

COMMScope®



2016-2017 ANNUAL REPORT
ADC INDIA COMMUNICATIONS LIMITED



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. S. Devarajan	-	Chairman & Independent Director
Mr. J. N. Mylaraiah	-	Managing Director
Ms. Revathy Ashok	-	Independent Director
Mr. N. Srinivasan	-	Independent Director

KEY MANAGERIAL PERSONNEL

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

Registered Office and Factory

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

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants

Secretarial Auditors

M/s.V.Sreedharan and Associates
Company Secretaries

Internal Auditors

M/s.Gnanoba & Bhat
Chartered Accountants

Bankers

Bank of America
Canara Bank
Citibank NA

Registrar & Share Transfer Agents

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

CORPORATE INFORMATION

BOARD OF DIRECTORS



Sitting from left to right - Mr. N. Srinivasan (Independent Director),
Mr. S. Devarajan (Chairman & Independent Director), Mr. J. N. Mylraiah (Managing Director),
Ms. Revathy Ashok (Independent Director).

BOARD'S REPORT

To the Members,

The Board of Directors have pleasure in presenting the 29th Annual Report on the business and operations of your Company, along with the audited financial statements for the financial year ended March 31, 2017.

Financial Results

(Rs. in lakhs)

	For the year ended 31st March 2017	For the Year ended 31st March 2016
Revenue from operations (net of Excise Duty)	6232.39	5819.25
Other Income	295.55	279.21
Total Revenue	6527.94	6098.46
Profit before depreciation and Tax	658.54	618.60
Depreciation	26.06	34.19
Profit for the year before Tax	632.48	584.41
Provision for Tax	244.95	62.71
Profit for the year after Tax	387.53	521.70

FINANCIAL PERFORMANCE

In the financial year 2016-17 the revenue from operations grew by 7% over that of previous year. Revenue from the Telecommunication business decreased by about 9% and the revenue from IT-Networking (Enterprise network) business grew by about 13% over that of previous year.

DIVIDEND

Your Directors recommend a dividend of Rs.3.00 per equity share, of the face value of Rs.10/-each, to be appropriated from the profits of the financial year ended March 31, 2017, subject to the approval by the shareholders at the ensuing Annual General Meeting.

During the financial year ended March 31, 2017, unclaimed dividend amount of Rs. 80,119/- pertaining to dividend declared for the financial year 2008-09 was transferred to the Investor Education and Protection Fund.

TRANSFER TO RESERVES

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

STRATEGY AND OPERATIONS

India has been witnessing a steady economic growth over the past few years, and is expected to grow strongly with government reforms and thereby creating opportunities, where your company foresee growth in Enterprise network market as compared to Telecom sector which is grappling with emergence of new and competitive service models and witnessing consolidation with fewer orders, lower price realization and reduced profitability. Pressure on profitability continues due to greater competition at the market. The market is expected to improve driven by demand in Banking & Finance sector, Manufacturing, Infrastructure projects by Government, Defense sector, healthcare & hospitality projects. Your Company do see growth in Fiber Business over copper due high bandwidth requirements with rapid adoption of advanced internet applications and your Company will be able to favorably participate in this market.

The Company continues to focus on consistent revenue growth with profitability. The Company focused on effective strategy execution this year which had good success in bringing large deals and we believe that the core products from Enterprise & Telecom sector together with new things are helping us to differentiate on value in the market. The Company continue to focus on client engagement and value creation. Apart from outsourcing a portion of manufacturing operations, the Company continued to look at ways of cost reduction through operational efficiency and be cost competitive in the market to achieve the desired results.

DIRECTORS

During the year there were no changes in the Board of Directors.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the company, confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

Seven Board meetings were held during the financial year 2016-17 on May 25, 2016, July 05, 2016, July 13, 2016, August 05, 2016, November 12, 2016, January 27, 2017 and March 21, 2017. The details of meetings held by various Committees of the Board are given in the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed with no material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d. The Directors had prepared the Annual Accounts on a 'going concern' basis;
- e. The Directors had laid down internal financial

controls to be followed by the company and that such internal financial controls are adequate and have been operating effectively; and

- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS APPOINTMENT AND REMUNERATION

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

AUDITORS AND AUDITORS' REPORT

At the 26th Annual General Meeting of the Company held on August 08, 2014 M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company were re-appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting. In terms of section 139 of the Companies Act, 2013 and the Rules made thereunder this appointment is subject to ratification by members at every Annual General Meeting. M/s. Deloitte Haskins & Sells have confirmed their eligibility for re-appointment and offer themselves for re-appointment. The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of M/s. Deloitte Haskins & Sells as the Statutory Auditors of the Company.

