |
|--|---------|-------|---------|--------|---------|-------|---------|--------|--------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | 700 | 700 | 0.02 | - | 700 | 700 | 0.02 | - |
| b) Banks / FI | 280 | 100 | 380 | 0.01 | 280 | 100 | 380 | 0.01 | - |
| c) Central Govt | | | | | | | | | |
| d) State Govt (s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Other Specify) | | | | | | | | | |
| Sub – total (B) (1) | 280 | 800 | 1080 | 0.02 | 412 | 800 | 1212 | 0.03 | 0.01 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 104086 | 4300 | 108386 | 2.36 | 81245 | 4300 | 85545 | 1.86 | (0.50) |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs.1 lakh | 909916 | 75112 | 985028 | 21.41 | 883839 | 70710 | 954549 | 20.75 | (0.66) |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 156645 | - | 156645 | 3.41 | 154175 | - | 154175 | 3.36 | (0.05) |
| c) Others (specify) | 35624 | 200 | 35824 | 0.78 | 91282 | 200 | 91482 | 1.98 | 1.20 |
| Sub – total (B) (2) | 1206271 | 79612 | 1285883 | 27.96 | 1210541 | 75210 | 1285751 | 27.95 | (0.01) |
| Total Public Shareholding (B) = (B) (1) + (B) (2) | 1206551 | 80412 | 1286963 | 27.98 | 1210953 | 76010 | 1286963 | 27.98 | - |
| C. Shares held by Custodian for GDRs & ADRS | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 4519588 | 80412 | 4600000 | 100.00 | 4523990 | 76010 | 4600000 | 100.00 | - |

ii) Shareholding of Promoters

| Sl No. | Share Holder's Name | Shareholding at the beginning of year | | | Shareholding at the end of the year | | | % change in share-holding the year |
|--------|----------------------------|---------------------------------------|------------------------------|---|-------------------------------------|----------------------------------|---|------------------------------------|
| | | No of Shares | % of total Shares of 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 | CommScope Connectivity LLC | 3104360 | 67.49 | Nil | 3104360 | 67.49 | Nil | Nil |
| 2 | CommScope Technologies LLC | 208677 | 4.53 | Nil | 208677 | 4.53 | Nil | Nil |
| | Total | 3313037 | 72.02 | Nil | 3313037 | 72.02 | Nil | Nil |

iii) Change in Promoters' Shareholding:

| Sl No. | Name of Shareholder | Shareholding at the beginning of year | | *Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.) allotment / transfer/ bonus sweat equity etc.): | Cumulative Shareholding during the year | | At the end of the year (or on the date of separation, if separated during the year) |
|--------|----------------------------|---------------------------------------|----------------------------------|---|---|----------------------------------|---|
| | | No. of Shares | % of total Shares of the Company | | No. of Shares | % of Total shares of the company | |
| 1 | CommScope Connectivity LLC | 3104360 | 67.49 | - | 3104360 | 67.49 | 3104360 |
| 2 | CommScope Technologies LLC | 208677 | 4.53 | - | 208677 | 4.53 | 208677 |

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

| Sl No. | Name of Shareholder | Shareholding at the beginning of year | | *Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.) allotment / transfer/ bonus sweat equity etc.): | Cumulative Shareholding during the year | | At the end of the year (or on the date of separation, if separated during the year) |
|--------|---|---------------------------------------|----------------------------------|---|---|----------------------------------|---|
| | | No. of Shares | % of total Shares of the Company | | No. of Shares | % of Total shares of the company | |
| 1 | Jitendra Lalbhai Shah | 23500 | 0.51 | 4500 | 28000 | 0.61 | 28000 |
| 2 | Earnest Shipping and Ship Builders Ltd. | 27834 | 0.61 | (2119) | 25715 | 0.56 | 25715 |
| 3 | Niranjana Jitendra Shah | 17500 | 0.38 | 3500 | 21000 | 0.38 | 21000 |
| 4 | Madhu Gupta | - | - | 20200 | 20200 | 0.43 | 20200 |
| 5 | Priya Daga | 19365 | 0.42 | - | 19365 | 0.42 | 19365 |
| 6 | Neeta H.Mehta | 16760 | 0.36 | - | 16760 | 0.36 | 16760 |
| 7 | Govind Parikh Securities Pvt. Ltd | 15000 | 0.33 | - | 15000 | 0.33 | 15000 |
| 8 | Haresh Mulchand Poladia | 14056 | - | - | 14056 | 0.31 | 14056 |
| 9 | Divyesh A Shah | 13776 | 0.30 | - | 13776 | 0.30 | 13776 |
| 10 | Pradeep Agrawal | 12200 | 0.26 | - | 12200 | 0.26 | 12200 |

*Represents Demat Transactions

v) Shareholding of Directors and Key Managerial Personnel

Directors and Key Managerial Personnel do not hold any shares of the Company.

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl No. | Particulars of Remuneration | Name of MD/WTD/Manager (Rs. Lakhs) | Total Amount (Rs. Lakhs) |
|--------|---|--|-----------------------------|
| | | J.N.Mylaraiah | |
| 1. | Gross Salary | | |
| | a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961 | 70.19 | 70.19 |
| | 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 | | |
| 2. | Stock Option | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil |
| 4. | Commission | Nil | Nil |
| | - As % of Profit | | |
| | - Others, specify | | |
| 5. | Others, Please specify | Nil | Nil |
| | Total (A) | 70.19 | 70.19 |
| | Ceiling as per the Act | 84.00 | 84.00 |

B. Remuneration to Other Directors :

| SI No. | Particulars of Remuneration | Name of Directors | | | Total Amount (Rs. Lakhs) |
|--------|--|-------------------------|---------------------------|--------------------------|--------------------------|
| | | S.Devarajan (Rs. Lakhs) | Revathy Ashok (Rs. Lakhs) | N.Srinivasan (Rs. Lakhs) | |
| 1. | Independent Directors | | | | |
| | - Fee for attending board Committee meetings | 5.70 | 5.40 | 3.60 | 14.70 |
| | - Commission | - | - | - | - |
| | - Others, Please Specify | - | - | - | - |
| | Total (1) | 5.70 | 5.40 | 3.60 | 14.70 |
| 2. | Other Non-Executive Directors | | | | |
| | - Fee for attending board Committee meetings | - | - | - | - |
| | - Commission | - | - | - | - |
| | - Others, Please Specify | - | - | - | - |
| | Total (2) | | | | - |
| | Total (B) = (1+2) | 5.70 | 5.40 | 3.60 | 14.70 |
| | Total Managerial Remuneration | - | - | - | - |
| | Overall Ceiling as per the Companies Act, 2013 | 6.00 | 6.00 | 6.00 | 6.00 |

C. Remuneration to Key Managerial Personnel other than MD/Manager /WTD.

| SI No. | Particulars of Remuneration | Key Managerial Personnel | | |
|--------|---|-------------------------------|-----------------|-------------------|
| | | Company Secretary (Rs. Lakhs) | CFO (Rs. Lakhs) | Total (Rs. Lakhs) |
| 1. | Gross Salary | | | |
| | a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961 | - | 54.31 | 54.31 |
| | 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 | - | - | - |
| 2. | Stock Option | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil |
| 4. | Commission | Nil | Nil | Nil |
| | - As % of Profit | | | |
| | - Others, specify | | | |
| 5. | Others - Professional Charges | 17.95 | Nil | 17.95 |
| | Total | 17.95 | 54.31 | 72.26 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

| Type | Section of the Companies Act | Brief Description | Details of Penalties / Punishment Compounding fees imposed | Authority (RD / NCLT / Court) | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| B. DIRECTORS | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

ANNEXURE - 4 STATEMENT OF DISCLOSURE OF REMUNERATION**Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

| | | |
|---|---|----------------|
| (i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. | Mr.J.N.Mylaraiah, Managing Director | 8.35:1 |
| (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. | Mr.J.N.Mylaraiah, Managing Director Mr.Rakesh Bhanushali Chief Financial Officer | 10.9% 10.2% |
| (iii) The percentage increase in the median remuneration of employees in the financial year. | | 10.5% |
| (iv) The number of permanent employees on the rolls of the company. | | 23 |
| (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year was 10.5% as compared to 10.9% increase in the managerial remuneration. | |

The Board of Directors of the Company affirms that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors
S.Devarajan
Chairman
Bangalore, May 23, 2018

J.N.Mylaraiah
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Telecommunication

Telecom sector continues to be at the epicenter for growth, innovation, and disruption for virtually any industry. With continued momentum around core telecommunications businesses— Mobile devices and related broadband connectivity continue to be more and more embedded in the fabric of society today and are key in driving the momentum around some key trends such as video streaming, Internet of Things (IoT), and mobile payments.

Under the Digital India initiative, the Indian government is aiming to supply internet access throughout the whole country, connecting rural citizens to bridge the digital gap between cities and villages through fiber optics network. which plays a critical role in realizing the dream of Digital India.

India's Telecom sector revival is likely to be prolonged and the pressure on the cash flows of service providers is likely to continue and remain intense as the larger operators are contesting to acquire subscribers of the exiting Telco's. However, on a longer term, recovery is expected in the sector on the back of a consolidated structure, better pricing power and data usage.

As mobile network operators spread the reach of 4G across regions and look forward to introducing new and faster technologies with extensive deployment of optical fiber in the existing network as well as for residences (FTTH) for the network to be laid in coming years to support new broadband services is stressed to be more important to meet the upcoming bandwidth requirements.

With the developments in services such as security and surveillance, Internet of Things, Home automation, traffic management, retail, logistics and grid energy could eventually facilitate optimization of resources, which indicates a better future performance for the operators and there is likelihood of a higher capex

Enterprise

Enterprise network market growth continues to improve but with lower price realization and reduced profitability due to greater competition with increased price sensitivity in the market.

IoT, is driving more and more connectivity everywhere the building, Campus, Venues and Homes. While traditionally office space connectivity has reduced number of ports per desk whereas Wireless and Building IoT devices are adding more connections like never before. It's also driving Outside Plant

Optical Fiber and as well as low voltage (PoE) Power Connectivity requirements in Campuses across the segments/verticals. There is also IIoT (Industrial Internet of Things) which is a progression being implemented in Manufacturing and other Industries to monitor, collect data and perform analytics while provide business with insights to help make accurate and better-informed decisions and drive automation

We do see growth coming in from Banking & Finance sector, Manufacturing, Infrastructure projects by Govt., Defense sector, healthcare & hospitality projects. Your Company do see growth in Fiber Business over copper due to high bandwidth requirements with rapid adoption of advanced internet applications and your Company will be able to favorably participate in this market.

REVIEW OF OPERATING PERFORMANCE

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. The management of the Company accepts responsibility for the integrity and objectivity of these financial statements and the basis for the various estimates and judgments used in preparing the financial statements. Some of the key performance indicators are given below:

(Rs. in Lakhs)

| Particulars | Year ended 31st March 2018 | Year ended 31st March 2017 |
|---|----------------------------------|----------------------------------|
| Revenue from operations | 6544.41 | 6176.73 |
| Other Income | 303.94 | 295.81 |
| Total Revenue | 6848.35 | 6472.54 |
| Profit before Depreciation and Tax | 615.80 | 659.58 |
| Depreciation | 29.23 | 26.06 |
| Profit before Tax | 586.57 | 633.52 |
| Tax Expense | 232.86 | 245.25 |
| Profit after Tax | 353.71 | 388.27 |
| Ratio of Profit before Tax to Total Revenue in percentage | 8.57 | 9.79 |
| Total Assets | 6057.62 | 5939.75 |
| Earnings per share in Rupees | 7.69 | 8.44 |
| Inventory Turnover ratio | 8.49 times | 10.40 times |
| Debtors turnover ratio | 5.44 times | 5.46 times |

In the financial year 2017-18 the overall revenue from operations grew by about 6% over that of previous year. Revenue from the Telecommunication business decreased by about 4% and the revenue from IT-Networking (Enterprise network) business grew by about 9% over that of previous year.

OPPORTUNITIES

Telecommunication

Industry firmly believes that a robust telecommunications infrastructure with Higher speeds is a precursor to a country's economic progress. Hence, establishing a strong wireless technology ecosystem will become the enabler to government's vision of Digital India and Smart Cities. The Digital India vision envisages transforming India into a knowledge economy, which requires new infrastructure development to enable pan-India connectivity connecting rural citizens to bridge the digital gap between cities and villages through fiber optics network. which plays a critical role in realizing the dream of Digital India. Carriers will continue to focus on providing data and voice services that are high quality, reliable, and affordable with 4G LTE technology expected to drive the industry pace and growth. Mobility is already seeing upswing with large scale 4G LTE adoption, and future 5G preparedness. This will create more and more localized /Edge based Content delivery networks to support faster response, reduce on latency, quick access to data due with localized cache.

