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ADC India Communications Limited

2018-2019 Annual Report
Shaping the Future of Communications

CONTENTS

Corporate Information.....	1
Board's Report.....	3
Management Discussion and Analysis.....	20
Report on Corporate Governance	23
Shareholder Information.....	31
Independent Auditors' Report	35
Financial Statements	42

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. S. Devarajan	- Chairman & Independent Director
Mr. J. N. Mylraiah	- Managing Director
Mrs. Revathy Ashok	- Independent Director
Mr. Ravi Bosco Rebello	- Nominee Director

KEY MANAGERIAL PERSONNEL

Mr. J.N. Mylraiah	- 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 Fintech 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 – Mrs. Revathy Ashok (Independent Director),
Mr. S.Devarajan (Chairman & Independent Director),
Mr. J.N.Mylaraiah (Managing Director), Mr. Ravi Bosco Rebello (Nominee Director)

BOARD'S REPORT

To the Members,

The Board of Directors have pleasure in presenting the 31st Annual Report on the business and operations of your Company, along with the audited financial statements for the financial year ended March 31, 2019.

Financial Results

Key highlights of the financial results of your Company prepared as per the Indian Accounting Standards ("Ind AS") for the financial year ended March 31, 2019 are as under:

(Rs. in lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from operations	8562.21	6544.41
Other Income	305.76	303.94
Total Revenue	8867.97	6848.35
Profit before depreciation and Tax	900.40	615.80
Depreciation	32.58	29.23
Profit before Tax	867.82	586.57
Tax Expense	281.49	232.86
Profit after Tax	586.33	353.71
Other Comprehensive Income	3.24	(6.59)
Total Comprehensive Income	589.57	347.12

FINANCIAL PERFORMANCE

In the financial year 2018-19 the overall revenue from operations grew by 31% over that of previous year. Revenue from the Telecommunication business declined by 18% and the revenue from IT-Networking (Enterprise network) business grew by 45% over that of previous year. Profit before tax for the year grew by 48% over that of previous year.

DIVIDEND

Pursuant to the approval of the Board of Directors on October 29, 2018, your Company had distributed an interim dividend of Rs.20.00 per equity share, of the face value of Rs.10/- each, to Members, who were on the Register of Members of the Company as on November 09, 2018 being the record date fixed for this purpose.

Your Directors have recommended a final 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, 2019, subject to the approval by the Members at the ensuing Annual General Meeting.

STRATEGY AND OPERATIONS

Enterprise network market growth continues to improve, but the pressure on profitability continues with greater competition across each of the market segment. The Telecom front continues to grapple with fewer orders and pressure on margins in the market place for every single Opportunity. Your Company foresee continued growth in Enterprise network market in the next few years and another challenging year for the Telecom sector, which continue to be volatile.

Your Company do see continues growth in Fiber Business over copper due to multifold increase in Bandwidth requirements, with denser wireless & deeper fiber deployments across all infrastructure projects. With increase in Smart Building, your Company do see a growth in Category 6A cabling system being deployed across the network with the Digital ceiling concept.

With stable Government in place, policy & decision-making is expected to improve in coming years. Market is expected to improve driven by investments in Infrastructure projects, Defence sector, E-commerce, Digital India & Smart city initiatives. Your Company will be able to favorably participate in the areas of its strength within each Opportunity as the market activities picks up.

During the year, your company continued its focus on growing revenues and profitability. Apart from outsourcing its major portion of manufacturing operations, the Company continued to look at other ways of cost reduction to be competitive in the market place.

DIRECTORS

Mr.Ravi Bosco Rebello retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offers himself for re-appointment.

The Members of the Company at the 26th Annual General Meeting held on August 08, 2014 had appointed Mr. J.N.Mylaraiah as Managing Director of the Company for a term of five years ending on March 31, 2019. The Board of Directors, based on the

recommendation of the Nomination & Remuneration Committee, have at their meeting held on February 11, 2019 re-appointed Mr. J.N.Mylaraiah as the Managing Director of the Company for a further term of five years with effect from April 01, 2019 to March 31, 2024.

The Members of the Company at the 26th Annual General Meeting held on August 08, 2014 had appointed Mr. S. Devarajan and Mrs. Revathy Ashok as Independent Directors of the company for a term of five years ending on March 31, 2019 ("first term"). The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee, have at their meeting held on February 11, 2019 re-appointed Mr.S.Devarajan and Mrs. Revathy Ashok as Independent Directors of the Company for a second term of five consecutive years from April 01, 2019 to March 31, 2024.

Brief details of Mr.Ravi Bosco Rebello, Mr. J.N.Mylaraiah, Mr. S. Devarajan and Mrs. Revathy Ashok who are proposed to be re-appointed is furnished in the Explanatory Statement to the Notice of the 31st Annual General Meeting.

KEY MANAGERIAL PERSONNEL

There were no changes in the Key Managerial Personnel of the Company during the year.

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 and under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

BOARD MEETINGS

Seven Board meetings were held during the financial year 2018-19 on April 19, 2018, May 23, 2018; July 18, 2018; August 10, 2018; October 29, 2018; February 11, 2019 and March 25, 2019. 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 Independent 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 Independent Directors. Non-Executive Non-Independent Directors are neither paid any sitting fees nor paid any commission. The remuneration paid to the Managing Director is governed by the relevant provisions of the Companies Act, 2013, rules of the Company and Members approval.

AUDITORS AND AUDITORS' REPORT

At the 26th Annual General Meeting of the Company held on August 08, 2014 M/s. Deloitte Haskins & Sells, were appointed as the Statutory Auditors of the Company for a term of five years from the conclusion of this Annual General Meeting until the conclusion of the 31st Annual General Meeting. Consequently their term of appointment will expire on the conclusion of the forth coming 31st Annual General Meeting of the Company.

The Board of Directors, based on the recommendation of the Audit Committee, have at their meeting held on May 28, 2019 recommended the re-appointment of Deloitte Haskins & Sells as the Statutory Auditors of the Company for a period of three years commencing from the conclusion of the 31st Annual General Meeting of the Company. The re-appointment of M/s. Deloitte Haskins & Sells is being placed before the 31st Annual General Meeting for the Members approval.

The Auditors report does not contain any qualification, reservation or adverse remark.

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 2018-19. The Secretarial Auditors' Report for the financial year ended March 31, 2019 is annexed to this Report as Annexure 1. The secretarial audit report does not contain any qualification, reservation or adverse remark.

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.12 lakhs towards various CSR Programs undertaken by the Company during the year. Education and Health were the focal areas during the year. The Annual Report on CSR activities 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, Corporate Governance Report and the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority

(Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years shall also be transferred to the demat account of the IEPF Authority

Accordingly, during the financial year 2018-19 unclaimed dividend amount of 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. Further, 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 the demat account of the IEPF Authority 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 provided.

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 carried out during the year:

- Replacement of CFL fittings with LED lights in the factory resulting in energy saving of 225KW per month and corresponding savings in cost.
- Installation of LED lights in the Assembly Line at Sub-Contractor location.

B. Technology

During the year the Company has set up its own Server System and moved all data from

the erstwhile server to the new server without impacting business operations.

C. Research and Development

- Installed 250 KVA DG set at sub-contractor location to reduce wastage of raw materials.
- Ergonomic chairs provided to the operators for work comfort.
- Hazardous materials being stored in fire resistance cabinet.
- Hi Reach Stacker installed at sub-contractor's location for material handling.
- Replacement of asbestos sheets with colour coated roofing sheets at visitors lounge and DG set areas in the factory.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW

During the year your Company has earned Foreign Exchange of Rs.3.58 Lakhs and the Foreign Exchange outflow was Rs.30.69 lakhs.

EXTRACT OF ANNUAL RETURN

As required under the provisions of section 92(3) of the Companies Act, 2013 an extract of the annual return for the year ended March 31, 2019 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 Report of Corporate Governance. 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 is annexed to this report as Annexure 4.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the 31st Annual General Meeting. If any Member is interested

in obtaining a copy thereof, such Member may write to the Company Secretary in this regard

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.

During the year 2018-19, the Company has not received any complaint of sexual harassment.

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 www.adckcl.com.

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 during the year having potential conflict with the interest of the Company at large. The details of related party transactions are disclosed in Note No.32 to the Financial statements.

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 Risk Management Committee at its meeting held on February 11, 2019 discussed the various risks encountered by the Company and the processes adopted by the Company to mitigate these risks. The same was also reviewed by the Board of Directors at its meeting 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.