The Auditors' observation read with Notes to Financial Statements are self-explanatory and do

not call for any further explanation or comments under Section 134(f) of the Companies Act, 2013.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies, 2013 and the Rules made thereunder, M/s.V.Sreedharan and Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors to conduct a secretarial audit of the Company's Secretarial and related records for the financial year 2016-17. The Secretarial Auditors' Report for the financial year ended March 31, 2017 is annexed to this Report as Annexure 1. No adverse comments have been made in the said report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has spent an amount of Rs.500,000/- towards various CSR Programs undertaken by the Company 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, Management Discussion and Analysis Report, Corporate Governance Report and the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

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 implemented during the year:

- Continual usage of Natural ventilations and energy efficient CFL lamps in the factory premises for overall electricity consumption.
- Effective preventive maintenance helped enhanced energy efficiency of various equipment.

B. Technology

During the financial year 2016-17 the Company decided to upgrade its ERP system to have better control on the operations & at the same time be ready for the GST roll-out planned by Central Government and the upgradation is in progress. The Company also introduced new Copper & Fiber Patch panels in the market, which helps customer in better rack space saving with better manageability features. Further the Company did introduce upgraded Outdoor environment enclosures/Cable assemblies' products to support the Security & Surveillance market & continued its focus on Standard-Compliant product portfolio to increase its geographical reach.

C. Research and Development

- Safety guards were provided to all the machines in the factory to prevent accidents.
- For Pneumatic operated presses safety operation technique were built in to prevent accidents.

- To prevent soldering fume in the open atmosphere a duct was made to remove the fume outside to protect the health of the employees.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW

During the year your Company has earned Foreign Exchange of Rs.2,665,432/- and the Foreign Exchange outflow was Rs.4,279,272/-.

EXTRACT OF ANNUAL RETURN

As required under the provisions of section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 an extract of the annual return for the year ended March 31, 2016 is annexed to this report as Annexure 3.

MANAGERIAL REMUNERATION AND RELATED DISCLOSURES

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

WHISTLE BLOWER MECHANISM

The Company has established a mechanism called "Vigil Mechanism Policy" for employees, directors and others who are associated with the Company to report to management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Policy provides adequate safeguards against victimization of employees/directors who avail the mechanism. The Vigil Mechanism also cover the Whistle Blower mechanism aspect as stipulated under clause 49 of the Listing Agreement. The Company affirms that no person has been denied access to the Audit Committee in this respect. The policy has been communicated to all employees by displaying the same on the Company's website.

SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANIES

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

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

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

RELATED PARTY TRANSACTIONS

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

All transactions with related parties during the year were in the ordinary course of business and at arm's length. There are no related party transactions that may have potential conflict with the interest of the Company at large. The details of related party transactions are disclosed in Note No.24 to financial statements forming part of the accounts.

RISK MANAGEMENT

The Company has formed a Risk Management Committee and the constitution and terms of reference of this Committee are set out in detail in the Corporate Governance Report. The details of risks faced by the Company and its mitigation process was discussed by the Risk Management Committee at its meeting held on January 27, 2017 and 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.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Company's Policy and process for evaluation lays down a structured questionnaire to be used in the evaluation of the entire Board of the Company, Board Sub-Committees and Individual Directors including the Independent Directors. This Policy has been displayed in the Company's website www.adckcl.com.

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

LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or guarantee nor has made any investment during the financial year 2016-17 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, 2017 and the date of the Directors Report.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

S.Devarajan

Chairman

J.N.Mylaraiah

Managing Director

Place: Bangalore
Date: May 16, 2017

ANNEXURE - 1 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED: MARCH 31, 2017

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

To

The Members of ADC India Communications Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADC INDIA COMMUNICATIONS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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, 2017 (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. The Company has not made any Overseas Direct Investment and has no External Commercial Borrowings during the period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period);**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period);**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not Applicable to the Company during the Audit Period);**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**
- (vi) The Company has identified the following laws as specifically applicable to the Company:
 - a. Factories Act, 1948 & the Central Rules or concerned State Rules, made 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 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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We have been informed by the company that during the period under review, it could not comply with Sub Section 6 of Section 152 of the Companies Act, 2013, as the Company had 3 Independent Directors (who are not entitled to retire by rotation) and one Executive Director who is also the Managing Director of the Company. Further as per Article Number 202 of the Article of Association of the company, the Managing Director of the company is not entitled to retire by rotation.