Enterprise

With demand in Banking & Finance sector, Manufacturing, Infrastructure projects by Govt., Defense sector, healthcare & hospitality projects are expected to drive growth including the Small and Medium Business (SMB) segment. With Mobility and IoT driving more and more connectivity requirements everywhere within the building, Campus, Venues and Homes we do see a positive business potential outlook which is looking promising and future business potential looks positive.

Cloud Computing, is another key trend, that is aiding Businesses (Large and SMB's) either creating on private cloud infrastructure by way of consolidation and migration of existing compute, storage and networks. Also, businesses are parallelly looking to subscribe for public or private hosting services. With this the Multi-Tenant Data Centre players in India are offering enterprises choice of better and on demand infrastructure, reliability in terms of power and availability of network and faster time to market.

RISKS AND CONCERNS

Telecommunication

The sector revival is witnessing major consolidation where there is increasing usage, declining rates, scarce spectrum and going through pressure on the cash flows and likely to continue for some time and remain intense as the larger operators are contesting to acquire subscribers of the exiting telcos. However, on a longer term, recovery is expected in the sector on the back of a consolidated structure, better pricing power and data usage.

Carriers will consider other network strategies to better manage coverage, quality, and capacity with further densification of cell sites including small cells which would represent a viable strategy for many carriers, as do other network efficiency trends such as Software Defined Networking and Network Function Virtualization which should allow them to manage their networks more efficiently and effectively. However, your Company needs to be cautious and needs to plan its activities based on the expansion plans of the operators.

Enterprise

Enterprise network market growth continues to improve but with lower price realization and reduced profitability due to greater competition with increased price sensitivity in the market and Volatility of the raw material prices. However, your Company needs to be cautious and needs to plan its activities & do a balancing act to meet these pricing sensitivity requirements of market.

TECHNOLOGY

During the year under review the Company successfully completed the migration to cloud based ERP System which also enabled compliance with GST Rules and Regulations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control systems for various business processes, financial reporting and compliance with applicable laws and regulations. The Internal Auditors M/s Gnanoba & Bhat, Chartered Accountants review the effectiveness of various processes and other operational activities. The summary of the Internal Audit observations is presented to the Audit Committee and the suggestions and guidance of the audit committee are implemented to ensure effective operation of all departments in the company.

MANUFACTURING OPERATIONS

Apart from outsourcing a major portion of manufacturing operations, the Company continued to look at other ways of cost reduction and be cost competitive in the market. As you are aware the Company continue to operate from smaller location which fits into overall operational requirement at this moment and continue to rent the company's own facility, which has yielded better results as expected and expect the same in the years to follow.

HUMAN RESOURCES

The Company widely practice the health and safety issues at its own and the sub-contractor manufacturing location and continued during the year with training on first aid and various aspects of firefighting to company's and sub-contractor's

employees. As on March 31, 2018 the company had 23 people on the rolls of the company. The industrial relations throughout the year was cordial.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations and which the management believes are true to the best of its knowledge at the time of preparation. Actual results might differ materially from those either expressed or implied and hence the Company and the management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to a system of good corporate governance, as it firmly believes that good corporate governance signifies good corporate practices aimed at increasing value for its shareholders, customers, employees, the government and all other stakeholders. Corporate governance of the company accords high importance for compliance with laws, rules and regulations at all times. The Company's internal control measures ensure the reliability of financial statements. The company is in full compliance with the applicable requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

2. BOARD OF DIRECTORS

(A) Composition of Board

The Board of Directors of the Company consists of one Executive Director, two Non-Executive Independent Directors and one Non-Executive Non-

Independent Director. One of the Non-Executive Independent Directors is a Woman Director.

All Directors possess relevant skills and experience to bring judgment to bear on the business of the Company.

The Company has a Non-Executive Chairman. The Company meets the requirement relating to Composition of the Board under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(B) Board Meetings

Six Board meetings were held during the year 2017-18 on May 16, 2017, July 21, 2017, August 04, 2017, November 15, 2017, February 02, 2018 and March 21, 2018.

(C) Attendance at Board Meetings and Annual General Meeting

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on July 28, 2017, with particulars of their Directorship and Chairman/Membership of Board Committees of other companies as on March 31, 2018 are given below:

| Name | Category | Month & Year of Appointment | Designation | No. of meetings held during the last year | No. of meetings attended | Number of memberships in Board of other Public companies | **Membership of Board Committees of Public companies | **Chairman of Board Committees of Public companies | Whether attended last AGM |
|--------------------|----------------------|-----------------------------|---------------------|---|--------------------------|--|--|--|---------------------------|
| S. Devarajan | Independent Director | February 2013 | Chairman & Director | 6 | 6 | 2 | 5 | 2 | Yes |
| J.N. Mylraiah | Nominee Director | September 2013 | Managing Director | 6 | 6 | Nil | Nil | Nil | Yes |
| Revathy Ashok | Independent Director | August 2011 | Director | 6 | 6 | 9 | 8 | 4 | Yes |
| N. Srinivasan* | Independent Director | February 2012 | Director | 6 | 4 | Nil | Nil | Nil | Yes |
| Ravi Bosco Rebello | Nominee Director | August 2017 | Director | 6 | 2 | Nil | Nil | Nil | No |

* Ceased to be a Director with effect from March 05, 2018 due to his demise.

** Membership and Chairmanship of Audit Committees and Stakeholders Relationship Committees.

3. AUDIT COMMITTEE

(A) Terms of Reference

The role of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to

the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - Approval or any subsequent modification of transactions of the company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(B) Composition

Until March 04, 2018 the committee comprised of three Non-Executive Directors, all of them being Independent Directors. Ms.Revathy Ashok was the Chairman and Mr. S.Devarajan & Mr. N.Srinivasan were members of the Committee. The committee was reconstituted on March 21, 2018 with Ms. Revathy Ashok as the Chairman and Mr. S. Devarajan and Mr. Ravi Bosco Rebello

as members of the Committee. All members of the Committee are financially literate and having adequate financial management expertise.

(C) Committee Meetings and Attendance

Four Audit Committee meetings were held during the year 2017-18 on May 16, 2017, August 04, 2017, November 15, 2017 and February 02, 2018. The attendance of the members is given below:

| Name of Member | Position | Number of meetings Held | Number of meetings Attended |
|--|------------------|-------------------------|-----------------------------|
| Mr.N. Srinivasan (up to March 04, 2018) | Chairman | 4 | 3 |
| Ms. Revathy Ashok (Chairman from March 21, 2018) | Chairman/ Member | 4 | 4 |
| Mr. S.Devarajan | Member | 4 | 4 |
| Mr. Ravi Bosco Rebello (from March 21, 2018) | Member | 4 | 0 |

The Committee meetings are attended by invitation by the Managing Director, Chief Financial Officer, the representatives of Statutory Auditors and the representatives of the Internal Auditors.

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

4. NOMINATION AND REMUNERATION COMMITTEE

(A) Terms of Reference

The role of the Nomination and Remuneration Committee include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for performance evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with

the criteria laid down, and recommend to the Board their appointment and removal.

(B) Composition

Until March 04, 2018 the committee comprised of three Non-Executive Directors, all of them being Independent Directors. Mr. N. Srinivasan was the Chairman and Mr. S. Devarajan and Ms. Revathy Ashok were members of the Committee. The committee was reconstituted on March 21, 2018 with Ms. Revathy Ashok as the Chairman and Mr. S. Devarajan & Mr. Ravi Bosco Rebello as members of the Committee

(C) Committee Meetings and Attendance

Two Nomination and Remuneration Committee meetings were held during the year 2017-18 on August 04, 2017 and March 21, 2018. The attendance of the members is given below.

| Name of Member | Position | Number of meetings Held | Number of meetings Attended |
|--|------------------|-------------------------|-----------------------------|
| Mr.N. Srinivasan (up to March 04, 2018) | Chairman | 2 | 1 |
| Ms. Revathy Ashok (Chairman from March 21, 2018) | Chairman/ Member | 2 | 2 |
| Mr. S.Devarajan | Member | 2 | 2 |
| Mr. Ravi Bosco Rebello (from March 21, 2018) | Member | 2 | 1 |

(D) Remuneration Policy

Remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee to the Board of Directors based on Industry standard and commensurate with the requirement and profile of his office and further governed by the resolutions of the Shareholders and applicable rules of the Company.

Non-Executive Directors appointed on the Board are paid sitting fees for attending the meeting of the Board and Board committee meetings. No other remuneration or commission is paid to the non-executive Directors. Non-Executive chairman is paid a Sitting fee of Rs.95,000/- and other Non-Executive Directors are paid a sitting fee of Rs.90,000/-for attending Board/ Committee Meetings held on the same day.

(E) Remuneration paid to Directors for the year ended March 31, 2018

(Rs.Lakhs)

| Name of Director | Salary | Bonus /Incentive | Allowances & Perquisites | Sitting Fees | Total |
|--------------------|--------|------------------|--------------------------|--------------|-------|
| Mr. S. Devarajan | - | - | - | 5.70 | 5.70 |
| Mr. J.N. Mylaraiah | 24.59 | 11.84 | 33.76 | Nil | 70.19 |
| Ms. Revathy Ashok | - | - | - | 5.40 | 5.40 |
| Mr. N. Srinivasan | - | - | - | 3.60 | 3.60 |

The Bonus/incentive paid/payable to the Managing Director Mr.J.N.Mylaraiah, is calculated based on pre-determined parameters of performance. The agreement with the Managing Director is for a period of 5 years with effect from April 01, 2014. Either party to the agreement is entitled to terminate the Agreement by giving 60 days' notice in writing to the other party. The Managing Director is not entitled to any severance fees.

Presently the Company does not have any stock options scheme for the Directors and employees of the Company. None of the Directors hold any shares and convertible instruments of the Company.

The attendance of the members is given below:

| Name of Member | Position | Number of meetings Held | Number of meetings Attended |
|---|------------------|-------------------------|-----------------------------|
| Mr. N.Srinivasan (up to March 04, 2018) | Chairman | 4 | 3 |
| Mr.S.Devarajan (Chairman from March 21, 2018) | Chairman/ Member | 4 | 4 |
| Mr.J.N.Mylaraiah | Member | 4 | 4 |
| Ms.Revathy Ashok | Member | 4 | 0 |

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

(A) Terms of Reference

The role of the committee is to resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends.

(B) Composition

Until March 04, 2018 the committee comprised of one Executive Director and two Non-Executive Directors. Mr.N.Srinivasan was the Chairman and Mr. S.Devarajan and Mr.J.N.Mylaraiah were members of the Committee. The committee was reconstituted on March 21, 2018 with Mr. S.Devarajan as the Chairman and Ms.Revathy Ashok and Mr.J.N.Mylaraiah as members of the Committee. The Chairman of the Committee is an Independent Director.

(C) Committee Meetings and Attendance

Four Stakeholders Relationship Committee meetings were held during the year 2017-18 on May 16, 2017, August 04, 2017, November 15, 2017 and February 02, 2018.

(D) Name and Designation of Compliance Officer

Mr. R. Ganesh, Company Secretary is the 'Compliance Officer' of the Company in line with requirement of Listing Agreement with the Bombay Stock Exchange Limited.

(E) Shareholders Complaints

Details of number of Shareholders complaints received, complaints solved and pending complaints are provided in the Shareholder information section of this Annual Report.

6. RISK MANAGEMENT COMMITTEE

(A) Terms of Reference

The role of the Risk Management Committee is to frame, implement and monitor the risk management plan of the Company.

(B) Composition

Until March 04, 2018 the committee comprised of three Non-Executive Directors. Mr. Devarajan was the Chairman and Ms.Revathy Ashok & Mr.N.Srinivasan were the members of the Committee. The committee was reconstituted on March 21, 2018 with Mr. S.Devarajan as the Chairman and Ms.Revathy Ashok and Mr. Ravi Bosco Rebello as members of the Committee.

(C) Committee Meetings and Attendance

One Risk Management Committee meeting was held during the year 2017-18 on February 02, 2018. Mr.Devarajan and Ms. Revathy Ashok attended this meeting.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

(A) Terms of Reference

The role of the CSR Committee are as follows:

- Formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company within the overall provisions of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on CSR activities.
- Monitor the Corporate Social Responsibility of the Company from time to time..