REPORTING OF FRAUDS

During the year there was no instance of fraud which required the Statutory Auditors to report under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

BOARD EVALUATION

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

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

Using the structured questionnaire, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Board members pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The Directors have expressed their full satisfaction with the performance of the Board, Board Committees and the members of the Board.

Further, the Independent Directors, at their meeting held during the year, reviewed the performance of the Board, Non-Independent Directors and other matters as stipulated under the SEBI Listing Regulations.

LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or guarantee nor has made any investment during the financial year 2018-19 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, 2019 and the date of the Directors Report.

ACKNOWLEDGEMENTS

Your Directors place on record its appreciation of the significant contributions made by the employees of the Company during the year under review. The Company's consistent growth was made possible by the hard work, cooperation and support of employees at all levels. Your Directors also thank the customers, channel partners, distributors, vendors and bankers for their support and co-operation during the year. Your Directors also thank the Promoters of the Company for their advice and assistance during the year.

For and on behalf of the Board of Directors

S.Devarajan
Chairman

J.N.Mylaraiah
Managing Director

Place: Bangalore
Date: May 28, 2019

ANNEXURE - 1 SECRETARIAL AUDIT REPORT

Form No. MR-3 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

ADC INDIA COMMUNICATIONS LIMITED
No.485/8A and 8B, 14th Cross, 4th Phase,
P.B.No.5812, Peenya Industrial Area,
Bangalore - 560058

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 my 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, 2019 (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 thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), up to September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(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 (SEBI Buyback of Securities Regulations) up to September 10, 2018 and SEBI Buyback of Securities Regulations, 2018 w.e.f September 11, 2018; **(Not Applicable to the Company during the Audit Period);** and
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The Company has identified the following other laws as specifically applicable to the Company:

- a. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder.
- b) Boilers Act, 1923 & Rules made thereunder.
- 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, PPF 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 the compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

- b. Listing Agreements entered into by the Company with BSE Limited.

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 auditors 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. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all the 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 compliance mechanism adopted by the Company of providing adequate presentations by the concerned departments' heads at the Board Meetings, regarding compliance with the applicable laws and its adherence, 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
Company Secretaries

(Devika Sathyanarayana)
Partner
ACS:16617; CP No.17024

Bangalore
Date : May 16, 2019

ANNEXURE - 2 ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

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. Mrs. Revathy Ashok – Chairman of the Committee & Independent Director 2. Mr. S. Devarajan – Independent Director 3. Mr. J.N. Mylaraiah – Managing Director
3	Average net profit of the Company for last three financial years (Amount in Lakhs).	Rs. 591.40
4	Prescribed CSR Expenditure (two percent of the amounts as in item 3 above) (Amount in Lakhs).	Rs. 11.83
5	<p>Details of CSR spent during the financial year:</p> <p>(a) Total amount to be spent for the financial year; (Amount in Lakhs)</p> <p>(b) Amount unspent, if any; (Amount in Lakhs)</p> <p>(c) Manner in which the amount spent during the financial year.</p>	<p>Rs. 12.00</p> <p>Nil</p>

(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.2.00	Rs.2.00	Rs.2.00	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/-
S. Devarajan
Independent Director

Sd/-
J.N.Mylaraiah
Managing Director

Bangalore
May 28, 2019

CSR ACTIVITIES



ANNEXURE - 3 EXTRACT OF ANNUAL RETURN

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2019

[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 Fintech 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 (A)=(A)(1) + (A)(2)	3313037	Nil	3313037	72.02	3313037	Nil	3313037	72.02	-

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	700	700	0.02	-	100	100	0.00	(0.02)
b) Banks / FI	412	100	512	0.01	412	100	512	0.01	-
c) Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Foreign Portfolio Investors	-	-	-	-	7800	-	7800	0.17	0.17
Sub – total (B) (1)	412	800	1212	0.03	8212	200	8412	0.18	0.15
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	81245	4300	85545	1.86	68037	4000	72037	1.57	(0.29)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	883839	70710	954549	20.75	850735	55709	906444	19.71	(1.04)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	154175	-	154175	3.36	195625	-	195625	4.25	0.89
c) Others (specify)									
Non-Resident Indians	21256	200	21456	0.46	20629	100	20729	0.45	(0.01)
Clearing Members	2249	-	2249	0.05	99	-	99	0.00	(0.05)
HUF	65554	-	65554	1.42	68190	-	68190	1.48	0.06
IEPF	1823	-	1823	0.04	15027	-	15027	0.33	0.29
NBFC registered with RBI	400	-	400	0.01	400	-	400	0.01	-
Sub – total (B) (2)	1210541	75210	1285751	27.95	1218742	59809	1278551	27.80	(0.15)
Total Public Shareholding (B) = (B) (1) + (B) (2)	1210953	76010	1286963	27.98	1226954	60009	1286963	27.98	-
C. Shares held by Custodian for GDRs & ADRS									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4523990	76010	4600000	100.00	4539991	60009	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 shareholding 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:

SI 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):

SI 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	28000	0.61	4700	32700	0.71	32700
2	Earnest Shipping and Ship Builders Ltd.	25715	0.56	-	25715	0.56	25715
3	Niranjana Jitendra Shah	21000	0.45	3450	24450	0.53	24450
4	Madhu Gupta	20200	0.43	800	21000	0.46	21000
5	Priya Daga	19365	0.42	-	19365	0.42	19365
6	Neeta H.Mehta	16760	0.36	-	16760	0.36	16760
7	IEPF	1823	0.04	13204	15027	0.33	15027
8	Govind Parikh Securities Pvt. Ltd	15000	0.33	-	15000	0.33	15000
9	Haresh Mulchand Poladia	14056	0.31	-	14056	0.31	14056
10	Divyesh A Shah	13776	0.30	-	13776	0.30	13776

*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

Thirtyfirst Annual Report

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)	
1.	Independent Directors - Fee for attending board Committee meetings - Commission - Others, Please Specify	6.65 - -	6.30 - -	12.95 - -
	Total (1)	6.65	6.30	12.95
2.	Other Non-Executive Directors - Fee for attending board Committee meetings - Commission - Others, Please Specify	- - -	- - -	- - -
	Total (2)	-	-	-
	Total (B) = (1+2)	6.65	6.30	12.95
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Companies Act, 2013	7.00	7.00	14.00

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 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	- - -	54.31 - -	54.31 - -
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - As % of Profit - Others, specify	Nil	Nil	Nil
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	6.43:1
(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 Mr. R. Ganesh Company Secretary	Nil Nil Nil
(iii) The percentage increase in the median remuneration of employees in the financial year.		10.4%
(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 10.4% as compared to Nil 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 28, 2019

J.N.Mylaraiah
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Telecommunication

Telecom services is an essential tool for the socio-economic development of any nation being at the epicenter of growth & innovation. Under the Digital India initiative, the Indian government is aiming to supply internet access throughout the 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.

Consumers continue to display appetite for mobile data with data-heavy applications in their daily lives and your Company expect this trend to continue. With 5G round the corner in next few years assures greater opportunities in this new world where the future of Telecom industry in India is said to have several opportunities towards creating new revenue streams in the next decade by offering several benefits to consumers.

As mobile network operators spread the reach 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 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.

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 expected in the sector on the back of a consolidated structure, better pricing power and data usage.

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.

Traditionally, office space connectivity has reduced number of ports per desk and in turn has increased number of ports with Digital Ceiling concept of connecting every IP device across the intelligent building. Wireless and Building IoT devices are adding more connections like never before, with more and more connectivity requirements everywhere in building, campus, venues and Homes.

Growth is expected to come Investments in Infrastructure projects, Defence sector, healthcare, hospitality projects. Banking & Finance sector and Manufacturing. 4G being implemented by industry to monitor & collect data and perform analytics, would provide business with insights to help make accurate and better-informed decisions and drive automation.