WE FURTHER REPORT THAT:

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

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

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

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

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

For V. SREEDHARAN & ASSOCIATES

(Pradeep B. Kulkarni)

Partner

FCS: 7260;CP No.7835

Bengaluru

Date : May 05, 2017

ANNEXURE - 2 ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The Company's CSR Policy is placed on Company's website www.adckcl.com. The focus areas for the CSR programs/projects to be undertaken by the Company under this policy shall be in the following areas:</p> <ul style="list-style-type: none"> i. Environment: To undertake activities in relation to increasing accountability through investments in energy and the environment, ensuring environmental sustainability, ecological balance, conservation of natural resources etc. ii. Health and Wellness: To promote healthcare including preventive health care and sanitation and to undertake other activities in relation to health and wellness. iii. Education: Fostering innovation through investment in education, vocation skills among children, women and elderly persons emphasizing on science, technology, engineering and mathematics. iv. Technology: To contribute to technology incubators located within academic institutions approved by the Central Government. v. Disaster Relief: To contribute to disaster relief efforts in compliance with legal guidelines.
2	Composition of CSR Committee	<ul style="list-style-type: none"> 1. Ms.RevathyAshok– Chairman of the Committee & Independent Director 2. Mr.N.Srinivasan– 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.595.06
4	Prescribed CSR Expenditure (two percent of the amounts as in item 3 above) (Amount in Lakhs).	Rs.11.90
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.11.90</p> <p>Rs.6.90</p>

(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	Title Sponsor of the Light for Education -Pan-IIT Fundraiser Music Fest organized by Technology Alumni Association Bangalore (TAAB) held on February 19, 2017. TAAB have been supporting SELCO's Light for Education Program	Education	1. Local Area 2. Karnataka, Bangalore	Rs.200,000	Rs.200,000	Rs.200,000	Direct
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.300,000	Rs.300,000	Rs.300,000	Direct
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.			The Committee could not identify any suitable activities/ Programs/projects to be undertaken by the Company in line with its CSR Objectives and for this reason, during the Year, the Company's spend on CSR activities has been less than the limits prescribed under the Companies Act, 2013. Moving forward the Company will endeavour to spend on CSR activities in accordance with the prescribed limits. The amount which remained unspent shall be added to the CSR Budget for the financial year 2017-18.			

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
Bangalore
May 16, 2017

Sd/-
N.Srinivasan
Independent Director

Sd/-
J.N.Mylaraiah
Managing Director

ANNEXURE - 3 EXTRACT OF ANNUAL RETURN**As on the financial year ended on March 31, 2017**

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No.	Name and Description of main products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Copper, Fiber and Connectivity products	C26309	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL No.	Name and Address of the Company	CIN/ GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1.	CommScope Connectivity LLC (formerly ADC Telecommunications Inc.)	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	3104360	Nil	3104360	67.49	3313037	Nil	3313037	72.02	4.53
d) Banks /FI									
e) Any other ...									
Sub- Total (A)(2)	3104360	Nil	3104360	67.49	3313037	Nil	3313037	72.02	4.53
Total Shareholding of Promoter	3104360	Nil	3104360	67.49	3313037	Nil	3313037	72.02	4.53
(A)=(A)(1) + (A)(2)									

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	700	700	0.02	-	700	700	0.02	Nil
b) Banks / FI	280	100	380	0.01	280	100	380	0.01	Nil
c) Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Other Specify)									
Sub – total (B) (1)	280	800	1080	0.02	280	800	1080	0.02	Nil
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	346290	4300	350590	7.62	104086	4300	108386	2.36	(5.26)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	977329	76713	1054042	22.91	909916	75112	985028	21.41	(1.50)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	57130	-	57130	1.24	156645	-	156645	3.41	2.17
c) Others (specify)	32598	200	32798	0.72	35624	200	35824	0.78	0.06
Sub – total (B) (2)	1413347	81213	1494560	32.49	1206271	79612	1285883	27.96	(4.53)
Total Public Shareholding (B) = (B) (1) + (B) (2)	1413627	82013	1495640	32.51	1206551	80412	1286963	27.98	(4.53)
C. Shares held by Custodian for GDRs & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4517987	82013	4600000	100.00	4519588	80412	4600000	100.00	-

ii) Shareholding of Promoters

Sl No.	Share Holder's Name	Shareholding at the beginning of year			Shareholding at the end of the year			% change in share-holding the year
		No of Shares	% of total Shares of Company	% of Shares Pledged/ encumbered to total shares	No of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	CommScope Connectivity LLC (formerly ADC Telecommunications Inc.)	3104360	67.49	Nil	3104360	67.49	Nil	Nil
2	CommScope Technologies LLC	Nil	Nil	Nil	208677	4.53	Nil	4.53
	Total	3104360	67.49	Nil	3313037	72.02	Nil	4.53

iii) Change in Promoters' Shareholding:

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

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

Sl No.	Name of Shareholder	Shareholding at the beginning of year		*Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.) allotment / transfer/ bonus sweat equity etc.):	Cumulative Shareholding during the year		At the end of the year (or on the date of separation, if separated during the year)
		No. of Shares	% of total Shares of the Company		No. of Shares	% of Total shares of the company	
1	Earnest Shipping and Ship Builders Ltd.	27834	0.61	-	27834	0.61	27834
2	Jitendra Lalbhai Shah	7500	0.16	16000	23500	0.51	23500
3	Priya Daga	7855	0.17	11510	19365	0.42	19365
4	Niranjana Jitendra Shah	5575	0.12	11925	17500	0.38	17500
5	Hiren Paramananddas Shah	-	-	16894	16894	0.37	16894
6	Neeta H.Mehta	16760	0.36	-	16760	0.36	16760
7	Govind Parikh Securities Pvt. Ltd	15000	0.33	-	15000	0.33	15000
8	Anshu Govil	16037	0.35	(1680)	14357	0.31	14357
9	Haresh Mulchand Poladia	-	-	14056	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.)	Total Amount (Rs.)
		J.N.Mylaraiah	
1.	Gross Salary		
	a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	6,546,493	6,546,493
	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)	6,546,493	6,546,493
	Ceiling as per the Act	8,400,000	8,400,000

B. Remuneration to Other Directors :

SI No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		S.Devarajan (Rs.)	Revathy Ashok (Rs.)	N.Srinivasan (Rs.)	
1.	Independent Directors				
	- Fee for attending board Committee meetings	525,000	420,000	490,000	1,435,000
	- Commission	-	-	-	-
	- Others, Please Specify	-	-	-	-
	Total (1)	525,000	420,000	490,000	1,435,000
2.	Other Non-Executive Directors				
	- Fee for attending board Committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others, Please Specify	-	-	-	-
	Total (2)				-
	Total (B) = (1+2)	525,000	420,000	490,000	1,435,000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Companies Act, 2013	700,000	600,000	700,000	2,000,000

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

SI No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Rs.)	CFO (Rs.)	Total (Rs.)
1.	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	-	5,909,557	5,909,557
	b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of Salary under section 17 (3) Income Tax Act, 1961	-	-	-
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- As % of Profit			
	- Others, specify			
5.	Others - Professional Charges	1,632,000	Nil	1,632,000
	Total	1,632,000	5,909,557	7,541,557

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	9.68:1
(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	11% 11%
(iii)	The percentage increase in the median remuneration of employees in the financial year.		10.5%
(iv)	The number of permanent employees on the rolls of the company.		24
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year was 10.5% as compared to 11% 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 16, 2017

J.N.Mylaraiah
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Telecommunication

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

Due to the emergence of new and competitive service models, the telecom sector is already witnessing consolidation where mobile network operators and infrastructure providers are coming together to better utilize their spectrum and infrastructure. This will also expand the reach of network coverage and bring down infrastructure costs. As mobile network operators spread the reach of 4G across regions and look forward to introducing new and faster technologies with extensive deployment of optical fiber in the existing network as well as for residences (FTTH) for the network to be laid in coming years to support new broadband services is stressed to be more important to meet the upcoming bandwidth requirements. With developments in services such as security and surveillance, Internet of Things, Home automation, traffic management, retail, logistics and grid energy could eventually facilitate optimization of resources, which indicates a better future performance for the operators and there is likelihood of a higher capex spend which works well for your company.

Enterprise

Enterprise network market growth continues to improve with lower price realization and reduced profitability with greater competition at the market. We do foresee the growth to improve in the medium term driven by demand in Banking & Finance sector, Manufacturing, Infrastructure projects by Govt., Defense sector, healthcare & hospitality projects. Your Company do see growth in Fiber Business over copper due 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 2017	Year ended 31st March 2016
Revenue from operations (net of Excise Duty)	6232.39	5819.25
Other Income	295.55	279.21
Total Revenue	6527.94	6098.46
Profit before Depreciation and Tax	658.54	618.60
Depreciation	26.06	34.19
Profit before Tax	632.48	584.41
Provision for Tax	244.95	62.71
Profit after Tax	387.53	521.70
Ratio of Profit before Tax to Total Revenue in percentage	9.69	9.58
Total Assets	5930.32	5441.04
Earnings per share in Rupees	8.42	11.34
Inventory Turnover ratio	10.72 times	11.20 times
Debtors turnover ratio	5.62 times	5.12 times

In the financial year 2016-17 the revenue from operations grew by 7% over that of previous year. Revenue from the Telecommunication business decreased by about 9% and the revenue from IT-Networking (Enterprise network) business grew by about 13% over that of previous year.