(B) Composition

Until March 04,2018 the committee comprised of Ms.Revathy Ashok as the Chairman and Mr.N.Srinivasan and Mr.J.N.Mylaraiah as members of the Committee. The committee was reconstituted on March 21, 2018 with Ms. Revathy Ashok as the Chairman and Mr.J.N.Mylaraiah and Mr. S.Devarajan as members of the Committee.

(C) Committee Meetings and Attendance

One CSR Committee meeting was held during the year 2017-18 on February 02,2018. Ms.Revathy Ashok and Mr.J.N.Mylaraiah attended this meeting.

8. GENERAL BODY MEETINGS

(A) Location and Time of the last three Annual General Meetings

| Year | Date | Venue | Time |
|---------|---------------|---|----------|
| 2014-15 | June 26, 2015 | Vivanta by Taj, No.41/3, M.G. Road, Bangalore | 11.00 am |
| 2015-16 | July 13, 2016 | Vivanta by Taj, No.41/3, M.G. Road, Bangalore | 11.00 am |
| 2016-17 | July 28, 2017 | Vivanta by Taj, No.41/3, M.G. Road, Bangalore | 11.00 am |

(B) Special Resolutions passed in the last AGM's

- At the AGM held on June 26, 2015 a Special Resolution for adoption of new Articles of

Association of the Company and a Special Resolution to approve Related Party transactions was passed.

- At the AGM held on July13, 2016 a Special Resolution for amending the Articles of Association of the Company was passed.
- At the AGM held on July 28, 2017 a Special Resolution in respect of the remuneration of the Managing Director was passed..

(C) Postal Ballot

No Special Resolution was passed through postal ballot during last year.

9. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Familiarization Program aim at helping the independent directors to get an insight into the Company's business model and understand in depth various business operations and contribute significantly to the Company.

The Company through its Managing Director/ Senior Managerial Personnel makes presentations periodically to familiarize the Independent Directors with the business scenario, strategy, operations and functions of the Company. Such presentations provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

Familiarization Program for Independent Directors and details of the Program undergone by the Independent Directors has been displayed in the Company's website www.adckcl.com..

10. INDEPENDENT DIRECTORS MEETING

The Independent Directors Mr.S.Devarajan and Ms. Revathy Ashok held one meeting on March 21, 2018 without the presence of Non-Independent Directors and Senior Management Personnel.

11. PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES, PREFERENTIAL ISSUES ETC.

The Company did not have any of the above issues during the year under review.

12. TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of Independent Directors of the Company have been displayed in the Company's website www.adckcl.com.

13. COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of financial statements for the year ended March 31, 2018, there is no deviation from the prescribed Accounting Standards.

14. COMPLIANCE CERTIFICATE FROM THE AUDITORS

Certificate from the Auditors of the company confirming compliance with the mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.

15. CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been displayed on the Company's website. An affirmation as to compliance with the code of conduct is obtained from all the Directors and the Senior Management Personnel annually. A declaration from the Managing Director of the Company concerning compliance with the Code of Conduct is given below

DECLARATION

It is hereby declared that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the Directors and Senior Management of the Company in respect of the financial year ended March 31, 2018.

Place: Bangalore
Date: May 23, 2018

J.N.Mylaraiah
Managing Director

16. RECONCILIATION OF SHARE CAPITAL AUDIT

In the year 2017-18 M/s. V.Sreedharan and Associates, Practicing Company Secretaries carried out the Reconciliation of Share Capital Audit on quarterly basis to reconcile the total issued and paid-up capital with the aggregate of the total number of the shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of Share Capital was submitted to the Bombay Stock Exchange Limited.

17. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board on an annual basis. This certificate for the financial year 2017-18 was placed before the Board at its meeting held on May 23, 2018.

18. COMPLIANCE WITH MANDATORY & NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted the following non-mandatory requirements specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(A) Audit Qualifications

The Auditors have not qualified the financial statements of the Company

(B) Separate posts of Chairman and CEO/ Managing Director

The Posts of Chairman and Managing Director are separate. The Chairman is a Non-Executive Director.

(C) Reporting of Internal Auditors

The Internal Auditors of the Company report to the Audit Committee.

19. DISCLOSURES

(A) Related Party Transactions

The Board in its meeting held on March 04, 2015 has adopted Related Party Transaction Policy for determining the materiality of related party transactions and on the dealings with related parties. This Policy has been posted on the Company's website.

There are no related party transactions that may have potential conflict with the interest of the company at large. All the related party transactions are at arm's length and in ordinary course of business.

None of the Non-Executive Directors have any pecuniary material relationship or material transaction with the Company for the year ended March 31, 2018.

Details of all related party transactions form a part of the accounts and the same are disclosed in the Note 32 to the Financial Statements.

(B) Management Discussion & Analysis

Management discussion and analysis report is provided in the Management Discussion and Analysis section of this Annual Report.

(C) Compliances by the Company

There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

(D) Whistle Blower Policy

The Company has established a Vigil Mechanism for employees, directors and others who are associated with the Company to report to management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Policy provides adequate safeguards against victimization of

employees/directors who avail the mechanism. The Vigil Mechanism also cover the Whistle Blower mechanism aspect as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company affirms that no person has been denied access to the Audit Committee in this respect.

20. MEANS OF COMMUNICATION

The unaudited Financial Results for every quarter and the Annual Audited Financial Results of the Company are generally published in "Business Standard" and "Sanjevani". The Quarterly and Annual financial results are also displayed on the Company's website. The Company also informs the Stock exchange in a prompt manner, information on all matters which in the opinion of the Company are relevant for the shareholders.

21. GENERAL SHAREHOLDER INFORMATION

Information of importance to shareholders are given in the Shareholder information section of this Annual Report.

SHAREHOLDER INFORMATION

1. Corporate Identity Number (CIN)

Corporate Identity Number (CIN) allotted by Ministry of Company Affairs, Government of India is L32209KA1988PLC009313.

2. Annual General Meeting

Date & Time: July 25, 2018 at 11.00 am

Venue : Vijaynagar Hall, Vivanta by Taj, 41/3, Mahatma Gandhi Road, Bangalore - 560 001.

3. Financial Calendar (tentative and subject to change)

| Description | Dates |
|---|----------------|
| Financial Reporting – I Quarter Results | August, 2018 |
| Financial Reporting – II Quarter Results | November, 2018 |
| Financial Reporting – III Quarter Results | February ,2019 |
| Financial Reporting – 2018 Year End Results | May, 2019 |
| Annual General Meeting | July, 2019 |

4. Date of Book Closure

July 19, 2018 to July 25, 2018 (both days inclusive)

5. Dividend Payment Date

Within the time specified in the Companies Act, 2013.

6. Listing on Stock Exchanges & Stock Code

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai - 400 001

7. Stock Code - 523411

8. Registrar and Share Transfer Agents

Karvy Computershare Private Limited

Karvy Selenium Tower B

Plot No. 31-32, Financial District

Nanakramguda, Gachibowli

Hyderabad-500 032

Phone: 040-67161509/67161592

Fax: 040-23420814

E-mail : einward.ris@karvy.com

SHAREHOLDER INFORMATION

9. Shareholders Complaints

| Sl. No. | Nature of Complaints | Received | Resolved | Unresolved |
|---------|----------------------------------|----------|----------|------------|
| 1 | Non receipt of Dividend Warrants | 2 | 2 | 0 |
| 2 | Non receipt of Annual Reports | 1 | 1 | 0 |
| | Total | 3 | 3 | 0 |

10. Market Price Data

Monthly high and low quotations at Mumbai Stock Exchange during the year:

| Months | ADC India price movement in BSE | | BSE Sensex | | ADC India price movement % | | BSE Sensex Movement % | |
|--------------|---------------------------------|-----|------------|-------|----------------------------|------|-----------------------|-----|
| | High | Low | High | Low | High | Low | High | Low |
| April-17 | 268 | 251 | 30184 | 29241 | | | | |
| May-17 | 280 | 229 | 31255 | 29804 | 4% | -9% | 4% | 2% |
| June-17 | 251 | 217 | 31523 | 30681 | -10% | -5% | 1% | 3% |
| July-17 | 270 | 225 | 32677 | 31017 | 8% | 4% | 4% | 1% |
| August-17 | 250 | 201 | 32686 | 31128 | -7% | -11% | 0% | 0% |
| September-17 | 240 | 212 | 32524 | 31082 | -4% | 5% | 0% | 0% |
| October-17 | 240 | 211 | 33340 | 31440 | 0% | 0% | 3% | 1% |
| November-17 | 240 | 201 | 33866 | 32684 | 0% | -5% | 2% | 4% |
| December-17 | 245 | 211 | 34138 | 32565 | 2% | 5% | 1% | 0% |
| January-18 | 278 | 221 | 36444 | 33703 | 13% | 5% | 7% | 3% |
| February-18 | 257 | 201 | 36257 | 33483 | -8% | -9% | -1% | -1% |
| March-18 | 244 | 195 | 34279 | 32484 | -5% | -3% | -5% | -3% |

11. Share Transfer System

The turnaround time for completion of transfer of shares in physical form is 15 days from the date of receipt if the documents are clear in all respects. The share transfer committee meets as and when required for approving the share transfers.

12. Distribution of Shareholding as on March 31, 2018:

| Category | No. of Shareholders | % to total number of shareholders | No. of shares | % to total number of shares |
|--------------|---------------------|-----------------------------------|----------------|-----------------------------|
| 1 – 100 | 3490 | 72.32 | 229527 | 4.99 |
| 101 – 200 | 526 | 10.90 | 93343 | 2.03 |
| 201 – 500 | 455 | 9.43 | 162630 | 3.54 |
| 501 – 1000 | 170 | 3.52 | 135085 | 2.94 |
| 1001 – 5000 | 154 | 3.19 | 341788 | 7.43 |
| 5001 – 10000 | 17 | 0.35 | 115924 | 2.52 |
| Above 10001 | 14 | 0.29 | 3521703 | 76.55 |
| Total | 4826 | 100.00 | 4600000 | 100.00 |

SHAREHOLDER INFORMATION

13. Categories of Shareholders as on March 31, 2018:

| Category | No. of Shareholders | Total Shares | Percentage to Total |
|----------------------|---------------------|----------------|---------------------|
| Promoters | 2 | 3313037 | 72.02 |
| Non Resident Indians | 44 | 21456 | 0.47 |
| Mutual Funds | 4 | 700 | 0.01 |
| Banks | 5 | 512 | 0.01 |
| Bodies Corporate | 124 | 85545 | 1.86 |
| Public | 4647 | 1178750 | 25.63 |
| Total | 4826 | 4600000 | 100.00 |

14. Dematerialisation of Shares

As on March 31, 2018, 4523990 Equity Shares of the Company representing 98.35% of the paid-up share capital are in dematerialized form.

15. Outstanding ADR/GDR/Convertible bonds

Nil.

16. Plant location

No.485/8A & 8B, 14th Cross, 4th Phase,
Peenya Industrial Area,
Bangalore 560 058.

Tel: +91 80 28366291

Fax: +91 80 28362214

17. Address for correspondence

Members can contact the Company Secretary & Compliance Officer at the following address:

Mr. R. Ganesh

ADC India Communications Limited

No.485/8A & 8B, 14th Cross, 4th Phase,

Peenya Industrial Area

Bangalore 560 058

Tel: +91 80 28366291

Fax: +91 80 28362214

Email: r.ganesh_contractor@commscope.com

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of ADC India Communications Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated September 19, 2017.
2. We, Deloitte Haskins & Sells, the Statutory Auditors of **ADC INDIA COMMUNICATIONS LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility.