Fiber Business growth over copper is expected 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 2019	Year ended 31st March 2018
Revenue from operations	8562.21	6544.41
Other Income	305.76	303.94
Total Revenue	8867.97	6848.35
Profit before Depreciation and Tax	900.40	615.80
Depreciation	32.58	29.23
Profit before Tax	867.82	586.57

Tax Expense	281.49	232.86
Profit after Tax	586.33	353.71
Other Comprehensive Income	3.24	(6.59)
Total Comprehensive Income	589.57	347.12
Ratio of Profit before Tax to Total Revenue in percentage	9.78	8.57
Total Assets	5679.79	6057.62
Earnings per share in Rupees	12.75	7.69
Inventory Turnover ratio	10.04 times	8.49 times
Debtors turnover ratio	6.29 times	5.44 times

In the financial year 2018-19 the overall revenue from operations grew by 31% over that of previous year. Revenue from the Telecommunication business declined by 18% and the revenue from IT-Networking (Enterprise network) business grew by 45% over that of previous year. Profit before tax for the year grew by 48% over that of previous year.

OPPORTUNITIES

Telecommunication

Industry firmly believes that a robust telecommunications infrastructure with higher speeds is need of the hour for 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 to drive the industry pace and growth. Mobility is already seeing upswing with large scale 4G LTE adoption and with 5G round the corner assures greater opportunities. 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

Investments in Banking & Finance sector, Manufacturing, Infrastructure projects, Defense sector, healthcare & hospitality projects is expected to drive growth. With Mobility and IoT driving more and more connectivity requirements everywhere within the building, Campus, Venues and Homes 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. In addition, businesses are parallel 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 and going through pressure on the cash flows, which is likely to continue for some time. 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, your company invested in bringing each user access on to the Microsoft Cloud. It also set up its own Server System, by moving all data from the erstwhile server to the new server without affecting business operations, and has set up a strong redundant Network Backup System.

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 till end of March 2019, which has yielded better results as expected and expect the same in the years to follow, which will help the Company to favorably participate as the market activities picks up.

HUMAN RESOURCES

As on March 31, 2019 the company had 23 permanent employees on the rolls of the company. Considering the health and safety of the employees, the Company held during the year an awareness program on harmful effects of usage of plastic bags, Fire extinguisher training program and an Employee wellness program. The Company also conducted a Quality Masters Training Program to inculcate quality culture among the employees. The industrial relation throughout the year was harmonious and 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 based on 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

Seven Board meetings were held during the year 2018-19 on April 19, 2018, May 23, 2018, July 18, 2018, August 10, 2018, October 29, 2018; and February 11, 2019 and March 25, 2019.

(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 25, 2018, with particulars of their Directorship and Chairman/Membership of Board Committees of other companies as on March 31, 2019 are given below:

Name of the Director	Category of Director	Month & Year of Appointment	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 other Public companies	**Chairman of Board Committees of other Public companies	Whether attended last AGM
S. Devarajan	Chairman and Independent Director	February 2013	7	7	4	4	Nil	Yes
J.N. Mylariaiah	Executive Director	September 2013	7	7	Nil	Nil	Nil	Yes
Revathy Ashok	Independent Director	August 2011	7	7	8	5	2	Yes
Ravi Bosco Rebello	Non-Executive Director	August 2017	7	7	Nil	Nil	Nil	Yes

** Covers only Membership and Chairmanship of Audit Committee and Stakeholders Relationship Committee.

Details of Directorship of Directors in other Listed Entities included in the above table:

Name of the Director	Name of Listed Entity	Category of Directorship
S. Devarajan	Prime Focus Limited	Non-Executive Independent Director
J.N.Mylariaiah	Nil	Nil
Revathy Ashok	Quess Corp Limited AstraZeneca Pharma India Limited Welspun Corp Limited	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
Ravi Bosco Rebello	Nil	Nil

3. BOARD SKILLS/EXPERTISE/COMPETENCIES

The table below summarizes the core skills, expertise and competencies identified by the Board of Directors in the context of Company’s business for the Board to function effectively.

Area of Skills, Expertise and Competencies	Description
Industry Knowledge	Full knowledge and understanding of the industries and sectors in which the company operates.
Business Acumen	Clear understanding of the business of the company, understand market trends and provide advice on strategy. Ability to identify key issues and opportunities for the Company within the Telecommunication industry and Enterprise business and develop appropriate strategy to address these issues and opportunities.
Finance	Qualifications and experience in accounting and/or finance and the ability to understand and analyze key financial statements & financial reports, critically assess financial viability and performance, contribute to strategic financial planning and ability to review and analyze budgets with strategic goals and priorities.
Strategic thinking & planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company’s relevant policies and priorities.
Sales and Marketing	Sales and Marketing Experience to facilitate the organization growth in the right direction and contributing the expertise in developing strategies to grow sales and market share within the Telecommunication Industry and Enterprise Business.
Risk Management	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, monitor risks and effectively address these risks.
HR & Talent Management	Qualification and experience in human resource management including workforce planning and employee & industrial relations.
Corporate Governance	Knowledge of good Corporate practices. Knowledge of laws, rules and regulations applicable to the company and its compliance.
Information Technology	Knowledge and experience in the strategic use of information technology within the organization and knowledge of applications such as POE, 5G, IOT, Artificial Intelligence, Block Chain, AR/VR etc. to strategize the Company’s future.

In the table below individual Board members skills, expertise and Competencies have been highlighted:

Area of Skills, Expertise and Competencies	Devarajan	Mylaraiah	Revathy Ashok	Ravi Bosco Rebello
Industry Knowledge	√	√	√	√
Business Acumen	√	√	√	√
Finance	√	√	√	-
Strategic Thinking & Planning	√	√	√	√
Sales and Marketing	√	√	-	-
Risk Management	√	√	√	√
HR & Talent Management	√	√	√	√
Corporate Governance	√	√	√	√
Information Technology	√	√	√	√

4. 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

The committee comprises of Mrs. Revathy Ashok as the Chairperson and Mr. S. Devarajan and Mr. Ravi Bosco Rebello as members of the Committee. All members of the Committee are

financially literate having adequate financial management expertise.

(C) Committee Meetings and Attendance

Four Audit Committee meetings were held during the year 2018-19 on May 23, 2018, August 10, 2018, October 29, 2018 and February 11, 2019. The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Mrs. Revathy Ashok	Chairperson	4	4
Mr. S.Devarajan	Member	4	4
Mr. Ravi Bosco Rebello	Member	4	4

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.

5. 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.
- Whether to extend or continue the term of appointment of independent of voting rights directors.

(B) Composition

The committee comprises of Mrs. Revathy Ashok as the Chairperson and Mr. S. Devarajan

& Mr. Ravi Bosco Rebello as members of the Committee.

(C) Committee Meetings and Attendance

One Nomination and Remuneration Committee meetings were held during the year 2018-19 on February 11, 2019. The attendance of the members is given below.

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Mrs. Revathy Ashok	Chairperson	1	1
Mr. S.Devarajan	Member	1	1
Mr. Ravi Bosco Rebello	Member	1	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 Independent 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 Independent Directors. Non-Executive Independent Director & chairman is paid a Sitting fee of Rs.95,000/- and other Non-Executive Independent Directors are paid a sitting fee of Rs.90,000/-for attending Board/Committee Meetings held on the same day. The Non-Executive Non-Independent Directors are neither paid sitting fees nor paid any commission.

(E) Remuneration paid to Directors for the year ended March 31, 2019

(Rs.Lakhs)

Name of Director	Salary	Bonus /Incentive	Allowances & Perquisites	Sitting Fees	Total
Mr. S. Devarajan	-	-	-	6.65	6.65
Mr. J.N. Mylaraiah	24.58	11.84	33.76	Nil	70.19
Ms. Revathy Ashok	-	-	-	6.30	6.30

The 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 on termination of the agreement. The Board of Directors have re-appointed Mr. J.N.Mylaraiah as Managing Director of the Company for a period of 5 years with effect from April 01, 2019.

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.

6. 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

The committee comprises of Mr. S.Devarajan as the Chairperson and Mrs.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 2018-19 on May 23, 2018, August 10, 2018, October 29,

Thirtyfirst Annual Report

2018 and February 11, 2019. The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Mr.S.Devarajan	Chairperson	4	4
Mr.J.N.Mylaraiah	Member	4	4
Mrs. Revathy Ashok	Member	4	4

(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

No complains were received during the financial year.

7. 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

The committee comprises of Mr. S.Devarajan as the Chairperson and Mrs. 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 2018-19 on February 11, 2019. Mr. Devarajan and Mrs. Revathy Ashok attended this meeting.

8. 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

The committee comprises of Mrs. Revathy Ashok as the Chairperson 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 2018-19 on February 11,2019. All the committee members attended this meeting.

9. GENERAL BODY MEETINGS

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

Year	Date	Venue	Time
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
2017-18	July 25, 2018	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 July 13, 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.