OPPORTUNITIES AND THREATS

Telecommunication

India being the world's second-largest telecommunications market and has registered strong growth in the past decade and half. The Indian mobile economy is growing rapidly contributing substantially to India's Gross Domestic Product (GDP). Industry firmly believes that a robust telecommunications infrastructure is a precursor

to a country's economic progress. Hence, establishing a strong wireless technology ecosystem will become the enabler to government's vision of Digital India and Smart Cities. The Digital India vision envisages transforming India into a knowledge economy, which requires new infrastructure development to enable pan-India connectivity. Carriers will continue to focus on providing data and voice services that are high quality, reliable, and affordable with 4G LTE technology expected to drive the industry pace and growth. The sector is already witnessing major consolidation where there is increasing usage, declining rates, and scarce spectrum. 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

Demand in Banking & Finance sector, Manufacturing, Infrastructure projects by Govt., Defense sector, healthcare & hospitality projects is expected to drive growth including the Small and Medium Business (SMB) segment which is looking promising and future business potential looks positive. However, the Company need to be cautious with lower price realization and reduced profitability with greater competition at the market.

RISKS AND CONCERNS

Telecommunication

Government is expected to facilitate the growth of the telecom industry in the next 2 to 3 years. With clear policies and renewed administration by the Government the investment climate has slightly improved and expected to improve in the near future.

Enterprise

With Digital India Initiatives and Demand in Banking & Finance sector, Manufacturing, Infrastructure projects by Govt., Defense sector, healthcare & hospitality projects which in turn would drive demand in Infrastructure projects also looks very positive & promising in the next few years.

TECHNOLOGY

In the financial year 2016-17 the Company decided to upgrade its ERP system to have better control on

the operations & at the same time be ready for the GST roll-out planned by Central Government and the upgradation is in progress. The Company also introduced new Copper & Fiber Patch panels in the market, which helps customer in better rack space saving with better manageability features. Further the Company did introduce upgraded Outdoor environment enclosures/Cable assemblies' products to support the Security & Surveillance market & continued its focus on Standard-Compliant product portfolio to increase its geographical reach.

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

During the financial year 2016-17 apart from outsourcing a portion of manufacturing operations, the Company continued to look at ways of cost reduction through operational efficiency and be cost competitive in the market to achieve the desired results.

HUMAN RESOURCES

The Company had a total of 24 permanent employees on the rolls of the Company as on March 31, 2017. During the financial year training was provided to the Company's and sub-contractor employees working in the factory premises on medical emergency first aid and various aspects of firefighting. Training were also provided to the employees on Hazards Waste Management covering segregation, storage and disposal of hazardous materials.

Cautionary Statement:

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

(A) Composition of Board

The Board of Directors of the Company consists of one Executive Director and three Non-Executive Independent Directors. 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. More than 50% of the total strength of the Board consists of Independent Directors, meeting 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 2016-17 on May 25, 2016, July 05, 2016, July 13, 2016, August 05, 2016, November 12, 2016, January 27, 2017 and March 21, 2017.

(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 13, 2016, with particulars of their Directorship and Chairman/Membership of Board Committees of other companies as on March 31, 2017 are given below:

Name	Category	Month & Year of Appointment	Designation	No. of meetings held during the last year	No. of meetings attended	Number of memberships in Board of other companies	Membership of Board Committees	Chairman of Board Committees	Whether attended last AGM
S. Devarajan	Independent Director	February 2013	Chairman & Director	7	7	3	8	NIL	Yes
J.N. Mylraiah	Nominee Director	September 2013	Managing Director	7	7	NIL	NIL	NIL	Yes
Revathy Ashok	Independent Director	August 2011	Director	7	6	14	15	4	Yes
N. Srinivasan	Independent Director	February 2012	Director	7	7	1	NIL	NIL	Yes

3. AUDIT COMMITTEE

(A) Terms of Reference

The role of the Audit Committee includes the following:

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

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

the board for approval, with particular reference to:

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

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

(B) Composition

The committee comprises of three Non-Executive Directors, all of them being Independent Directors. Ms.Revathy Ashok is the Chairman and Mr. S.Devarajan & Mr. N.Srinivasan are members of the Committee. All members of the Committee are financially literate and having adequate financial management expertise.