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of

the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 008072S

Sathya P Koushik
Partner
Membership No. 206920

Place: Mumbai
Date: May 23, 2018

INDEPENDENT AUDITORS' REPORT

To

The Members of ADC India Communications Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **ADC India Communications Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Sathya P Koushik
Partner
Membership No. 206920

Place: Mumbai
Date: May 23, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ADC India Communications Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (CONTINUED)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Sathya P Koushik
Partner
Membership No. 206920

Place: Mumbai
Date: May 23, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and BBMP Khata certificate provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT (CONTINUED)

Insurance, Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount involved (Rs.Lakhs) |
|-----------------------------|--|--|------------------------------------|----------------------------|
| Income Tax Act, 1961 | Income Tax | CIT (Appeals) | AY 2009-10 | 70.75 |
| | | Income Tax Appellate Tribunal | AY 2010-11 | 40.85 |
| | | Income Tax Appellate Tribunal | AY 2011-12 | 212.30 |
| | | Income Tax Appellate Tribunal | AY 2012-13 | 103.35 |
| Central Sales Tax Act’ 1956 | Sales Tax (including interest till date of assessment) | Joint Commissioner of Commercial Taxes Karnataka | FY 2012-13 | 125.27 |

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us,

no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 008072S

Sathya P Koushik
Partner
Membership No. 206920

Place: Mumbai
Date: May 23, 2018

BALANCE SHEET AS AT MARCH 31, 2018

| | Notes | As at March 31, 2018 (Rs. Lakhs) | As at March 31, 2017 (Rs. Lakhs) | As at April 1, 2016 (Rs. Lakhs) |
|--------------------------------------|-------|--|--|---------------------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| (a) Property, plant and equipment | 4.1 | 53.17 | 67.33 | 74.85 |
| (b) Investment property | 4.2 | 311.74 | 321.07 | 330.38 |
| (c) Financial assets | | | | |
| (i) Other financial assets | 5 | 50.88 | 57.09 | 54.09 |
| (d) Deferred tax assets (net) | 6 | 76.10 | 65.34 | 105.29 |
| (e) Other non-current assets | 7 | 419.79 | 443.79 | 380.26 |
| Total non-current assets | | 911.68 | 954.62 | 944.87 |
| Current assets | | | | |
| (a) Inventories | 8 | 869.83 | 671.68 | 515.72 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 9 | 1,231.64 | 1,173.12 | 1,090.45 |
| (ii) Cash and bank balances | 10 | 2,983.80 | 2,958.63 | 2,642.37 |
| (iii) Other financial assets | 5 | 23.87 | 37.67 | 41.25 |
| (c) Other current assets | 7 | 36.80 | 144.03 | 205.63 |
| Total current assets | | 5,145.94 | 4,985.13 | 4,495.42 |
| Total assets | | 6,057.62 | 5,939.75 | 5,440.29 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity share capital | 11 | 460.00 | 460.00 | 460.00 |
| (b) Other equity | 12 | 4,151.88 | 3,970.85 | 3,721.57 |
| Total equity | | 4,611.88 | 4,430.85 | 4,181.57 |
| Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Other financial liabilities | 13 | 78.50 | 78.50 | 78.50 |
| (b) Provisions | 14 | 86.37 | 108.63 | 101.56 |
| Total non-current liabilities | | 164.87 | 187.13 | 180.06 |
| Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Trade payables | 15 | 1,168.43 | 1,222.52 | 1,015.19 |
| (ii) Other financial liabilities | 13 | 1.86 | 2.66 | 4.86 |
| (b) Provisions | 14 | 5.01 | 3.57 | 2.14 |
| (c) Current tax liability (Net) | 16 | 54.83 | 27.82 | - |
| (d) Other current liabilities | 17 | 50.74 | 65.20 | 56.47 |
| Total current liabilities | | 1,280.87 | 1,321.77 | 1,078.66 |
| Total liabilities | | 1,445.74 | 1,508.90 | 1,258.72 |
| Total equity and liabilities | | 6,057.62 | 5,939.75 | 5,440.29 |

See accompanying notes forming part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors

of ADC India Communications Limited

Sathya P Koushik

Partner

S.Devarajan

Chairman and Director

Mylaraiah J.N

Managing Director

R. Ganesh

Company Secretary

Place : Mumbai

Date : May 23, 2018

Place : Bangalore

Date : May 23, 2018

Rakesh Bhanushali

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

| | Notes | For the year ended March 31, 2018 (Rs. Lakhs) | For the year ended March 31, 2017 (Rs. Lakhs) |
|---|-------|---|---|
| Revenue from operations | 18 | 6,544.41 | 6,176.73 |
| Other income | 19 | 303.94 | 295.81 |
| Total income | | 6,848.35 | 6,472.54 |
| Expenses | | | |
| Cost of raw materials, components, packing materials and services consumed | 20 | 1,609.52 | 896.70 |
| Purchase of stock-in-trade | 21 | 3,843.62 | 3,713.32 |
| (Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade | 22 | (231.40) | 38.46 |
| Excise duty on sale of goods | | 68.82 | 224.34 |
| Employee benefits expense | 23 | 347.34 | 349.71 |
| Depreciation and amortization expense | 24 | 29.23 | 26.06 |
| Other expenses | 25 | 594.65 | 590.43 |
| Total expenses | | 6,261.78 | 5,839.02 |
| Profit before tax | | 586.57 | 633.52 |
| Tax expense | | | |
| Current tax | 26 | 240.36 | 205.00 |
| Deferred tax | 26 | (7.50) | 40.25 |
| Total tax expense | | 232.86 | 245.25 |
| Profit for the year | | 353.71 | 388.27 |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurements of the defined benefit plans | | (9.85) | (0.86) |
| (b) Deferred tax on remeasurements of the defined benefit plans | | 3.26 | 0.28 |
| Total other comprehensive income after tax | | (6.59) | (0.58) |
| Total comprehensive income for the year | | 347.12 | 387.69 |
| Earnings per equity share (nominal value of share Rs.10) | | | |
| Basic / Diluted EPS | 28 | 7.69 | 8.44 |
| Weighted average number of equity shares used in computation of above | | 4,600,000 | 4,600,000 |

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors
of ADC India Communications Limited

Sathya P Koushik
Partner

S.Devarajan
Chairman and Director

Mylaraiah J.N
Managing Director

R. Ganesh
Company Secretary

Place : Mumbai
Date : May 23, 2018

Place : Bangalore
Date : May 23, 2018

Rakesh Bhanushali
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|---|--|--|
| Cash flow from operating activities | | |
| Profit before tax | 586.57 | 633.52 |
| Add / (Less) | | |
| Depreciation and amortization expense | 29.23 | 26.06 |
| Loss/ (profit) on sale of fixed assets (net) / Assets discarded | - | (0.65) |
| Reversal of provision for doubtful receivables / advances | (5.91) | (9.32) |
| Credit balances written back | (1.47) | - |
| Unrealized foreign exchange (gain) / loss (net) | 2.46 | 0.82 |
| Interest income | (157.64) | (158.99) |
| Operating profit before working capital changes | <u>453.24</u> | <u>491.44</u> |
| Movements in working capital : | | |
| Increase/ (Decrease) in trade payables | (56.57) | 206.62 |
| Increase / (Decrease) in provisions (non-current) | 0.16 | 7.07 |
| Increase / (decrease) in provisions (current) | 1.44 | 1.43 |
| Increase/ (decrease) in other current liabilities | (24.30) | 7.85 |
| Decrease / (increase) in inventories | (198.14) | (155.96) |
| Decrease / (increase) in trade receivables | (36.58) | (85.50) |
| Decrease / (Increase) in financial and other assets (non-current) | (2.31) | (54.47) |
| Decrease / (Increase) in financial and other assets (current) | 120.74 | 61.59 |
| Cash generated from /(used in) operations | <u>257.68</u> | <u>480.07</u> |
| Direct taxes paid (net of refunds) | (217.80) | (177.18) |
| Net cash flow from/ (used in) operating activities (A) | <u>39.88</u> | <u>302.89</u> |
| Cash flows from investing activities | | |
| Purchase of assets, including capital advances | (5.74) | (9.23) |
| Proceeds from sale of assets | - | 0.65 |
| Interest received | 157.92 | 162.58 |
| Change in Balances not considered as cash and cash equivalents | 0.79 | 2.20 |
| Net cash flow from investing activities (B) | <u>152.97</u> | <u>156.20</u> |
| Cash flows from financing activities | | |
| Dividends paid on equity shares | (138.00) | (115.00) |
| Tax on equity dividend paid | (28.09) | (23.41) |
| Net increase/(decrease) in unpaid dividend account | (0.80) | (2.20) |
| Net cash flow used in financing activities (C) | <u>(166.89)</u> | <u>(140.61)</u> |

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|---|--|--|
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | 25.96 | 318.48 |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | - | (0.02) |
| Cash and cash equivalents at the beginning of the year | 2,955.97 | 2,637.51 |
| Cash and cash equivalents at the end of the year | 2,981.93 | 2,955.97 |
| Components of cash and cash equivalents | | |
| Balances with banks: | | |
| - in current accounts | 11.93 | 405.02 |
| - in EEFC accounts | - | 0.95 |
| - in deposit accounts | 2,970.00 | 2,550.00 |
| Total cash and cash equivalents (note 10) | 2,981.93 | 2,955.97 |

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors
of ADC India Communications Limited

Sathya P Koushik
Partner

S.Devarajan
Chairman and Director

Mylaraiah J.N
Managing Director

R. Ganesh
Company Secretary

Place : Mumbai
Date : May 23, 2018

Place : Bangalore
Date : May 23, 2018

Rakesh Bhanushali
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**a. Equity share capital**

| Particulars | Amount (Rs.Lakhs) |
|---|----------------------|
| Balance at April 1, 2016 | 460.00 |
| Changes in equity share capital during the year | |
| (a) Additions during the year | - |
| Balance at March 31, 2017 | 460.00 |
| Changes in equity share capital during the year | |
| (a) Additions during the year | - |
| Balance at March 31, 2018 | 460.00 |

b. Other Equity

| Particulars | Reserves and Surplus | | |
|--|-------------------------------|---|----------------------------------|
| | General Reserve (Rs.Lakhs) | Surplus in Statement of Profit and Loss (Rs.Lakhs) | Total Other Equity (Rs.Lakhs) |
| Balance at April 1, 2016 | 776.39 | 2,945.18 | 3,721.57 |
| Add: | | | |
| Profit / (loss) for the year | - | 388.27 | 388.27 |
| Add / (Less): | | | |
| Gain / (loss) on Remeasurement of defined benefit plans (net of tax) | - | (0.58) | (0.58) |
| Dividend paid and tax thereon | - | (138.41) | (138.41) |
| Balance at March 31, 2017 | 776.39 | 3,194.46 | 3,970.85 |
| Balance at April 1, 2017 | 776.39 | 3,194.46 | 3,970.85 |
| Add: | | | |
| Profit / (loss) for the year | - | 353.71 | 353.71 |
| Add / Less: | | | |
| Gain / (loss) on Remeasurement of defined benefit plans (net of tax) | - | (6.59) | (6.59) |
| Dividend paid and tax thereon | - | (166.09) | (166.09) |
| Balance at March 31, 2018 | 776.39 | 3,375.49 | 4,151.88 |

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sathya P Koushik
Partner

Place : Mumbai
Date : May 23, 2018

S.Devarajan
Chairman and Director

Place : Bangalore
Date : May 23, 2018

For and on behalf of the Board of Directors
of ADC India Communications Limited

Mylaraiah J.N
Managing Director

Rakesh Bhanushali
Chief Financial Officer

R. Ganesh
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. CORPORATE INFORMATION

ADC India Communications Limited (“the Company”) is a public company domiciled in India. The Company is engaged in providing versatile, reliable and cost effective connectivity solutions to suit individual enterprise and telecom service provider requirements. The Company provides copper and fiber physical connectivity in telecommunications and data networking solutions including structured cabling.

2 BASIS FOR PREPARATION AND PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the first Ind AS financial statements of the Company. The date of transition to Ind AS is April 1, 2016. Refer Note below on first-time adoption of Ind AS for exemptions availed by the Company.

Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as in value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Summary of significant accounting policies

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service contracts are recognized when services are rendered and related costs are incurred.

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using percentage completion method, with contract costs determining the degree of completion.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on tangible assets is provided on the Straight-Line Method (SLM) method as per useful life provided in Schedule II of the Companies Act 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost.

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Intangible assets

Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost.

Inventories

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Raw materials, components, consumables and packing material are valued at weighted average cost. Stock-in-trade are valued at lower of weighted average cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Operating segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Company's CODM is Managing Director. Refer note 27 for detailed segment presentation.

Financial Instruments

Financial assets and financial liabilities:

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost-

Financial assets are subsequently measured at amortised cost if these financial assets are held within

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income-

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss-

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Impairment of Trade receivables

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 18 (Revenue) the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Financial liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting financial asset and financial liability

The company offsets a financial asset and a financial liability when the Company :

- (a) currently has a legally enforceable right to set off the recognised amounts and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

Employee Benefits

Defined Contribution Plan

The Company's contribution to provident fund are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions

Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Other Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Operating lease receipts are recognized as other income in the Statement of profit and loss on a straight-line basis over the lease term.

Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Earnings per share

Basic earnings per share are computed by dividing profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

First-time adoption of Ind AS

Overall Principle:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment, investment property and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**Determining whether an arrangement contains a lease:**

The Company has applied Appendix C of Ind AS 17 Determining whether an 'Arrangement contains a Lease' to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Derecognition of financial assets and financial liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3 Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Litigations:

The Company is a party to certain direct tax and indirect tax disputes. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

Impairment of Trade receivables

The recognition of impairment loss allowance on trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provision for Inventory

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories. The factors that the Company considers in determining the allowance for obsolete, slow moving and defective inventory include ageing of inventory, estimated shelf life and estimated usage, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4.1 Property, Plant and Equipment

(Amount in Rs.Lakhs)

| Gross carrying amount | Plant & Machinery | Furniture & Fixtures* | Office Equipment* | Computers | Total |
|------------------------------|-------------------|-----------------------|-------------------|--------------|--------------|
| At Deemed Cost | | | | | |
| At April 1, 2016 | 62.04 | 1.49 | 8.45 | 2.87 | 74.85 |
| Additions | 2.50 | 0.12 | 1.31 | 5.30 | 9.23 |
| Deletions | - | - | - | - | - |
| At Mar 31, 2017 | 64.54 | 1.61 | 9.76 | 8.17 | 84.08 |
| Accumulated depreciation | | | | | |
| Charge for the year | 12.17 | 0.74 | 2.31 | 1.53 | 16.75 |
| Deletions | - | - | - | - | - |
| Adjustments/Reclass | (0.17) | - | 0.17 | - | - |
| At Mar 31, 2017 | 12.00 | 0.74 | 2.48 | 1.53 | 16.75 |
| Net carrying amount | | | | | |
| At March 31, 2017 | 52.54 | 0.87 | 7.28 | 6.64 | 67.33 |
| Gross carrying amount | | | | | |
| At April 1, 2017 | 64.53 | 1.61 | 9.76 | 8.17 | 84.08 |
| Additions | - | - | 0.74 | 4.99 | 5.74 |
| Deletions | - | - | - | - | - |
| Adjustments/Reclass | - | - | - | - | - |
| At March 31, 2018 | 64.53 | 1.61 | 10.50 | 13.16 | 89.82 |
| Accumulated depreciation | | | | | |
| At April 1, 2017 | 11.99 | 0.74 | 2.48 | 1.53 | 16.75 |
| Charge for the year | 12.18 | 0.49 | 2.59 | 4.64 | 19.90 |
| Deletions | - | - | - | - | - |
| Adjustments/Reclass | - | - | - | - | - |
| At March 31, 2018 | 24.17 | 1.23 | 5.07 | 6.17 | 36.65 |
| Net carrying amount | | | | | |
| At March 31, 2018 | 40.36 | 0.38 | 5.43 | 6.99 | 53.17 |
| At March 31, 2017 | 52.54 | 0.87 | 7.28 | 6.64 | 67.33 |

* The company has let out its premises along with certain assets on an operating lease basis, details of which are as below-

(Amount in Rs.Lakhs)

| Particulars | Office equipment | Furniture & Fixtures | Total |
|---|------------------|----------------------|-------------|
| Gross Carrying Amount as on April 1, 2016 | 0.31 | 0.51 | 0.82 |
| Accumulated Depreciation as on April 1, 2016 | - | - | - |
| Charge for the year | 0.31 | 0.33 | 0.64 |
| Net carrying amount as on March 31, 2017 | - | 0.18 | 0.18 |
| Gross Carrying Amount as on March 31, 2017 | 0.31 | 0.51 | 0.82 |
| Accumulated Depreciation as on March 31, 2017 | 0.31 | 0.33 | 0.64 |
| Charge for the year | - | 0.18 | 0.18 |
| Deletions | - | - | - |
| Net carrying amount as on March 31, 2018 | - | - | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**4.2 Investment property****(Amount in Rs.Lakhs)**

| Gross carrying amount | Land | Building | Total |
|---------------------------------|---------------|-----------------|---------------|
| At Deemed Cost | | | |
| At April 1, 2016 | 172.98 | 157.40 | 330.38 |
| Additions | - | - | - |
| Deletions | - | - | - |
| At Mar 31, 2017 | 172.98 | 157.40 | 330.38 |
| Accumulated depreciation | | | |
| Charge for the year | - | 9.31 | 9.31 |
| Deletions | - | - | - |
| Adjustments/Reclass | - | - | - |
| At Mar 31, 2017 | - | 9.31 | 9.31 |
| Net carrying amount | | | |
| At March 31, 2017 | 172.98 | 148.09 | 321.07 |
| Gross carrying amount | | | |
| At April 1, 2017 | 172.98 | 157.40 | 330.38 |
| Additions | - | - | - |
| Deletions | - | - | - |
| Adjustments/Reclass | - | - | - |
| At March 31, 2018 | 172.98 | 157.40 | 330.38 |
| Accumulated depreciation | | | |
| At April 1, 2017 | - | 9.31 | 9.31 |
| Charge for the year | - | 9.33 | 9.33 |
| Deletions | - | - | - |
| Adjustments/Reclass | - | - | - |
| At March 31, 2018 | - | 18.64 | 18.64 |
| Net carrying amount | | | |
| At March 31, 2018 | 172.98 | 138.76 | 311.74 |
| At March 31, 2017 | 172.98 | 148.09 | 321.07 |

4.3 Amount recognized in profit or loss for investment property**(Amount in Rs.Lakhs)**

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--|--|
| Rental income | 134.41 | 126.77 |
| Direct operating expenses from investment property that generated rental income | 7.05 | 6.79 |
| Profit from investment property before depreciation | 127.36 | 119.98 |
| Depreciation | 9.33 | 9.31 |
| Profit from investment property | 118.03 | 110.67 |

4.4 Fair value of investment property

- As at March 31, 2018, the fair value of the land was estimated as ranging from Rs. 4,354 lakhs to Rs. 4,528 lakhs (As at March 31, 2017 ranging from Rs. 3,918 lakhs to Rs. 4,440 lakhs and As at April 1, 2016 ranging from Rs. 3,744 lakhs to Rs. 4,353 lakhs)
- As at March 31, 2018, the fair value of the building was estimated as ranging from Rs. 490 lakhs to Rs. 522 lakhs (As at March 31, 2017 ranging from Rs. 490 lakhs to Rs. 529 lakhs and As at April 1, 2016 ranging from Rs. 490 lakhs to Rs. 536 lakhs)
- These fair value estimates are based on independent valuations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|----------|------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| 5 | Other Financial Assets | | | |
| | Non-current | | | |
| | Security deposits | 50.88 | 57.09 | 54.09 |
| | Total | 50.88 | 57.09 | 54.09 |
| | Current | | | |
| | Interest accrued on fixed deposits | 23.87 | 24.16 | 27.74 |
| | Unbilled Revenue | - | 13.51 | 13.51 |
| | Total | 23.87 | 37.67 | 41.25 |

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|----------|--|---------------------------------------|---------------------------------------|--------------------------------------|
| 6 | Deferred tax asset (net) | | | |
| | Deferred tax asset on | | | |
| | Difference between book balance and tax balance of fixed assets | 17.83 | 21.81 | 24.78 |
| | Provision for doubtful debts / advances | 18.85 | 31.16 | 44.65 |
| | Provision for compensated absences, gratuity and other employee benefits | 21.80 | 12.07 | 8.55 |
| | Disallowance u/s 40(a)(ia) | 17.54 | - | - |
| | VRS payments | - | - | 27.31 |
| | Deferred Rent | 0.08 | 0.30 | - |
| | Total | 76.10 | 65.34 | 105.29 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|----------|---|--|--|---|
| 7 | Other Assets | | | |
| | Non-current | | | |
| | Advance income-tax (Refer note below) | 128.73 | 146.69 | 146.69 |
| | Prepaid Rent | - | 0.71 | 3.55 |
| | Balances with statutory / government authorities(Considered good) | 291.06 | 296.39 | 230.02 |
| | Balances with statutory / government authorities(Considered doubtful) | 41.85 | 47.91 | 91.44 |
| | Less: Provision for doubtful advances | (41.85) | (47.91) | (91.44) |
| | Total | 419.79 | 443.79 | 380.26 |
| | Current | | | |
| | Prepaid expenses | 22.86 | 6.73 | 7.75 |
| | Prepaid Rent | 0.71 | 2.84 | 2.84 |
| | Other advances | 4.59 | 30.14 | 0.10 |
| | Balances with statutory / government authorities(Considered good) | 8.64 | 104.32 | 194.94 |
| | Total | 36.80 | 144.03 | 205.63 |
| | Note: | | | |
| | Advance tax and TDS | 866.67 | 2,789.52 | 2,789.52 |
| | Less: Provision for tax | (737.94) | (2,642.83) | (2,642.83) |
| | | 128.73 | 146.69 | 146.69 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|----------|--|---------------------------------------|---------------------------------------|--------------------------------------|
| 8 | Inventories (valued at lower of cost and net realizable value) | | | |
| | Raw materials, components, consumables and packing materials | 322.29 | 355.54 | 161.12 |
| | Work-in-progress | 7.97 | 9.74 | 6.52 |
| | Finished goods [Includes intransit Rs. Nil (March 31, 2017 : Rs. 28.61 lakhs) (April 1, 2016 : Rs. 0.88 lakhs)] | 174.51 | 155.43 | 194.48 |
| | Stock-in-trade [Includes intransit Rs. 3.65 lakhs (March 31, 2017 : Rs.74.24 lakhs) (April 1, 2016 : Rs.9.35 lakhs)] | 365.06 | 150.97 | 153.60 |
| | | <u>869.83</u> | <u>671.68</u> | <u>515.72</u> |

The cost of inventories recognised as an expense includes Rs. 2.47 lakhs (during 2016-2017: Rs. 0.66 lakhs) in respect of write-downs of inventory to net realisable value.

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|----------|--|---------------------------------------|---------------------------------------|--------------------------------------|
| 9 | Trade receivables | | | |
| | Current | | | |
| | Considered good (Unsecured) | 1,231.64 | 1,173.12 | 1,090.45 |
| | Doubtful (Unsecured) | 25.90 | 46.35 | 43.61 |
| | | <u>1,257.54</u> | <u>1,219.47</u> | <u>1,134.06</u> |
| | Allowance for doubtful trade receivables | (25.90) | (46.35) | (43.61) |
| | Total | <u>1,231.64</u> | <u>1,173.12</u> | <u>1,090.45</u> |

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|-----------|---|---------------------------------------|---------------------------------------|--------------------------------------|
| 10 | Cash and Bank balances | | | |
| | Cash | - | - | - |
| | Balances with banks: | | | |
| | – In current accounts | 11.93 | 405.02 | 434.19 |
| | – In EEFC accounts | - | 0.95 | 3.32 |
| | – Demand Deposits | 2,970.00 | 2,550.00 | 2,200.00 |
| | Other bank balances | | | |
| | – Earmarked balance with banks (Unpaid dividend) | 1.87 | 2.66 | 4.86 |
| | | <u>2,983.80</u> | <u>2,958.63</u> | <u>2,642.37</u> |
| | Amounts that qualify as Cash and Cash equivalents under Ind AS 7 “Statement of Cash flows” | 2,981.93 | 2,955.97 | 2,637.51 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| 11 SHARE CAPITAL | | | |
| Authorised | | | |
| 10,000,000 ((March 31, 2017: 10,000,000) (April 1, 2016: 10,000,000) equity shares of Rs. 10 each | 1,000.00 | 1,000.00 | 1,000.00 |
| Issued, subscribed and fully paid-up | | | |
| 4,600,000 (March 31, 2017: 4,600,000) (April 1, 2016: 4,600,000) equity shares of Rs.10 each fully paid up | 460.00 | 460.00 | 460.00 |
| Total issued, subscribed and fully paid-up share capital | 460.00 | 460.00 | 460.00 |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares**

| | March 31, 2018 | | March 31, 2017 | | April 1, 2016 | |
|------------------------------------|----------------|----------|----------------|-----------|---------------|-----------|
| | No. | Rs.Lakhs | No. | Rs. Lakhs | No. | Rs. Lakhs |
| At the beginning of the year | 4,600,000 | 460.00 | 4,600,000 | 460.00 | 4,600,000 | 460.00 |
| Outstanding at the end of the year | 4,600,000 | 460.00 | 4,600,000 | 460.00 | 4,600,000 | 460.00 |

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. Interim dividend is declared by Board of Directors. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

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) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

| | March 31, 2018 (Rs.Lakhs) | March 31, 2017 (Rs. Lakhs) | April 1, 2016 (Rs. Lakhs) |
|--|------------------------------|-------------------------------|------------------------------|
| CommScope Connectivity LLC 3,104,360 [(March 31, 2017: 3,104,360), (April 1, 2016: 3,104,360)] equity shares of Rs.10 each fully paid up | 310.44 | 310.44 | 310.44 |
| CommScope Technologies LLC 208,677 [(March 31, 2017: 208,677), (April 1, 2016: Nil)] equity shares of Rs.10 each fully paid up | 20.87 | 20.87 | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(d) Details of shareholders holding more than 5% shares in the Company

| | March 31, 2018 | | March 31, 2017 | | April 1, 2016 | |
|--|----------------|-----------|----------------|-----------|---------------|-----------|
| | No. | % holding | No. | % holding | No. | % holding |
| Equity shares of Rs.10 each fully paid CommScope Connectivity LLC | 3,104,360 | 67.49% | 3,104,360 | 67.49% | 3,104,360 | 67.49% |

| | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| 12 Other equity | | | |
| General reserve | 776.39 | 776.39 | 776.39 |
| Surplus in the Statement of Profit and Loss | | | |
| Balance as per last financial statements | 3,194.46 | 2,945.18 | - |
| Profit/(Loss) for the year | 353.71 | 388.27 | - |
| Add / (less): Gain / (loss) on Remeasurements of defined benefit plans (net of tax) | (6.59) | (0.58) | - |
| <i>Less: Appropriations</i> | | | |
| Payment of dividend on equity shares | 138.00 | 115.00 | - |
| Tax on above | 28.09 | 23.41 | - |
| Total appropriations | 166.09 | 138.41 | - |
| Net surplus in the Statement of Profit and Loss | 3,375.49 | 3,194.46 | 2,945.18 |
| Total other equity (A + B) | 4,151.88 | 3,970.85 | 3,721.57 |

On July 31, 2017, a dividend of Rs.3/- per share (total dividend Rs. 138.00 lakhs) was paid to holders of fully paid equity shares. On July 15, 2016, the dividend paid was Rs.2.50/- per share (total dividend Rs. 115.00 lakhs).