10. 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.

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

11. INDEPENDENT DIRECTORS MEETING

The Independent Directors Mr. S.Devarajan and Mrs. Revathy Ashok held one meeting on March 25, 2019 without the presence of Non-Independent Directors and Senior Management Personnel.

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

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

13. 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.

14. COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of financial statements for the year ended March 31, 2019, there is no deviation from the prescribed Accounting Standards.

15. 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.

16. 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 posted 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, 2019.

Place: Bangalore
Date: May 28, 2019

J.N.Mylaraiah
Managing Director

17. RECONCILIATION OF SHARE CAPITAL AUDIT

In the year 2018-19 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.

18. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company give certification on Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting to the Board on a quarterly basis and the same were placed before the Board at its meetings in which the quarterly/yearend financial results were considered by the Board.

19. 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 Independent Director.

(C) Reporting of Internal Auditors

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

20. 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 during the year having potential conflict with the interests 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, 2019.

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.

21. MEANS OF COMMUNICATION

The Quarterly and the Annual Financial Results of the Company are generally published in Business Standard and Sanjevani (Kannada Daily). The Quarterly and the Annual Financial Results are also displayed on the Company's website. The Company also informs Bombay Stock Exchange (BSE) in a prompt manner, information on all matters which in the opinion of the Company are relevant for the shareholders.

22. 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 29, 2019 at 11.00 am

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

3. Financial Calendar (tentative and subject to change)

Description	Dates
Financial Reporting – I Quarter Results	August, 2019
Financial Reporting – II Quarter Results	November, 2019
Financial Reporting – III Quarter Results	February ,2020
Financial Reporting – 2019-20 Year End Results	May, 2020
Annual General Meeting	July, 2020

4. Date of Book Closure

July 23, 2019 to July 29, 2019 (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 Fintech 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

During the year there were no complaints of any nature from the shareholders.

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-18	235	202	35213	32973				
May-18	226	182	35994	34303	-4%	-10%	2%	4%
June-18	201	175	35877	34785	-11%	-4%	0%	1%
July-18	219	175	37645	35107	9%	0%	5%	1%
August-18	251	180	38990	37129	15%	3%	4%	6%
September-18	245	182	38934	35986	-2%	1%	0%	-3%
October-18	235	172	36617	33292	-4%	-5%	-6%	-7%
November-18	239	181	36389	34303	2%	5%	-1%	3%
December-18	215	191	36555	34426	-10%	6%	0%	0%
January-19	215	193	36701	35376	0%	1%	0%	3%
February-19	223	191	37172	35287	3%	-1%	1%	0%
March-19	250	217	35949	35927	12%	14%	4%	2%

11. Share Transfer System

The turnaround time for completion of transfer of shares in physical form is generally 15 days from the date of receipt, if the documents are clear in all respects. The Board of Directors have authorized the Managing Director and the Company Secretary to approve the share transfers and accordingly, the Managing Director and the Company Secretary approve the transfer/transmission of shares on receipt of such requests from the Registrar and Share Transfer Agents.

12. Distribution of Shareholding as on March 31, 2019:

Category	No. of Shareholders	% to total number of shareholders	No. of shares	% to total number of shares
1 – 100	3265	72.31	211685	4.60
101 – 200	479	10.61	85088	1.85
201 – 500	428	9.48	150966	3.28
501 – 1000	168	3.72	132758	2.89
1001 – 5000	139	3.08	310794	6.76
5001 – 10000	19	0.42	130529	2.84
Above 10001	17	0.38	3578180	77.79
Total	4515	100.00	4600000	100.00

SHAREHOLDER INFORMATION

13. Categories of Shareholders as on March 31, 2019:

Category	No. of Shareholders	Total Shares	Percentage to Total
Promoters	2	3313037	72.02
Non Resident Indians	43	20729	0.45
Mutual Funds	1	100	0.00
Banks/NBFC	6	912	0.02
Bodies Corporate	89	72037	1.57
IEPF	1	15027	0.33
Corp-Foreign Portfolio	1	7800	0.17
Public and others	4372	1170358	25.44
Total	4515	4600000	100.00

14. Dematerialisation of Shares

98.69% equity shares of the Company have been dematerialized as on March 31, 2019.

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: ganesh.r@adckcl.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 August 14, 2018.
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, 2019, 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, 2019.
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's Registration No. 008072S

Sathya P. Koushik
Partner
Membership No. 206920

Place: Bangalore
Date: May 28, 2019

INDEPENDENT AUDITORS' REPORT

To

The Members of ADC India Communications Limited

Opinion

We have audited the accompanying financial statements of ADC India Communications Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Uncertain tax positions in respect of direct and indirect taxes</p> <p>The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including transfer pricing, direct and indirect taxes.</p> <p>Where the amount of tax payable is uncertain, the Company establishes provisions based on management's judgement of the likelihood of settlement being required. The Company had engaged independent external tax experts in evaluating the above.</p> <p>We focused on the judgements made by</p>	<p>Principal audit procedures performed:</p> <p>We evaluated the design and implementation of controls in respect of identifying uncertain tax positions for the purposes of our audit.</p> <p>Involving our tax specialists:</p> <ul style="list-style-type: none"> • we gained an understanding of the current status of tax assessments and monitored developments in ongoing disputes. • we evaluated the competencies of the external tax experts engaged by the Company. • we read recent rulings and correspondence with local tax authorities, as well as

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Sr. No.	Key Audit Matter	Auditor's Response
	<p>management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required. In particular, we focused on the impact of changes in local tax regulations and ongoing hearings by local tax authorities, which could materially impact the amounts recorded in the Company's financial statements.</p>	<p>external advice provided by the external tax experts involved by the Company, to determine whether the tax provisions had been appropriately recorded or adjusted to reflect the latest developments.</p> <ul style="list-style-type: none"> • we evaluated management's key assumptions, in particular on cases where there had been significant developments with tax authorities. <p>We assessed the appropriateness of the related disclosures in notes of the financial statements.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

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

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act:
- h) 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 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: Bangalore
Date: May 28, 2019

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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in 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, 2019, 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: Bangalore
Date: May 28, 2019

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, Customs Duty, 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, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 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, 2019 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	118.89
Central Sales Tax Act 1956	Sales Tax (including interest till date of assessment)	Joint Commissioner of Commercial Taxes	AY 2012-13	125.27
		Deputy Commissioner of Commercial Taxes	FY 2016-17	178.45
Finance Act, 1994	Sales Tax (including interest till date of assessment)	Commissioner (Appeals)	October, 2013 to March, 2017	198.63

- (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 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’s Registration No. 008072S

Sathya P. Koushik
Partner
Membership No. 206920

Place: Bangalore
Date: May 28, 2019

BALANCE SHEET AS AT MARCH 31, 2019

	Notes	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4.1	74.41	53.17
(b) Investment property	4.2	302.40	311.74
(c) Financial assets			
(i) Other financial assets	5	49.52	50.88
(d) Deferred tax assets (net)	6	70.42	76.10
(e) Other non-current assets	7	432.96	419.79
Total non-current assets		929.71	911.68
Current assets			
(a) Inventories	8	835.38	869.83
(b) Financial assets			
(i) Trade receivables	9	1,490.74	1,231.64
(ii) Cash and bank balances	10	2,270.30	2,983.80
(iii) Other financial assets	5	3.34	23.87
(c) Other current assets	7	150.32	36.80
Total current assets		4,750.08	5,145.94
Total assets		5,679.79	6,057.62
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	460.00	460.00
(b) Other equity	12	3,410.52	4,151.88
Total equity		3,870.52	4,611.88
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	13	-	78.50
(b) Provisions	14	80.96	86.37
Total non-current liabilities		80.96	164.87
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15		
(a) Total outstanding dues of micro enterprises and small enterprises		82.41	23.52
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,468.54	1,144.91
(ii) Other financial liabilities	13	80.36	1.86
(b) Provisions	14	2.56	5.01
(c) Current tax liability (Net)	16	41.52	54.83
(d) Other current liabilities	17	52.92	50.74
Total current liabilities		1,728.31	1,280.87
Total liabilities		1,809.27	1,445.74
Total equity and liabilities		5,679.79	6,057.62

See accompanying notes forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sathya P Koushik
Partner
Place : Bangalore
Date : May 28, 2019