(C) Committee Meetings and Attendance

Four Audit Committee meetings were held during the year 2016-17 on May 25, 2016, August 05, 2016, November 12, 2016 and January 27, 2017. The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Ms. Revathy Ashok	Chairman	4	3
Mr. S. Devarajan	Member	4	4
Mr. N. Srinivasan	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.

4. NOMINATION AND REMUNERATION COMMITTEE

(A) Terms of Reference

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

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

(B) Composition

The committee comprises of three Non-Executive Directors, all of them being Independent Directors. Mr.N.Srinivasan is the Chairman and Mr. S.Devarajan & Ms.Revathy Ashok are members of the Committee

(C) Committee Meetings and Attendance

One Nomination and Remuneration Committee meeting was held during the year 2016-17 on January 27, 2017.

The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Mr. N. Srinivasan	Chairman	1	1
Mr. S. Devarajan	Member	1	1
Ms. Revathy Ashok	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 Directors appointed on the Board are paid sitting fees for attending the meeting of the Board and Board committee meetings. No other remuneration or commission is paid to the Non-Executive Directors. Non-Executive Chairman is paid a Sitting fee of Rs.75,000/- and other Non-Executive Directors are paid a sitting fee of Rs.70,000/-for attending Board/ Committee Meetings held on the same day.

(E) Remuneration paid to Directors for the year ended March 31, 2017

(Amount in Rs.)

Name of Director	Salary	Bonus /Incentive	Allowances & Perquisites	Sitting Fees	Total
Mr. S. Devarajan	-	-	-	525,000	525,000
Mr.J.N. Mylaraiah	2,275,542	1,403,202	2,867,749	Nil	6,546,493
Ms. Revathy Ashok	-	-	-	420,000	420,000
Mr. Srinivasan	-	-	-	490,000	490,000

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

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

The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Mr.N. Srinivasan	Chairman	4	4
Mr.S. Devarajan	Member	4	4
Mr.J.N.Mylaraiah	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

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE**(A) Terms of Reference**

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

(B) Composition

The current committee comprises of one Executive Director and two Non-Executive Directors. Mr.N.Srinivasan is the Chairman and Mr. S.Devarajan and Mr.J.N.Mylaraiah are 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 2016-17 on May 25, 2016, August 05, 2016, November 12, 2016 and January 27, 2017.

6. RISK MANAGEMENT COMMITTEE**(A) Terms of Reference**

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

(B) Composition

The current committee comprises of three Non-Executive Directors. Mr.Devarajan is the Chairman and Ms.Revathy Ashok & Mr.N.Srinivasan are members of the Committee.

(C) Committee Meetings and Attendance

One Risk Management Committee meeting was held during the year 2016-17 on January 27, 2017. All the members attended this meeting.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

(A) Terms of Reference

The role of the CSR Committee are as follows:

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

(B) Composition

The current committee comprises of Ms.Revathy Ashok, Mr.N.Srinivasan and Mr.J.N.Mylaraiah. Ms.Revathy Ashok is the Chairman of the Committee

(C) Committee Meetings and Attendance

One CSR Committee meeting was held during the year 2016-17 on January 27, 2017. All the members attended this meeting.

8. GENERAL BODY MEETINGS

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

Year	Date	Venue	Time
2013-14	August 08, 2014	Vivanta by Taj, No.41/3, M.G. Road, Bangalore	11.00 am
2014-15	June 26, 2015	Vivanta by Taj, No.41/3, M.G. Road, Bangalore	11.00 am
2015-16	July 13, 2016	Vivanta by Taj, No.41/3, M.G. Road, Bangalore	11.00 am

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

- At the AGM held on August 08, 2014 a Special Resolution for payment of remuneration to Mr.J.N.Mylariah, Managing Director of the Company was passed.
- At the AGM held on June 26, 2015 a Special Resolution for adoption of new Articles of Association of the Company and a Special Resolution to approve Related Party transactions was passed.

- At the AGM held on July13, 2016 a Special Resolution for amending the Articles of Association of the Company was passed.

(C) Postal Ballot

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

9. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

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

10. INDEPENDENT DIRECTORS MEETING

The Independent Directors Mr.S.Devarajan, Ms.Revathy Ashok and Mr.N.Srinivasan held one meeting on March 21, 2017 without the presence of Non-Independent Directors and Senior Management Personnel.

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

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

12. TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

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

13. COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of financial statements for the year ended March 31, 2017, there is no deviation from the prescribed Accounting Standards.