In respect of the year ended March 31, 2018, the directors propose that a final dividend of Rs. 4/- per share be paid on fully paid equity shares. This final equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 221.82 lakhs (including dividend tax).

| | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| 13 Other financial liabilities | | | |
| Non-current | | | |
| Rental deposit | 78.50 | 78.50 | 78.50 |
| Total | 78.50 | 78.50 | 78.50 |
| Current | | | |
| Unpaid dividends | 1.86 | 2.66 | 4.86 |
| Total | 1.86 | 2.66 | 4.86 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|----|--|---------------------------------------|---------------------------------------|--------------------------------------|
| 14 | Provisions | | | |
| | Employee benefits (Long term) | | | |
| | Provision for compensated absences | 26.80 | 26.64 | 19.57 |
| | Others (Long term) | | | |
| | Provision for taxation (net)(refer note below) | 59.57 | 81.99 | 81.99 |
| | Employee benefits (Short term) | | | |
| | Provision for compensated absences | 5.01 | 3.57 | 2.14 |
| | | 91.38 | 112.20 | 103.70 |
| | Current | 5.01 | 3.57 | 2.14 |
| | Non-current | 86.37 | 108.63 | 101.56 |
| | Total | 91.38 | 112.20 | 103.70 |
| | Note: | | | |
| | Provision for tax | 1,105.54 | 930.64 | 743.46 |
| | Less: Advance tax and TDS | (1,045.97) | (848.65) | (661.47) |
| | | 59.57 | 81.99 | 81.99 |

| | | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|-----------|---|---------------------------------------|---------------------------------------|--------------------------------------|
| 15 | Trade payables | | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 34) | 23.52 | 21.16 | 13.79 |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,144.91 | 1,201.36 | 1,001.40 |
| | | 1,168.43 | 1,222.52 | 1,015.19 |
| 16 | Current tax liability (Net) | | | |
| | Current tax payable | 263.89 | 205.00 | - |
| | Less: Advance tax and TDS | (209.06) | (177.18) | - |
| | | 54.83 | 27.82 | - |
| 17 | Other liabilities | | | |
| | Current | | | |
| | Advance from customers | 4.77 | 0.25 | - |
| | Deferred rent | 0.31 | 0.92 | 3.34 |
| | Gratuity payable (Refer note 30) | 33.68 | 6.28 | 4.15 |
| | Statutory liabilities | 11.98 | 57.75 | 48.98 |
| | Total | 50.74 | 65.20 | 56.47 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|------------------------------------|--|--|
| 18 | Revenue from operations | | |
| | Sale of products | | |
| | Finished Goods | 2,430.93 | 1,800.58 |
| | Traded Goods | 4,039.90 | 4,277.04 |
| | | 6,470.83 | 6,077.62 |
| | Revenue under Turnkey contracts | 2.09 | - |
| | Revenue from Installation services | - | 30.35 |
| | Other operating revenue | | |
| | Scrap Sales | 70.17 | 64.08 |
| | Freight recovered | 1.32 | 4.68 |
| | Revenue from operations | 6,544.41 | 6,176.73 |

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|--|
| | Detail of products sold | | |
| | Finished goods sold | | |
| | Telecom products/connectors, accessories | 1,916.76 | 1,357.94 |
| | Tools | 297.13 | 49.88 |
| | Patch cords | 217.04 | 392.76 |
| | | 2,430.93 | 1,800.58 |
| | Traded goods sold | | |
| | Cables | 2,893.05 | 3,267.82 |
| | Connector and patch cords | 1,133.17 | 566.14 |
| | Others | 13.68 | 443.08 |
| | | 4,039.90 | 4,277.04 |

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|---|--|--|
| 19 | Other income | | |
| | Interest income: | | |
| | - On bank deposits | 145.63 | 156.00 |
| | - On Income tax refund | 8.75 | - |
| | - On others | 3.26 | 3.00 |
| | Rent | 134.41 | 126.77 |
| | Profit on sale of assets (net) | - | 0.65 |
| | Credit balances written back | 1.47 | - |
| | Reversal of provision for doubtful receivables/advances | 5.91 | 9.32 |
| | Net foreign exchange gain | 4.51 | 0.07 |
| | | 303.94 | 295.81 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|---|---|---|
| 20 | Cost of raw materials, components, packing materials and services consumed | | |
| | Inventory at the beginning of the year | 355.54 | 161.12 |
| | Add: Purchases | 1,576.27 | 1,091.12 |
| | | 1,931.81 | 1,252.24 |
| | Less: inventory at the end of the year | 322.29 | 355.54 |
| | Total | 1,609.52 | 896.70 |
| | Details of raw materials, components, packing materials and services consumed: | | |
| | PCB Assy-CAT6 | 135.89 | 142.31 |
| | Special Alloy | 315.28 | 269.61 |
| | Contacts | 120.37 | 102.26 |
| | UTP Info Outlet | 313.76 | - |
| | Others | 724.22 | 382.52 |
| | | 1,609.52 | 896.70 |

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|--|---|---|
| 21 | Details of purchase of traded goods | | |
| | Cables | 2,514.07 | 2,975.82 |
| | Connector and Patch Cords | 702.65 | 168.37 |
| | Others | 626.90 | 569.13 |
| | | 3,843.62 | 3,713.32 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|---|--|--|
| 22 | (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods | | |
| | Inventories at the end of the year | | |
| | Traded goods | 365.06 | 150.97 |
| | Work-in-progress | 7.97 | 9.74 |
| | Finished goods | 174.51 | 155.43 |
| | | <u>547.54</u> | <u>316.14</u> |
| | Inventories at the beginning of the year | | |
| | Traded goods | 150.97 | 153.60 |
| | Work-in-progress | 9.74 | 6.52 |
| | Finished goods | 155.43 | 194.48 |
| | | <u>316.14</u> | <u>354.60</u> |
| | Total | <u>(231.40)</u> | <u>38.46</u> |

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|---|--|--|
| 23 | Employee benefit expense | | |
| | Salaries, wages and bonus | 310.01 | 330.75 |
| | Contribution to provident and other funds (refer note 30) | 29.20 | 12.19 |
| | Staff welfare expenses | 8.13 | 6.77 |
| | | <u>347.34</u> | <u>349.71</u> |

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|--|--|--|
| 24 | Depreciation and amortization expense | | |
| | Depreciation of property, plant and equipment (refer note 4.1) | 19.90 | 16.75 |
| | Depreciation of investment property (refer note 4.2) | 9.33 | 9.31 |
| | Amortization of other intangible assets | - | - |
| | | <u>29.23</u> | <u>26.06</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-----------|--|---|---|
| 25 | Other expenses | | |
| | Power and fuel | 5.14 | 5.29 |
| | Repairs and maintenance | | |
| | Plant and machinery | 32.95 | 22.14 |
| | Buildings | 3.07 | 1.37 |
| | Others | 78.51 | 8.04 |
| | Rent | 72.58 | 73.96 |
| | Rates and taxes | 32.37 | 61.39 |
| | Insurance | 6.98 | 6.30 |
| | Professional and consultancy charges | 100.48 | 123.31 |
| | Expenditure on Corporate Social Responsibility | 20.00 | 5.00 |
| | Remuneration to auditors (refer details below) | 50.04 | 42.74 |
| | Telephone and communication | 12.21 | 10.18 |
| | Advertisement and sales promotion | 6.74 | 5.13 |
| | Travelling and conveyance | 27.83 | 19.64 |
| | Freight outwards | 79.54 | 90.08 |
| | TEIS chargeback | 12.93 | 34.53 |
| | Director Sitting Fees | 15.11 | 14.35 |
| | Security Services | 17.21 | 25.26 |
| | Miscellaneous expenses | 20.96 | 41.72 |
| | | 594.65 | 590.43 |

| | | April 1, 2017 to March 31, 2018 (Rs.Lakhs) | April 1, 2016 to March 31, 2017 (Rs.Lakhs) |
|--|--|---|---|
| | Remuneration to auditors | | |
| | For Audit (including fees for limited reviews) | 16.00 | 16.00 |
| | For Taxation matters * | 22.95 | 25.67 |
| | For Other matters * | 10.00 | - |
| | Reimbursement of expenses | 1.09 | 1.07 |
| | | 50.04 | 42.74 |
| | * Includes amount paid to affiliates of the audit firm | | |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

26. Current Tax and Deferred Tax

Income Tax recognised in Statement of profit and loss

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Current Tax: In respect of current year | 240.36 | 205.00 |
| Deferred Tax: In respect of current year | (7.50) | 40.25 |
| Total income tax expense recognised in the Statement of profit and loss | 232.86 | 245.25 |

Movement in deferred tax balances

| | For the year ended March 31, 2018 | | | |
|---|-----------------------------------|--|---|-------------------------------|
| Particulars | Opening Balance (Rs.Lakhs) | Recognised in profit and Loss (Rs.Lakhs) | Recognised in Other Comprehensive Income (Rs.Lakhs) | Closing Balance (Rs.Lakhs) |
| <u>Tax effect of items constituting deferred tax liabilities</u> Property, Plant and Equipment | 21.81 | (3.98) | - | 17.83 |
| | 21.81 | (3.98) | - | 17.83 |
| <u>Tax effect of items constituting deferred tax assets</u> Employee Benefits and other provisions | 43.53 | 11.48 | 3.26 | 58.27 |
| | 43.53 | 11.48 | 3.26 | 58.27 |
| Net Deferred Tax Asset / (Liabilities) | 65.34 | 7.50 | 3.26 | 76.10 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| Particulars | For the year ended March 31, 2017 | | | |
|--|-----------------------------------|--|---|-------------------------------|
| | Opening Balance (Rs.Lakhs) | Recognised in profit and Loss (Rs.Lakhs) | Recognised in Other Comprehensive Income (Rs.Lakhs) | Closing Balance (Rs.Lakhs) |
| <u>Tax effect of items constituting deferred tax liabilities</u> | | | | |
| Property, Plant and Equipment | 24.78 | (2.97) | - | 21.81 |
| | 24.78 | (2.97) | - | 21.81 |
| <u>Tax effect of items constituting deferred tax assets</u> | | | | |
| Employee Benefits and other provisions | 80.51 | (37.27) | 0.29 | 43.53 |
| | 80.51 | (37.27) | 0.29 | 43.53 |
| Net Deferred Tax Asset (Liabilities) | 105.29 | (40.24) | 0.29 | 65.34 |

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Profit before tax | 586.57 | 633.52 |
| Enacted income tax rate in India | 33.063% | 33.063% |
| Computed expected tax expense | 193.94 | 209.46 |
| Effect on account of non-deductible expenses under income tax | 2.45 | 5.68 |
| Tax rate differential | 7.13 | 6.57 |
| Tax related to earlier years | 41.83 | 30.00 |
| Others | (12.49) | (6.46) |
| Income tax expense recognised in Statement of profit and loss | 232.86 | 245.25 |

27. Segment Information

(i) Products and services from which reportable segments derive their revenues

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Company's CODM is Managing Director.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided in respect of the 'Telecommunication' and 'IT - Networking'.