S.Devarajan
Chairman and Director
Place : Bangalore
Date : May 28, 2019

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

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	Notes	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Revenue from operations	18	8,562.21	6,544.41
Other income	19	305.76	303.94
Total income		8,867.97	6,848.35
Expenses			
Cost of raw materials, components, packing materials and services consumed	20	1,600.65	1,609.52
Purchase of stock-in-trade	21	5,513.51	3,843.62
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	22	(123.21)	(231.40)
Excise duty on sale of goods		-	68.82
Employee benefits expense	23	336.81	347.34
Depreciation and amortization expense	24	32.58	29.23
Other expenses	25	639.81	594.65
Total expenses		8,000.15	6,261.78
Profit before tax		867.82	586.57
Tax expense			
Current tax	26	277.06	240.36
Deferred tax	26	4.43	(7.50)
Total tax expense		281.49	232.86
Profit for the year		586.33	353.71
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		4.49	(9.85)
(b) Deferred tax on remeasurements of the defined benefit plans		(1.25)	3.26
Total other comprehensive income after tax		3.24	(6.59)
Total comprehensive income for the year		589.57	347.12
Earnings per equity share (nominal value of share Rs.10)			
Basic / Diluted EPS	28	12.75	7.69
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 : Bangalore
Date : May 28, 2019

Place : Bangalore
Date : May 28, 2019

Rakesh Bhanushali
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Cash flow from operating activities		
Profit before tax	867.82	586.57
Add / (Less)		
Depreciation and amortization expense	32.58	29.23
Loss/(profit) on assets sold/discarded (net)	0.01	-
Provision for doubtful advances	13.73	-
Provision for doubtful debts	12.45	-
Reversal of provision for doubtful receivables / advances	-	(5.91)
Credit balances written back	(0.04)	(1.47)
Unrealized foreign exchange (gain) / loss (net)	(0.19)	2.46
Interest income	(152.13)	(157.64)
Operating profit before working capital changes	774.23	453.24
Movements in working capital :		
Increase/ (decrease) in trade payables	382.72	(56.57)
Increase / (decrease) in provisions (non-current)	(11.76)	0.16
Increase / (decrease) in provisions (current)	(2.44)	1.44
Increase/ (decrease) in other current liabilities	6.66	(24.30)
Decrease / (increase) in inventories	34.45	(198.14)
Decrease / (increase) in trade receivables	(283.97)	(36.58)
Decrease / (increase) in financial and other assets (non-current)	(52.30)	(2.31)
Decrease / (increase) in financial and other assets (current)	(113.51)	120.74
Cash generated from /(used in) operations	734.08	257.68
Direct taxes paid (net of refunds)	(244.81)	(217.80)
Net cash flow from/ (used in) operating activities (A)	489.27	39.88
Cash flows from investing activities		
Purchase of assets, including capital advances	(44.50)	(5.74)
Interest received	172.67	157.92
Change in balances not considered as cash and cash equivalents	0.01	0.79
Net cash flow from investing activities (B)	128.18	152.97
Cash flows from financing activities		
Dividends paid on equity shares	(1,104.00)	(138.00)
Tax on equity dividend paid	(226.93)	(28.09)
Net increase/(decrease) in unpaid dividend account	(0.01)	(0.80)
Net cash flow used in financing activities (C)	(1,330.94)	(166.89)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(713.49)	25.96
Cash and cash equivalents at the beginning of the year	2,981.93	2,955.97
Cash and cash equivalents at the end of the year	2,268.44	2,981.93
Components of cash and cash equivalents		
Balances with banks:		
- in current accounts	8.44	11.93
- in deposit accounts	2,260.00	2,970.00
Total cash and cash equivalents (note 10)	2,268.44	2,981.93

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 : Bangalore
Date : May 28, 2019

Place : Bangalore
Date : May 28, 2019

Rakesh Bhanushali
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**a. Equity share capital**

Particulars	Amount (Rs. Lakhs)
Balance at April 1, 2018	460.00
Changes in equity share capital during the year	
(a) Additions during the year	-
Balance at March 31, 2019	<u>460.00</u>

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, 2018	776.39	3,375.49	4,151.88
Add:			
Profit / (loss) for the year	-	586.33	586.33
Add / (Less):			
Gain / (loss) on Remeasurement of defined benefit plans (net of tax)	-	3.24	3.24
Dividend paid and tax thereon	-	(1,330.93)	(1,330.93)
Balance at March 31, 2019	<u>776.39</u>	<u>2,634.13</u>	<u>3,410.52</u>

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sathya P Koushik
Partner

Place : Bangalore
Date : May 28, 2019

S.Devarajan
Chairman and Director

Place : Bangalore
Date : May 28, 2019

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, 2019

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.

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

Effective April 01, 2018, the Company adopted IND AS 115, ‘Revenue from Contracts with Customers’ using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised

Revenue from sale of products is presented in the income statement within Revenue from operations. The Company presents revenue net of indirect taxes in its statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, rebates, incentives and customer discounts.

Revenue is recognized when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognized when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates/incentives based on attainment of sales targets is estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts, as described above, are recognized in the period in which the underlying sales are recognized. The amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers. The amount recognized for returns is estimated on the basis of past experience of sales returns.

Revenue from service contracts are recognized when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which it arises.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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, 2019

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to 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.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

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.

3A 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

3B New standards and interpretations not yet adopted

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by :

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- a. Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- b. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The company is evaluating the effect of this new standard in the financial statements. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

4.1 Property, Plant and Equipment

(Amount in Rs. Lakhs)

	Plant & Machinery	Furniture & Fixtures*	Office Equipment*	Computers	Total
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 Mar 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
Gross carrying amount					
At April 1, 2018	64.53	1.61	10.50	13.16	89.82
Additions	5.90	-	2.82	35.78	44.50
Deletions	0.18	-	0.27	1.38	1.83
Adjustments/Reclass	-	-	-	-	-
At March 31, 2019	70.25	1.61	13.05	47.56	132.49
Accumulated depreciation					
At April 1, 2018	24.17	1.23	5.07	6.17	36.65
Charge for the year	11.28	0.06	2.56	9.35	23.25
Deletions	0.18	-	0.26	1.38	1.82
Adjustments/Reclass	-	-	-	-	-
At March 31, 2019	35.27	1.29	7.37	14.14	58.08
Net carrying amount					
At March 31, 2019	34.98	0.32	5.68	33.42	74.41

* 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 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
Net carrying amount as on March 31, 2018	-	-	-
Gross Carrying Amount as on March 31, 2018	0.31	0.51	0.82
Accumulated Depreciation as on March 31, 2018	0.31	0.51	0.82
Charge for the year	-	-	-
Net carrying amount as on March 31, 2019	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**4.2 Investment property**

(Amount in Rs. Lakhs)

	Land	Building	Total
Gross carrying amount			
At April 1, 2017	172.98	157.40	330.38
Additions	-	-	-
Deletions	-	-	-
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	-	-	-
At March 31, 2018	-	18.64	18.64
Net carrying amount			
At March 31, 2018	172.98	138.76	311.74
Gross carrying amount			
At April 1, 2018	172.98	157.40	330.38
Additions	-	-	-
Deletions	-	-	-
At March 31, 2019	172.98	157.40	330.38
Accumulated depreciation			
At April 1, 2018	-	18.65	18.65
Charge for the year	-	9.33	9.33
Deletions	-	-	-
At March 31, 2019	-	27.98	27.98
Net carrying amount			
At March 31, 2019	172.98	129.42	302.40

4.3 Amount recognized in profit or loss for investment property

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income	140.01	134.41
Direct operating expenses from investment property that generated rental income	7.22	7.05
Profit from investment property before depreciation	132.79	127.36
Depreciation	9.33	9.33
Profit from investment property	123.46	118.03

4.4 Fair value of investment property

- As at March 31, 2019, the fair value of the land was estimated as ranging from Rs. 4,267 lakhs to Rs. 4,528 lakhs (As at March 31, 2018 ranging from 4,354 lakhs to Rs. 4,528 lakhs)
- As at March 31, 2019, the fair value of the building was estimated as ranging from Rs. 463 lakhs to Rs. 515 lakhs (As at March 31, 2018 ranging from Rs. 490 lakhs to Rs. 522 lakhs)
- These fair value estimates are based on independent valuations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
5 Other Financial Assets		
Non-current		
Security deposits	49.52	50.88
Total	49.52	50.88
Current		
Interest accrued on fixed deposits	3.34	23.87
Total	3.34	23.87