14. COMPLIANCE CERTIFICATE FROM THE AUDITORS

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

15. CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been 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, 2017.

Place: Bangalore
Date: May 16, 2017

J.N.Mylaraiah
Managing Director

16. RECONCILIATION OF SHARE CAPITAL AUDIT

In the year 2016-17 M/s. V.Sreedharan and Associates, Practicing Company Secretaries carried out the Reconciliation of Share Capital Audit on quarterly basis to reconcile the total issued and paid-up capital with the aggregate of the total number of the shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of Share Capital was submitted to the Bombay Stock Exchange Limited.

17. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board on an annual basis. This certificate for the

financial year 2016-17 was placed before the Board at its meeting held on May 16, 2017.

18. COMPLIANCE WITH MANDATORY & NON-MANDATORY REQUIREMENTS

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

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

(A) Audit Qualifications

The Auditors have not qualified the financial statements of the Company

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

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

(C) Reporting of Internal Auditors

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

19. DISCLOSURES

(A) Related Party Transactions

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

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

None of the Non-Executive Directors have any pecuniary material relationship or material transaction with the Company for the year ended March 31, 2017.

Details of all related party transactions form a part of the accounts and the same are disclosed in the Note 24 to the Financial Statements.

(B) Management Discussion & Analysis

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

(C) Compliances by the Company

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

(D) Whistle Blower Policy

The Company has established a Vigil Mechanism for employees, directors and others who are associated with the Company to report to management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Policy provides adequate safeguards against victimization of employees/directors who avail the mechanism. The Vigil Mechanism also cover the Whistle Blower mechanism aspect as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015. The Company affirms that no person has been denied access to the Audit Committee in this respect.

20. MEANS OF COMMUNICATION

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

21. GENERAL SHAREHOLDER INFORMATION

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

SHAREHOLDER INFORMATION

1. Corporate Identity Number (CIN)

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

2. Annual General Meeting

Date & Time: July 28, 2017 at 11.00 am

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

3. Financial Calendar (tentative and subject to change)

Description	Dates
Financial Reporting – I Quarter Results	August, 2017
Financial Reporting – II Quarter Results	October, 2017
Financial Reporting – III Quarter Results	January, 2018
Financial Reporting – 2018 Year End Results	May, 2018
Annual General Meeting	July, 2018

4. Date of Book Closure

July 22, 2017 to July 28, 2017 (both days inclusive)

5. Dividend Payment Date

Within the time specified in the Companies Act, 2013.

6. Listing on Stock Exchanges & Stock Code

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai - 400 001

7. Stock Code - 523411

8. Registrar and Share Transfer Agents

Karvy Computershare Private Limited

Karvy Selenium Tower B

Plot No. 31-32, Financial District

Nanakramguda, Gachibowli

Hyderabad-500 032

Phone: 040-67161509/67161592

Fax: 040-23420814

E-mail : einward.ris@karvy.com

SHAREHOLDER INFORMATION

9. Shareholders Complaints

Sl. No.	Nature of Complaints	Received	Resolved	Unresolved
1	Non receipt of share certificates	3	3	0
2	Non receipt of Dividend Warrants	5	5	0
3	Non receipt of Annual Reports	2	2	0
4	Others	4	4	0
	Total	14	14	0

10. Market Price Data

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

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-16	267	237	26100	24523				
May-16	275	240	26837	25058	3%	1%	3%	2%
June-16	256	224	27105	25911	-7%	-7%	1%	3%
July-16	285	230	28240	27034	11%	3%	4%	4%
August-16	308	257	28532	27628	8%	12%	1%	2%
September-16	325	267	29077	27717	5%	4%	2%	0%
October-16	324	280	28478	27488	0%	5%	-2%	-1%
November-16	310	245	28030	25718	-4%	-12%	-2%	-6%
December-16	299	257	26804	25754	-4%	5%	-4%	0%
January-17	291	260	27980	26447	-3%	1%	4%	3%
February-17	283	249	29065	27590	-3%	-4%	4%	4%
March-17	280	244	29825	28716	-1%	-2%	3%	4%

11. Share Transfer System

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

12. Distribution of Shareholding as on March 31, 2017:

Category	No. of Shareholders	% to total number of shareholders	No. of shares	% to total number of shares
1 – 100	3629	72.81	238194	5.18
101 – 200	535	10.73	95270	2.07
201 – 500	462	9.27	164250	3.57
501 – 1000	180	3.61	143201	3.11
1001 – 5000	146	2.93	320435	6.97
5001 – 10000	17	0.34	111777	2.43
Above 10001	15	0.31	3526873	76.67
Total	4984	100.00	4600000	100.00