Specifically, the Company's reportable segments under Ind AS 108 are as follows:

Telecommunication: Manufacturing and trading of Telecom products

IT - Networking: Manufacturing and trading of IT-Networking products.

Aggregation criteria is not applied for any segment reported to the CODM.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) Segment revenues and results

The following is an analysis of the Company's revenue and results by reportable segment.

(Amount in Rs. Lakhs)

| | For the year ended March 31, 2018 | | | | For the year ended March 31, 2017 | | | |
|---|-----------------------------------|-----------------|-------------|----------|-----------------------------------|-----------------|-------------|----------|
| | Telecommunication | IT - Networking | Unallocable | Total | Telecommunication | IT - Networking | Unallocable | Total |
| Inter-Segmental revenue | - | - | - | - | - | - | - | - |
| Revenue from external customers | 1,428.58 | 5,115.83 | - | 6,544.41 | 1,481.41 | 4,695.32 | - | 6,176.73 |
| Total segment revenue | 1,428.58 | 5,115.83 | - | 6,544.41 | 1,481.41 | 4,695.32 | - | 6,176.73 |
| Segment results-EBITDA (Earnings before interest, taxes, depreciation and amortization) | 87.38 | 236.38 | 292.05 | 615.81 | 103.68 | 270.13 | 285.77 | 659.58 |
| Finance costs | - | - | - | - | - | - | - | - |
| Depreciation and amortization expense | 5.85 | 23.38 | - | 29.23 | 5.21 | 20.85 | - | 26.06 |
| Profit before income tax | 81.53 | 213.00 | 292.05 | 586.58 | 98.47 | 249.28 | 285.77 | 633.52 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iii) Segment assets and liabilities

| | As at March 31, 2018 | | | | As at March 31, 2017 | | | | As at April 1, 2016 | | | |
|------------------------------------|----------------------|-----------------|-----------------|-----------------|----------------------|-----------------|-----------------|-----------------|---------------------|-----------------|-----------------|-----------------|
| | Telecommunication | IT - Networking | Unallocable | Total | Telecommunication | IT - Networking | Unallocable | Total | Telecommunication | IT - Networking | Unallocable | Total |
| Segment assets | | | | | | | | | | | | |
| Segment assets | 697.43 | 2,147.69 | - | 2,845.12 | 726.01 | 2,005.41 | - | 2,731.42 | 671.44 | 1,846.76 | - | 2,518.20 |
| Unallocable assets | | | | | | | | | | | | |
| Deferred tax assets (net) | | | 76.10 | 76.10 | | | 65.34 | 65.34 | | | 105.29 | 105.29 |
| Advance income-tax (Net) | | | 128.73 | 128.73 | | | 146.69 | 146.69 | | | 146.69 | 146.69 |
| Cash and bank balances | | | 2,983.80 | 2,983.80 | | | 2,958.63 | 2,958.63 | | | 2,642.37 | 2,642.37 |
| Interest accrued on fixed deposits | | | 23.87 | 23.87 | | | 37.67 | 37.67 | | | 27.74 | 27.74 |
| Total assets | 697.43 | 2,147.69 | 3,212.50 | 6,057.62 | 726.01 | 2,005.41 | 3,208.33 | 5,939.75 | 671.44 | 1,846.76 | 2,922.09 | 5,440.29 |
| Segment liabilities | | | | | | | | | | | | |
| Segment liabilities | 253.98 | 997.00 | - | 1,250.98 | 227.22 | 1,090.71 | - | 1,317.93 | 273.34 | 820.03 | - | 1,093.37 |
| Unallocable liabilities | | | | | | | | | | | | |
| Rental deposit | | | 78.50 | 78.50 | | | 78.50 | 78.50 | | | 78.50 | 78.50 |
| Provision for taxation (net) | | | 59.57 | 59.57 | | | 81.99 | 81.99 | | | 81.99 | 81.99 |
| Unpaid dividends | | | 1.86 | 1.86 | | | 2.66 | 2.66 | | | 4.86 | 4.86 |
| Current tax liability (Net) | | | 54.83 | 54.83 | | | 27.82 | 27.82 | | | - | - |
| Total liabilities | 253.98 | 997.00 | 194.76 | 1,445.74 | 227.22 | 1,090.71 | 190.97 | 1,508.90 | 273.34 | 820.03 | 165.35 | 1,258.72 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) Revenue from major products and services

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Telecom products/connectors, accessories | 1,916.76 | 1,357.94 |
| Tools | 297.13 | 49.88 |
| Cables | 2,893.05 | 3,267.82 |
| Connector and patch cords | 1,350.21 | 958.90 |

(v) Geographical information

The geographical segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately in the table below. Segment revenues has been disclosed based on geographical location of the customers. Segment assets has been disclosed based on the geographical location of the respective assets.

Revenue from external customers

(Amount in Rs. Lakhs)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|----------------------|--------------------------------------|--------------------------------------|
| From India | 6,496.69 | 6,150.08 |
| From Other countries | 47.72 | 26.65 |
| | 6,544.41 | 6,176.73 |

Non current assets

(Amount in Rs. Lakhs)

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--------------------|-------------------------|-------------------------|------------------------|
| In India | 911.68 | 954.62 | 944.87 |
| In Other countries | - | - | - |
| | 911.68 | 954.62 | 944.87 |

(vi) Information about major customers

(Amount in Rs. Lakhs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Revenue from top three customers | 5,207.29 | 5,115.74 |

No other single customer contributed 10% or more to Company's revenues for both 2017-18 and 2016-17.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**28. Earnings Per Share****Basic/Diluted Earnings Per Equity Share**

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Nominal value of equity share (Rs.) | 10 | 10 |
| Profit for the year (Rs. Lakhs) - (A) | 353.71 | 388.27 |
| Weighted average number of shares outstanding (B) | 46,00,000 | 46,00,000 |
| Basic and Diluted earnings per share (Rs.) - (A/B) | 7.69 | 8.44 |

29. Leasing Arrangements

The Company has entered into non-cancellable operating leases for office premises that are renewable on a periodic basis. The rent expense and the future minimum lease payments under non-cancellable operating leases are as follows:

Payments recognized as expense

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-------------|--|--|
| Rent | 52.50 | 55.20 |

Future minimum lease rentals payable under non-cancellable lease:

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|---|---------------------------------------|---------------------------------------|--------------------------------------|
| - not later than one year | 12.82 | 50.67 | 26.41 |
| - later than one year but not later than five years | - | 12.82 | - |
| - later than five years | - | - | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

30. Employee benefit plans

Defined contribution plans

The Company makes Provident fund and Superannuation fund which are defined contribution plans, for qualifying employees. Under the said schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognises the amount paid / payable to such funds in the Statement of Profit and Loss. The contributions made by the Company towards these schemes are as follows:

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Employer's contribution to Provident fund | 9.59 | 8.80 |
| Employer's contribution to Superannuation fund | 1.15 | 1.10 |

Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. Following are the risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**E. Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Disclosure of Defined Benefit Cost for the year ended March 31, 2018 and year ended March 31, 2017**I. Components of Employer Expense**

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Current service cost | 2.01 | 1.95 |
| Past service cost and loss/(gain) on curtailments and settlement Past service cost - plan amendments | 15.97 | - |
| Service cost | 17.98 | 1.95 |
| Net interest on net defined benefit liability / (asset) | 0.48 | 0.34 |
| Total included in 'Employee Benefit Expense' | 18.46 | 2.29 |
| Expenses deducted from the fund | - | - |
| Total Charge to Statement of Profit & Loss | 18.46 | 2.29 |

Other Comprehensive Income (OCI)

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Opening amount recognized in OCI outside profit and loss account | 0.86 | - |
| Actuarial (gain)/loss due to experience adjustments | 10.96 | (1.51) |
| Actuarial (gain)/loss due to change in financial assumptions | (0.86) | 2.64 |
| Actuarial (gain)/loss arising during period | 10.10 | 1.13 |
| Actual return on plan assets less interest on plan assets | (0.25) | (0.27) |
| Actuarial (gains)/ losses recognized in OCI | 10.71 | 0.86 |
| Key Assumptions | | |
| Discount Rate | 7.75% | 7.65% |
| Salary growth rate | 9.00% | 9.00% |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Net Balance Sheet position

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|---|---------------------------------------|---------------------------------------|--------------------------------------|
| Defined benefit obligation (DBO) | (92.35) | (64.90) | (57.26) |
| Fair value of plan assets (FVA) | 58.67 | 58.62 | 53.10 |
| Funded status [surplus/(deficit)] | (33.68) | (6.28) | (4.15) |
| Net defined benefit asset/ (liability) | (33.68) | (6.28) | (4.15) |

Reconciliation of Net Balance Sheet Position

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Opening net defined asset/(liability) | (6.28) | (4.15) |
| Charge to Statement of Profit & Loss | (18.46) | (2.29) |
| Amount recognised in OCI | (9.85) | (0.86) |
| | (34.59) | (7.30) |
| Employer contributions | 0.91 | 1.02 |
| Net defined benefit asset/ (liability) at end of current period | (33.68) | (6.28) |

Disclosure of Defined Benefit Cost for the year ended March 31, 2018 and year ended March 31, 2017

Change in Defined Benefit Obligation (DBO)

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|--|--|
| Opening of DBO | 64.90 | 57.26 |
| Current service cost | 2.01 | 1.95 |
| Interest cost on the DBO | 4.90 | 4.56 |
| Past service cost - plan amendments | 15.97 | - |
| Remeasurements due to: | | |
| Actuarial (gain)/loss due to experience adjustments | 10.96 | (1.51) |
| Actuarial (gain)/loss due to change in financial assumptions | (0.86) | 2.64 |
| Benefits paid directly by the Company | (5.53) | - |
| DBO at end of current period | 92.35 | 64.90 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**Change in Fair Value of Assets**

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|---|---|---|
| Opening fair value of plan assets | 58.62 | 53.10 |
| Interest income on plan assets | 4.42 | 4.23 |
| Employer contributions | 0.91 | 1.02 |
| Remeasurement due to Actual return on plan asset less interest on plan assets | 0.25 | 0.27 |
| Benefits paid | (5.53) | - |
| Fair Value of assets at the end of current period | 58.67 | 58.62 |

Plan Asset Information

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|----------------------------------|--|--|---|
| Insurer managed funds (Unquoted) | 58.67 | 58.62 | 53.10 |
| Total | 58.67 | 58.62 | 53.10 |

Current and Non Current Liability portion

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|--------------------------------|--|--|---|
| Current Asset / (Liability) | (33.68) | (6.28) | (4.15) |
| Non Current Asset/ (Liability) | - | - | - |
| Net Asset/(Liability) | (33.68) | (6.28) | (4.15) |

Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

| Discount Rate | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|-------------------------------------|---|---|
| Impact of increase in 50 bps on DBO | (4.49%) | (4.5%) |
| Impact of decrease in 50 bps on DBO | 4.80% | 4.79% |
| Salary escalation rate | | |
| Impact of increase in 50 bps on DBO | 4.37% | 1.82% |
| Impact of decrease in 50 bps on DBO | (4.14%) | (1.93%) |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

31. Financial Instruments

Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders. The capital structure of the company consists of equity only. The management of the company reviews the capital structure of the company on a semi-annual basis. The company is not subject to any externally imposed capital requirements.

Categories of financial instruments

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| Financial asset | | | |
| Measured at fair value through profit or loss (FVTPL) | - | - | - |
| Measured at fair value through Other Comprehensive Income (FVTOCI) | - | - | - |
| Measured at amortised cost | | | |
| (a) Cash and bank balances | 2983.80 | 2958.63 | 2642.37 |
| (b) Other financial assets (including trade receivables) | 1306.39 | 1267.88 | 1185.79 |
| Financial liabilities | | | |
| Measured at fair value through profit or loss (FVTPL) | - | - | - |
| Measured at fair value through Other Comprehensive Income (FVTOCI) | - | - | - |
| Measured at amortised cost | | | |
| (a) Other financial liabilities (including trade payables) | 1248.79 | 1303.68 | 1098.55 |

Financial risk management objectives

The Company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk only), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary liabilities (Trade payables) and Assets (Trade receivables) at the end of the reporting period are as follows.

| | Trade receivables | | |
|----------|---------------------------------------|---------------------------------------|--------------------------------------|
| Currency | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
| USD | 36.95 | 1.98 | 16.63 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| Currency | Trade payables | | |
|----------|---------------------------------------|---------------------------------------|--------------------------------------|
| | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
| USD | 158.72 | 96.11 | 85.11 |
| Euro | 13.69 | 3.11 | 8.65 |

Foreign currency sensitivity analysis

The Company is exposed to the currencies USD and Euro on account of outstanding trade receivables and trade payables.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD and Euro. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the INR weakens 5% against the relevant currency. For a 5% strengthening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| Impact on profit or loss for the year | (6.60) | (4.78) | (3.77) |
| Impact on total equity as at the end of the reporting period | (6.60) | (4.78) | (3.77) |

Interest rate risk

The company has not availed any loan from bank or any other parties. Hence company is not exposed to interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company monitors its trade receivables on case to case basis based on the ageing of the days the receivables are due. The concentration of credit risk is with two major customers constituting 60% of trade receivables. This credit risk did not exceed 23% of gross monetary assets at any time during the year. The company does not hold any collaterals to cover its risk associated with trade receivables.

Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Reconciliation of loss allowances provision - Trade receivables

| Particulars | Amount (Rs.Lakhs) |
|----------------------------------|-------------------|
| Loss allowance on April 1, 2016 | 43.61 |
| Change in loss allowance | 2.74 |
| Loss allowance on March 31, 2017 | 46.35 |
| Change in loss allowance | (20.45) |
| Loss allowance on March 31, 2018 | 25.90 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Liquidity risk

Liquidity risk is the risk that the company could be unable to meet its short term financial demands.

Liquidity analysis for non derivative financial liabilities-

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

March 31, 2018

| | Due within (years) | | | |
|---|------------------------------|------------------------------|-------------------|-----------------------------|
| Financial Liabilities | Less than 1 year Rs.Lakhs | More than 1 year Rs.Lakhs | Total Rs.Lakhs | Carrying amount Rs.Lakhs |
| Trade payables | 1,168.43 | - | 1,168.43 | 1,168.43 |
| Other financial liability (Non interest bearing) | 1.86 | 78.50 | 80.36 | 80.36 |
| Total | 1,170.29 | 78.50 | 1,248.79 | 1,248.79 |

March 31, 2017

| | Due within (years) | | | |
|---|------------------------------|------------------------------|-------------------|-----------------------------|
| Financial Liabilities | Less than 1 year Rs.Lakhs | More than 1 year Rs.Lakhs | Total Rs.Lakhs | Carrying amount Rs.Lakhs |
| Trade payables | 1,222.52 | - | 1,222.52 | 1,222.52 |
| Other financial liability (Non interest bearing) | 2.66 | 78.50 | 81.16 | 81.16 |
| Total | 1,225.18 | 78.50 | 1,303.68 | 1,303.68 |

April 1, 2016

| | Due within (years) | | | |
|---|------------------------------|------------------------------|-------------------|-----------------------------|
| Financial Liabilities | Less than 1 year Rs.Lakhs | More than 1 year Rs.Lakhs | Total Rs.Lakhs | Carrying amount Rs.Lakhs |
| Trade payables | 1,015.19 | - | 1,015.19 | 1,015.19 |
| Other financial liability (Non interest bearing) | 4.86 | 78.50 | 83.36 | 83.36 |
| Total | 1,020.05 | 78.50 | 1,098.55 | 1,098.55 |

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**32. Related Party Disclosures****Names of related parties and related party relationship****i) Key managerial personnel (KMP)**

Mr. J N Mylaraiah, Managing Director

Mr. S Devarajan

Ms. Revathy Ashok

Mr. N Srinivasan (Up to March 04, 2018)

Mr. Ravi Bosco Rebello (From August 04, 2017)

ii) Related parties where control exists

| | |
|--------------------------|---------------------------------|
| Holding Company | CommScope Connectivity LLC |
| Ultimate Holding Company | CommScope Holding Company, Inc. |

iii) Related Parties with whom transactions have taken place during the year

| | |
|---------------------|---|
| Fellow Subsidiaries | CommScope Technologies Australia Pty Ltd. (formerly ADC Communications (Australia) Pty Ltd.) (CommScope Australia) CommScope Connectivity Solutions LLC (CommScope USA) CommScope Technologies LLC CommScope Connectivity (Wuxi) Co, Ltd. (CommScope Wuxi) CommScope Connectivity (India) Pvt Ltd (CommScope Connectivity India) (formerly known as TE Connectivity Global Shared Services India Pvt Ltd) CommScope EMEA Ltd. Andrew Telecommunications India Pvt Ltd. (Andrew Telecommunications) |
|---------------------|---|

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Transactions with related parties

(Amount in Rs. Lakhs)

| Nature of Transactions | Fellow Subsidiaries | | KMP / Relatives of KMP | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 | For the year ended 31-Mar-18 | For the year ended 31-Mar-17 |
| Sale of products | | | | |
| CommScope Technologies LLC | 3.48 | - | - | - |
| CommScope Australia | - | 8.26 | - | - |
| CommScope USA | - | - | - | - |
| CommScope Connectivity India | 890.93 | 1,679.80 | - | - |
| CommScope Wuxi | 16.25 | 35.38 | - | - |
| CommScope EMEA Ltd | - | - | - | - |
| Andrew Telecommunications | 38.27 | - | - | - |
| Purchase of goods / services | | | | |
| CommScope Technologies LLC | 650.20 | 94.79 | - | - |
| CommScope Australia | - | - | - | - |
| CommScope USA | - | 150.14 | - | - |
| CommScope Connectivity India | 2,129.74 | 1,715.27 | - | - |
| CommScope Wuxi | 2.30 | 0.72 | - | - |
| CommScope EMEA Ltd | 71.46 | - | - | - |
| Andrew Telecommunications | 213.27 | - | - | - |
| Reimbursement of Expenses -LC fee | | | | |
| CommScope Technologies LLC | 4.65 | 8.26 | - | - |
| Commission Paid | | | | |
| CommScope Connectivity India | 62.27 | 64.38 | - | - |
| Managerial Remuneration | | | | |
| Mr. Mylaraiah | - | - | 70.19 | 65.46 |
| Sitting Fees Paid | | | | |
| Mr. S Devarajan | - | - | 5.70 | 5.25 |
| Ms. Revathy Ashok | - | - | 5.40 | 4.20 |
| Mr. N Srinivasan | - | - | 3.60 | 4.90 |

Balances with related parties

(Amount in Rs. Lakhs)

| | Fellow Subsidiaries | | |
|-------------------------------------|---------------------|-----------------|----------------|
| | As at 31-Mar-18 | As at 31-Mar-17 | As at 1-Apr-16 |
| Balance of trade receivables | | | |
| CommScope Australia | - | - | 1.01 |
| CommScope Wuxi | 3.94 | 1.57 | - |
| Balance of trade payables | | | |
| CommScope Technologies LLC | 155.20 | 71.10 | - |
| CommScope USA | - | - | 54.96 |
| CommScope Connectivity India | 272.59 | 211.60 | 25.14 |
| CommScope Wuxi | - | - | 16.37 |
| CommScope EMEA Ltd | 5.08 | - | - |
| Andrew Telecommunications | 111.56 | - | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The remuneration of directors and other members of key management personnel during the year was as follows:

| Particulars | For the year ended March 31, 2018 (Rs.Lakhs) | For the year ended March 31, 2017 (Rs.Lakhs) |
|--------------------------|--|--|
| Short-term benefits | 63.60 | 59.50 |
| Post-employment benefits | 6.69 | 5.96 |
| Other long-term benefits | - | - |
| Share-based payments | - | - |
| Termination benefits | - | - |
| Total | 70.19 | 65.46 |

1. No amounts in respect of related parties have been written off / back or provided for during the year.
2. Related party relationships have been identified by the Management and relied upon by the auditors.

33. Contingent Liabilities-Claims against the company not acknowledged as debt

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|---|---------------------------------------|---------------------------------------|--------------------------------------|
| Central sales tax demands contested by the Company | 172.43 | 496.79 | 495.41 |
| Income Tax demands contested by the Company | 568.60 | 656.48 | 770.74 |
| Customs duty, excise duty & service tax demand contested by the Company | - | - | - |
| TOTAL | 741.03 | 1,153.27 | 1,266.15 |

34. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| Particulars | As at March 31, 2018 (Rs.Lakhs) | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year | 23.52 | 21.16 | 13.79 |
| Principal amount due to micro and small enterprises: | | | |
| Interest due on above: | 0.09 | 0.17 | 0.12 |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| | | | |
|---|------|------|------|
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | 0.94 | 0.79 | 2.29 |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year | 4.46 | 3.43 | 2.47 |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - | - |

35. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environments sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which as specified in Schedule VII of the Companies Act, 2013

a. Gross amount required to be spent by the Company during the year Rs 13.09 Lakhs

b. Amount spent during the year on: **(Amount in Rs.Lakhs)**

| Particulars | For the year ended March 31, 2018 | | |
|---|-----------------------------------|------------------------|-------|
| | Paid in cash | Yet to be paid in cash | Total |
| (i) Construction/acquisition of any asset | Nil | Nil | Nil |
| (ii) On purpose other than (i) above | 20.00 | - | 20.00 |

36. Disclosures under Indian Accounting Standard 11 "Construction Contracts" (Amount in Rs.Lakhs)

| Details of contract revenue and costs | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| Aggregate of contract costs incurred and recognized profits (less recognized losses) upto the reporting date | - | 13.51 |
| Advances received for contracts in progress | - | - |
| Retention money for contracts in progress | - | 2.86 |
| Gross amount due from customers for contract work (asset) | 38.54 | 55.71 |
| Gross amount due to customers for contract work (liability) | - | - |
| Contract revenue recognised during the year | 2.09 | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**37. Ind AS First time adoption reconciliations**

In terms of Ind AS 101, "First time adoption of Indian Accounting Standards" the required reconciliation of equity, other comprehensive income and cash flows with respect to the figures reported under previous GAAP are as given below:

Reconciliation of Equity

| Particulars | Note reference | As at March 31, 2017 (Rs.Lakhs) | As at April 1, 2016 (Rs.Lakhs) |
|--|----------------|---------------------------------------|--------------------------------------|
| Share capital | | 460.00 | 460.00 |
| Reserves | | 3,971.43 | 3,583.90 |
| Equity as per Indian GAAP | | 4,431.43 | 4,043.90 |
| Add/(Less): Adjustment under Ind AS | | | |
| Fair valuation of security deposits | 1 | (0.58) | (0.74) |
| Reversal of proposed dividend | 2 | - | 138.41 |
| Equity as per Ind AS | | 4,430.85 | 4,181.57 |

Reconciliation of Total Comprehensive Income

| Particulars | Note reference | For the year ended March 31, 2017 (Rs.Lakhs) |
|--|----------------|--|
| Profit as per Indian GAAP | | 387.53 |
| Add/(Less): Adjustment under Ind AS | | |
| Fair valuation of security deposits | 1 | 0.16 |
| Recognition of actuarial gain / loss in Other Comprehensive Income | 3 | 0.86 |
| Deferred Tax on above | | (0.28) |
| Profit as per Ind AS | | 388.27 |
| Other Comprehensive Income: | | |
| Recognition of actuarial gain / loss in Other Comprehensive Income | 3 | (0.86) |
| Deferred Tax on above | | 0.28 |
| Total Comprehensive Income as per Ind AS | | 387.69 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

| IS.No. | Explanatory Note |
|--------|---|
| 1 | <p>Under previous GAAP, lease deposits given (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets and financial liabilities are required to be recognised at their fair value at the initial recognition.</p> <p>Accordingly, the company has discounted these deposits for the respective lease period. Difference between the discounted value (fair value) and the transaction value of security deposit has been recognised as prepaid rent.</p> <p>The prepaid rent is amortised over the lease term and interest income is recorded on the fair value of the security deposit at the interest rate which was used for discounting of the security deposit. The difference in rent expense and interest income has been adjusted with retained earnings as at April 1, 2016 and with profit for the year ended March 31, 2017 and March 31, 2018.</p> |
| 2 | <p>Under previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability.</p> <p>Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at April 1, 2016 of Rs. 138.41 Lakhs but does not affect profit before tax and total profit.</p> |
| 3 | <p>Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses is recognised in other comprehensive income. For the year ended March 31, 2017 and March 31, 2018, the Company had an actuarial loss of Rs.0.86 Lakhs and Rs. 9.85 Lakhs respectively, hence on recognition of actuarial loss in other comprehensive income there is an increase in profit to that extent.</p> |

There is no impact on cash flows from operating activities, cash flows from investing activities and cash flow from financing activities on account of Ind AS.

38. Previous period comparatives

Previous year figures have been regrouped or reclassified wherever necessary to conform to current year's grouping or classification.

NOTES

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