	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
6 Deferred tax asset (net)		
Deferred tax asset on		
Difference between book balance and tax balance of fixed assets	7.24	17.83
Provision for doubtful debts / advances	26.13	18.85
Provision for compensated absences, gratuity and other employee benefits	14.56	21.80
Disallowance u/s 40(a)(ia)	22.06	17.54
Deferred Rent	0.43	0.08
Total	70.42	76.10

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
7	Other Assets		
	Non-current		
	Advance income-tax (Refer note below)	89.51	128.73
	Balances with statutory / government authorities (Considered good)	343.45	291.06
	Balances with statutory / government authorities (Considered doubtful)	55.58	41.85
	Less: Provision for doubtful advances	(55.58)	(41.85)
	Total	432.96	419.79
	Current		
	Prepaid expenses	19.49	22.86
	Prepaid Rent	0.81	0.71
	Other advances	0.10	4.59
	Balances with statutory / government authorities (Considered good)	129.92	8.64
	Total	150.32	36.80
		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
	Note:		
	Advance tax and TDS	1,050.01	866.67
	Less: Provision for tax	(960.50)	(737.94)
		89.51	128.73

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
8	Inventories (valued at lower of cost and net realizable value)		
	Raw materials, components, consumables and packing materials	164.63	322.29
	Work-in-progress	3.85	7.97
	Finished goods	216.80	174.51
	Stock-in-trade [Includes in-transit Rs. 44.13 lakhs (March 31, 2018 : Rs.3.65 lakhs)]	450.10	365.06
		<u>835.38</u>	<u>869.83</u>

The cost of inventories recognised as an expense includes Rs. 3.54 lakhs (during 2017-18: Rs. 2.47 lakhs) in respect of write-downs of inventory to net realisable value.

		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
9	Trade receivables		
	Current		
	Considered good (Unsecured)	1,490.74	1,231.64
	Which have significant increase in Credit Risk	38.35	25.90
		<u>1,529.09</u>	<u>1,257.54</u>
	Allowance for doubtful trade receivables	(38.35)	(25.90)
	Total	<u>1,490.74</u>	<u>1,231.64</u>

		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
10	Cash and Bank balances		
	Balances with banks:		
	– In current accounts / (book overdraft)	8.44	11.93
	– In Demand Deposits	2,260.00	2,970.00
	Other bank balances		
	– Earmarked balance with banks (Unpaid dividend)	1.86	1.87
		<u>2,270.30</u>	<u>2,983.80</u>
	Amounts that qualify as Cash and Cash equivalents under Ind AS 7 “Statement of Cash flows”	2,268.44	2,981.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
11 SHARE CAPITAL		
Authorised		
10,000,000 (March 31, 2018: 10,000,000) equity shares of Rs. 10 each	1,000.00	1,000.00
Issued, subscribed and fully paid-up		
4,600,000 (March 31, 2018: 4,600,000) equity shares of Rs.10 each fully paid up	460.00	460.00
Total issued, subscribed and fully paid-up share capital	460.00	460.00

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

At the beginning of the year
Outstanding at the end of the year

March 31, 2019		March 31, 2018	
No.	Rs.Lakhs	No.	Rs. Lakhs
4,600,000	460.00	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, 2019 (Rs. Lakhs)	March 31, 2018 (Rs. Lakhs)
CommScope Connectivity LLC 3,104,360 (March 31, 2018: 3,104,360) equity shares of Rs.10 each fully paid up	310.44	310.44
CommScope Technologies LLC 208,677 (March 31, 2018: 208,677) equity shares of Rs.10 each fully paid up	20.87	20.87

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

	March 31, 2019		March 31, 2018	
	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%

		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
12	Other equity		
	A) General reserve	776.39	776.39
	B) Surplus in the Statement of Profit and Loss		
	Balance as per last financial statements	3,375.49	3,194.46
	Profit/(Loss) for the year	586.33	353.71
	Add / (less): Gain / (loss) on Remeasurements of defined benefit plans (net of tax)	3.24	(6.59)
	Less: Appropriations		
	Payment of dividend on equity shares	184.00	138.00
	Dividend distribution tax on above	37.82	28.09
	Payment of Interim dividend on equity shares	920.00	-
	Dividend distribution tax on above	189.11	-
	Total appropriations	<u>1,330.93</u>	<u>166.09</u>
	Net surplus in the Statement of Profit and Loss	<u>2,634.13</u>	<u>3,375.49</u>
	Total other equity (A + B)	<u>3,410.52</u>	<u>4,151.88</u>

On August 10, 2018, a dividend of Rs.4/- per share (total dividend Rs. 184.00 lakhs) was paid to holders of fully paid equity shares. On July 31, 2017, the dividend paid was Rs.3/- per share (total dividend Rs. 138.00 lakhs).

On November 16, 2018, an interim dividend of Rs.20/- per share (total dividend Rs. 920.00 lakhs) was paid to holders of fully paid equity shares.

In respect of the year ended March 31, 2019, 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, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
13	Other financial liabilities		
	Non-current		
	Rental deposit	-	78.50
	Total	<u>-</u>	<u>78.50</u>
	Current		
	Rental deposit	78.50	-
	Unpaid dividends	1.86	1.86
	Total	<u>80.36</u>	<u>1.86</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
14	Provisions		
	Employee benefits (Long term)		
	Provision for compensated absences	15.04	26.80
	Others (Long term)		
	Provision for taxation (net)(refer note below)	65.92	59.57
	Employee benefits (Short term)		
	Provision for compensated absences	2.56	5.01
		<u>83.52</u>	<u>91.38</u>
	Current	2.56	5.01
	Non-current	80.96	86.37
	Total	<u>83.52</u>	<u>91.38</u>
	Note:		
	Provision for tax	1,148.07	1,105.54
	Less: Advance tax and TDS	(1,082.15)	(1,045.97)
		<u>65.92</u>	<u>59.57</u>
		As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
15	Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises (refer note 34)	82.41	23.52
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,468.54	1,144.91
		<u>1,550.95</u>	<u>1,168.43</u>
16	Current tax liability (Net)		
	Current tax payable	287.00	263.89
	Less: Advance tax and TDS	(245.48)	(209.06)
		<u>41.52</u>	<u>54.83</u>
17	Other liabilities		
	Current		
	Advance from customers	12.63	4.77
	Deferred rent	1.55	0.31
	Gratuity payable (refer note 30)	34.16	33.68
	Statutory liabilities	4.58	11.98
	Total	<u>52.92</u>	<u>50.74</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
18	Revenue from operations		
	Sale of products		
	Finished Goods (including excise duty*)	2,188.75	2,430.93
	Traded Goods	6,301.74	4,039.90
		<u>8,490.49</u>	<u>6,470.83</u>
	Revenue under Turnkey contracts	-	2.09
	Other operating revenue		
	Scrap Sales	69.92	70.17
	Freight recovered	1.80	1.32
	Revenue from operations	<u><u>8,562.21</u></u>	<u><u>6,544.41</u></u>

(*) Post implementation of Goods and Services Tax (GST) with effect from 01 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier period included excise duty which is now subsumed in GST. Revenue from operation for the year ended 31 March 2018 included excise duty upto 30 June 2017.

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
	Detail of products sold		
	Finished goods sold		
	Telecom products/connectors, accessories	1,841.23	1,916.76
	Tools	99.31	297.13
	Patch cords	248.21	217.04
		<u>2,188.75</u>	<u>2,430.93</u>
	Traded goods sold		
	Cables	3,954.03	2,893.05
	Connector and patch cords	2,259.05	1,133.17
	Others	88.66	13.68
		<u>6,301.74</u>	<u>4,039.90</u>

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by nature of products sold. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
	Telecommunication	1,166.67	1,428.58
	IT - Networking	7,395.54	5,115.83
	Total	<u><u>8,562.21</u></u>	<u><u>6,544.41</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**Trade receivables and Contract Balances**

The company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
19	Other income		
	Interest income:		
	- On bank deposits	150.67	145.63
	- On Income tax refund	1.46	8.75
	- On others	-	3.26
	Rent	140.01	134.41
	Credit balances written back	0.04	1.47
	Reversal of provision for doubtful receivables/advances	-	5.91
	Net foreign exchange gain	13.58	4.51
		<u>305.76</u>	<u>303.94</u>

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
20	Cost of raw materials, components, packing materials and services consumed		
	Inventory at the beginning of the year	322.29	355.54
	Add: Purchases	1,442.99	1,576.27
		<u>1,765.28</u>	<u>1,931.81</u>
	Less: inventory at the end of the year	164.63	322.29
	Total	<u>1,600.65</u>	<u>1,609.52</u>
	Details of Inventory		
	Raw materials, components, consumables and packing materials:		
	PCB Assy-CAT6	75.75	135.89
	Special Alloy	283.12	315.28
	Contacts	100.86	120.37
	UTP Info Outlet	350.65	313.76
	Others	790.27	724.22
		<u>1,600.65</u>	<u>1,609.52</u>

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
21	Details of purchase of traded goods		
	Cables	3,730.18	2,514.07
	Connector and Patch Cords	591.88	702.65
	Others	1,191.45	626.90
		<u>5,513.51</u>	<u>3,843.62</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (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	450.10	365.06
	Work-in-progress	3.85	7.97
	Finished goods	216.80	174.51
		<u>670.75</u>	<u>547.54</u>
	Inventories at the beginning 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>
	Total	<u>(123.21)</u>	<u>(231.40)</u>

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
23	Employee benefit expense		
	Salaries, wages and bonus	308.39	310.01
	Contribution to provident and other funds (refer note 30)	21.75	29.20
	Staff welfare expenses	6.67	8.13
		<u>336.81</u>	<u>347.34</u>

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
24	Depreciation and amortization expense		
	Depreciation of property, plant and equipment (refer note 4.1)	23.25	19.90
	Depreciation of investment property (refer note 4.2)	9.33	9.33
		<u>32.58</u>	<u>29.23</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
25	Other expenses		
	Power and fuel	6.58	5.14
	Repairs and maintenance		
	Plant and machinery	20.90	32.95
	Buildings	1.06	3.07
	Others	65.63	78.51
	Rent	80.91	72.58
	Rates and taxes	21.93	32.37
	Insurance	9.50	6.98
	Professional and consultancy charges	90.65	100.48
	Expenditure on Corporate Social Responsibility	12.00	20.00
	Remuneration to auditors (refer details below)	23.95	50.04
	Telephone and communication	11.46	12.21
	Advertisement and sales promotion	30.60	6.74
	Travelling and conveyance	27.68	27.83
	Freight outwards	126.14	79.54
	Cost Allocation Charges	30.43	12.93
	Provision for doubtful advances	13.73	-
	Provision for doubtful debts	12.45	-
	Bad debts written off	0.77	-
	Loss on assets sold/discarded (net)	0.01	-
	Director Sitting Fees	12.95	15.11
	Security Services	16.60	17.21
	Miscellaneous expenses	23.88	20.96
		639.81	594.65

		For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
	Remuneration to auditors		
	For Audit (including fees for limited reviews)	19.00	16.00
	For Taxation matters *	2.75	22.95
	For Other matters *	-	10.00
	Reimbursement of expenses	2.20	1.09
		23.95	50.04
	* Includes amount paid to affiliates of the audit firm		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

26. Current Tax and Deferred Tax

Income Tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Current Tax: In respect of current year	277.06	240.36
Deferred Tax: In respect of current year	4.43	(7.50)
Total income tax expense recognised in the Statement of profit and loss	281.49	232.86

Movement in deferred tax balances

Particulars	For the year ended March 31, 2019			
	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	17.83	(10.59)	-	7.24
	17.83	(10.59)	-	7.24
<u>Tax effect of items constituting deferred tax assets</u> Employee Benefits and other provisions	58.27	6.16	(1.25)	63.18
	58.27	6.16	(1.25)	63.18
Net Deferred Tax Asset / (Liabilities)	76.10	(4.43)	(1.25)	70.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the year ended March 31, 2018			
	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

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, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Profit before tax	867.82	586.57
Enacted income tax rate in India	27.820%	33.063%
Computed expected tax expense	241.43	193.94
Effect on account of non-deductible expenses under income tax	4.76	2.45
Tax rate differential	3.99	7.13
Tax related to earlier years	30.06	41.83
Others	1.26	(12.49)
Income tax expense recognised in Statement of profit and loss	281.49	232.86

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, 2019

(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, 2019				For the year ended March 31, 2018			
	Telecommunication	IT - Networking	Unallocable	Total	Telecommunication	IT - Networking	Unallocable	Total
Inter-Segmental revenue	-	-	-	-	-	-	-	-
Revenue from external customers	1,166.67	7,395.54	-	8,562.21	1,428.58	5,115.83	-	6,544.41
Total segment revenue	1,166.67	7,395.54	-	8,562.21	1,428.58	5,115.83	-	6,544.41
Segment results-EBITDA (Earnings before interest, taxes, depreciation and amortization)	84.08	524.18	292.14	900.40	87.38	236.38	292.04	615.80
Finance costs	-	-	-	-	-	-	-	-
Depreciation and amortization expense	4.43	28.15	-	32.58	5.85	23.38	-	29.23
Profit before income tax	79.65	496.03	292.14	867.82	81.53	213.00	292.04	586.57

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(iii) Segment assets and liabilities (Amount in Rs. Lakhs)

Segment assets	As at March 31, 2019				As at March 31, 2018			
	Telecommunication	IT - Networking	Unallocable	Total	Telecommunication	IT - Networking	Unallocable	Total
Segment assets	503.25	2,742.97	-	3,246.22	697.43	2,147.69	-	2,845.12
Unallocable assets								
Deferred tax assets (net)			70.42	70.42			76.10	76.10
Advance income-tax (Net)			89.51	89.51			128.73	128.73
Cash and bank balances			2,270.30	2,270.30			2,983.80	2,983.80
Interest accrued on fixed deposits			3.34	3.34			23.87	23.87
Total assets	503.25	2,742.97	2,433.57	5,679.79	697.43	2,147.69	3,212.50	6,057.62
Segment liabilities								
Segment liabilities	221.14	1,400.33	-	1,621.47	253.98	997.00	-	1,250.98
Unallocable liabilities								
Rental deposit			78.50	78.50			78.50	78.50
Provision for taxation (net)			65.92	65.92			59.57	59.57
Unpaid dividends			1.86	1.86			1.86	1.86
Current tax liability (Net)			41.52	41.52			54.83	54.83
Total liabilities	221.14	1,400.33	187.80	1,809.27	253.98	997.00	194.76	1,445.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(iv) Revenue from major products and services

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Telecom products/connectors, accessories	1,841.23	1,916.76
Tools	99.31	297.13
Cables	3,954.03	2,893.05
Connector and patch cords	2,507.26	1,350.21

(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)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
From India	8,558.63	6,496.69
From Other countries	3.58	47.72
	8,562.21	6,544.41

Non current assets

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
In India	929.71	911.68
In Other countries	-	-
	929.71	911.68

(vi) Information about major customers

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from top four customers (three customers for the year ended March 31, 2018)	7,586.84	5,207.29

No other single customer contributed 10% or more to Company's revenues for both 2018-19 and 2017-18.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**28. Earnings Per Share****Basic/Diluted Earnings Per Equity Share**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Nominal value of equity share (Rs.)	10	10
Profit for the year (Rs. Lakhs) - (A)	586.33	353.71
Weighted average number of shares outstanding (B)	46,00,000	46,00,000
Basic and Diluted earnings per share (Rs.) - (A/B)	12.75	7.69

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, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Rent	58.56	52.50

Future minimum lease rentals payable under non-cancellable lease:

Particulars	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
- not later than one year	60.99	12.82
- later than one year but not later than five years	15.25	-
- later than five years	-	-

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, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Employer's contribution to Provident fund	9.70	9.59
Employer's contribution to Superannuation fund	4.37	1.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**Disclosure of Defined Benefit Cost for the year ended March 31, 2019 and year ended March 31, 2018****Components of Employer Expense**

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Current service cost	5.07	2.01
Past service cost and loss/(gain) on curtailments and settlement Past service cost - plan amendments	-	15.97
Service cost	5.07	17.98
Net interest on net defined benefit liability / (asset)	2.61	0.48
Total included in 'Employee Benefit Expense'	7.68	18.46
Expenses deducted from the fund	-	-
Total Charge to Statement of Profit & Loss	7.68	18.46

Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Opening amount recognized in OCI outside profit and loss account	10.71	0.86
Actuarial (gain)/loss due to experience adjustments	(14.43)	10.96
Actuarial (gain)/loss due to change in financial assumptions	9.34	(0.86)
Actuarial (gain)/loss due to change in demographic assumptions	0.98	-
Actuarial (gain)/loss arising during period	(4.11)	10.10
Actual return on plan assets less interest on plan assets	(0.38)	(0.25)
Actuarial (gains)/ losses recognized in OCI	6.23	10.71

Key Assumptions

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Discount Rate	7.50%	7.75%
Salary growth rate	10.00%	9.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Net Balance Sheet position

Particulars	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
Defined benefit obligation (DBO)	(100.19)	(92.35)
Fair value of plan assets (FVA)	66.03	58.67
Funded status [surplus/(deficit)]	(34.16)	(33.68)
Net defined benefit asset/ (liability)	(34.16)	(33.68)

Reconciliation of Net Balance Sheet Position

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Opening net defined asset/(liability)	(33.68)	(6.28)
Charge to Statement of Profit & Loss	(7.68)	(18.46)
Amount recognised in OCI	4.49	(9.85)
	(36.88)	(34.59)
Employer contributions	2.72	0.91
Net defined benefit asset/ (liability) at end of current period	(34.16)	(33.68)

Disclosure of Defined Benefit Cost for the year ended March 31, 2019 and year ended March 31, 2018 Change in Defined Benefit Obligation (DBO)

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Opening of DBO	92.35	64.90
Current service cost	5.07	2.01
Interest cost on the DBO	6.88	4.90
Past service cost - plan amendments	-	15.97
Remeasurements due to:		
Actuarial (gain)/loss due to experience adjustments	(14.43)	10.96
Actuarial (gain)/loss due to change in financial assumptions	9.34	(0.86)
Actuarial (gain)/loss due to change in demographic assumptions	0.98	-
Benefits paid directly by the Company	-	(5.53)
DBO at end of current period	100.19	92.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**Change in Fair Value of Assets**

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Opening fair value of plan assets	58.67	58.62
Interest income on plan assets	4.26	4.42
Employer contributions	2.72	0.91
Remeasurement due to Actual return on plan asset less interest on plan assets	0.38	0.25
Benefits paid	-	(5.53)
Fair Value of assets at the end of current period	66.03	58.67

Plan Asset Information

Particulars	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
Insurer managed funds (Unquoted)	66.03	58.67
Total	66.03	58.67

Current and Non Current Liability portion

Particulars	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
Current Asset / (Liability)	(34.16)	(33.68)
Non Current Asset/ (Liability)	-	-
Net Asset/(Liability)	(34.16)	(33.68)

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, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Impact of increase in 50 bps on DBO	(4.53%)	(4.49%)
Impact of decrease in 50 bps on DBO	4.83%	4.80%
Salary escalation rate		
Impact of increase in 50 bps on DBO	3.88%	4.37%
Impact of decrease in 50 bps on DBO	(3.72%)	(4.14%)

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, 2019

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, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
Financial assets		
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	2,270.30	2,983.80
(b) Other financial assets (including trade receivables)	1,543.60	1,306.39
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)	1,631.31	1248.79

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.

Currency	Trade receivables	
	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
USD	-	36.95

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Currency	Trade payables	
	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
USD	14.99	158.72
Euro	0.07	13.69

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, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
Impact on profit or loss for the year	(0.75)	(6.60)
Impact on total equity as at the end of the reporting period	(0.75)	(6.60)

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 63% of trade receivables. This credit risk did not exceed 30% 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Reconciliation of loss allowances provision - Trade receivables

Particulars	Amount (Rs. Lakhs)
Loss allowance on March 31, 2018	25.90
Change in loss allowance	12.45
Loss allowance on March 31, 2019	38.35

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, 2019

Financial Liabilities	Due within (years)		Total Rs. Lakhs	Carrying amount Rs. Lakhs
	Less than 1 year Rs. Lakhs	More than 1 year Rs. Lakhs		
Trade payables	1,550.95	-	1,550.95	1,550.95
Other financial liability (Non interest bearing)	80.36	-	80.36	80.36
Total	1,631.31	-	1,631.31	1,631.31

March 31, 2018

Financial Liabilities	Due within (years)		Total Rs. Lakhs	Carrying amount Rs. Lakhs
	Less than 1 year Rs. Lakhs	More than 1 year 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

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, 2019

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

Mrs. Revathy Ashok

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

Mr. Ravi Bosco Rebello

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	<p>CommScope Technologies LLC</p> <p>CommScope Connectivity (Wuxi) Co, Ltd. (CommScope Wuxi)</p> <p>CommScope Connectivity (India) Pvt Ltd (CommScope Connectivity India) (formerly known as TE Connectivity Global Shared Services India Pvt Ltd)</p> <p>CommScope EMEA Ltd.</p> <p>CommScope Solutions Singapore</p> <p>CommScope Solutions India Pvt Ltd.</p> <p>Andrew Telecommunications India Pvt Ltd. (Andrew Telecommunications)</p>
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Transactions with related parties

(Amount in Rs. Lakhs)

Nature of Transactions	Fellow Subsidiaries		KMP / Relatives of KMP	
	For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Sale of products				
CommScope Technologies LLC	-	3.48	-	-
CommScope Connectivity India	1,452.50	890.93	-	-
CommScope Wuxi	-	16.25	-	-
Andrew Telecommunications	-	38.27	-	-
Purchase of goods / services				
CommScope Technologies LLC	636.76	650.20	-	-
CommScope Connectivity India	1,653.12	2,129.74	-	-
CommScope Wuxi	-	2.30	-	-
CommScope EMEA Ltd	39.64	71.46	-	-
CommScope Solutions Singapore	14.56	-	-	-
CommScope Solutions India Pvt Ltd.	0.76	-	-	-
Andrew Telecommunications	2,076.30	213.27	-	-
Cost Allocation charges				
CommScope Solutions Singapore	30.43	-	-	-
Sales Commission paid				
CommScope Connectivity India	114.86	62.27	-	-
Managerial Remuneration				
Mr. Mylaraiah	-	-	70.19	70.19
Sitting Fees Paid				
Mr. S Devarajan	-	-	6.65	5.70
Mrs. Revathy Ashok	-	-	6.30	5.40
Mr. N Srinivasan	-	-	-	3.60

Balances with related parties

(Amount in Rs. Lakhs)

	Fellow Subsidiaries	
	As at 31-Mar-19	As at 31-Mar-18
Balance of trade receivables		
CommScope Wuxi	-	3.94
Balance of trade payables		
CommScope Technologies LLC	6.23	155.20
CommScope Connectivity India	40.18	272.59
CommScope EMEA Ltd	-	5.08
Andrew Telecommunications	634.90	111.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

Particulars	For the year ended March 31, 2019 (Rs. Lakhs)	For the year ended March 31, 2018 (Rs. Lakhs)
Short-term benefits	63.60	59.50
Post-employment benefits	6.59	6.69
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
Total	70.19	70.19

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.
3. The above amounts exclude reimbursement of expenses paid to / received from related parties.

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

Particulars	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
Central sales tax demands contested by the Company	344.83	172.43
Income Tax demands contested by the Company	364.67	568.60
Customs duty, excise duty & service tax demand contested by the Company	214.73	-
TOTAL	924.23	741.03

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

Particulars	As at March 31, 2019 (Rs. Lakhs)	As at March 31, 2018 (Rs. Lakhs)
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal amount due to micro and small enterprises: Interest due on above:	82.41 0.01	23.52 0.09
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(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 Micro, Small and Medium Enterprises Development Act, 2006.	8.58	0.94

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	13.05	4.46
(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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

35. Corporate Social Responsibility

The Company has incurred below expenses towards CSR activities as per section 135 of the companies Act, 2013 and is included in other expenses.

- a. Gross amount required to be spent by the Company during the year Rs 11.83 Lakhs
- b. Amount spent during the year on: **(Amount in Rs. Lakhs)**

Particulars	For the year ended March 31, 2019		
	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	12.00	-	12.00

36. Previous period comparatives

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

For and on behalf of the board of directors
of ADC India Communications Limited

S.Devarajan
Chairman and Director

Mylaraiah J.N
Managing Director

Rakesh Bhanushali
Chief Financial Officer

R. Ganesh
Company Secretary

Place: Bangalore
Date : May 28, 2019

The background features a large blue shape on the right side, a large orange shape on the bottom left, and a green shape on the bottom right. The shapes are composed of several overlapping triangles and polygons, creating a dynamic, geometric composition. The colors are vibrant and saturated.

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