SHAREHOLDER INFORMATION

13. Categories of Shareholders as on March 31, 2017:

Category	No. of Shareholders	Total Shares	Percentage to Total
Promoters	2	3313037	72.02
Non Resident Indians	49	35291	0.77
Mutual Funds	4	700	0.01
Banks	4	380	0.01
Bodies Corporate	134	108386	2.36
Public	4791	1142206	24.83
Total	4984	4600000	100.00

14. Dematerialisation of Shares

As on March 31, 2017, 4519588 Equity Shares of the Company representing 98.25% of the paid-up share capital are in dematerialized form.

15. Outstanding ADR/GDR/Convertible bonds

The Company has not issued any ADR/GDR/Convertible instruments.

16. Plant location

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

Tel: +91 80 28366291

Fax: +91 80 28362214

17. Address for correspondence

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

Mr. R. Ganesh

ADC India Communications Limited

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

Peenya Industrial Area

Bangalore 560 058

Tel: +91 80 28366291

Fax: +91 80 28362214

Email: r.ganesh_contractor@commscope.com

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of ADC India Communications Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated September 20, 2016.
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, 2017, 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, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sathya P Koushik
Partner
Membership No. 206920

Place: Bangalore
Date: May 16, 2017

INDEPENDENT AUDITORS' REPORT

To

The Members of ADC India Communications Limited

Report on the Financial Statements

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

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

INDEPENDENT AUDITORS' REPORT

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its 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.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
- 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 16, 2017

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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in 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 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, 2017, 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.

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

Sathya P Koushik
Partner
Membership No. 206920

Place: Bangalore
Date: May 16, 2017

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

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

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 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.)
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 1994-95	2,197,146
		CIT (Appeals)	AY 2009-10	7,074,810
		Income Tax Appellate Tribunal	AY 2010-11	4,085,370
		Income Tax Appellate Tribunal	AY 2011-12	21,230,242
		Income Tax Appellate Tribunal	AY 2012-13	10,335,120
Central Sales Tax Act 1956	Sales Tax (including interest till date of assessment)	Joint Commissioner of Commercial Taxes	FY 2012-13	12,527,486
		Karnataka Appellate Tribunal	FY 2013-14	11,051,563
		Assistant Commissioner of Commercial Taxes	FY 2014-15	11,374,009

- (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.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT (CONTINUED)

- | | |
|--|--|
| <p>(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.</p> <p>(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.</p> <p>(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.</p> <p>(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.</p> <p>(xiv) During the year the Company has not made any preferential allotment or private placement of</p> | <p>shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.</p> <p>(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or Directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.</p> <p>(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p> |
|--|--|

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

Sathya P Koushik
Partner
Membership No. 206920

Place: Bangalore
Date: May 16, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Notes	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
Equity and Liabilities			
Shareholders' funds			
Share capital	3	46,000,000	46,000,000
Reserves and surplus	4	397,142,806	358,389,816
		443,142,806	404,389,816
Non-current liabilities			
Other long-term liabilities	5	7,850,000	7,850,000
Long-term provisions	6	10,863,322	10,155,889
		18,713,322	18,005,889
Current liabilities			
Trade payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		2,116,451	1,378,912
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		120,135,487	100,140,246
Other current liabilities	7	6,785,364	6,134,140
Short-term provisions	6	2,139,181	14,055,170
		131,176,483	121,708,468
TOTAL		593,032,611	544,104,173
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	38,839,752	40,523,015
Intangible assets	8	-	-
Deferred tax assets (net)	9	6,533,923	10,529,495
Long-term loans and advances	10	49,429,400	43,792,839
		94,803,075	94,845,349
Current assets			
Inventories	11	67,168,441	51,572,490
Trade receivables	12	117,311,977	109,045,334
Cash and cash equivalents	13	295,863,097	264,236,888
Short-term loans and advances	10	14,119,473	20,278,924
Other current assets	14	3,766,548	4,125,188
		498,229,536	449,258,824
TOTAL		593,032,611	544,104,173

See accompanying notes forming part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered AccountantsFor 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 SecretaryPlace : Bangalore
Date : May 16, 2017Place : Bangalore
Date : May 16, 2017**Rakesh Bhanushali**
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
Income			
Revenue from operations (gross)		645,673,856	603,164,001
Less: excise duty		22,434,436	21,238,400
Revenue from operations (net)	15	623,239,420	581,925,601
Other income	16	29,554,666	27,921,038
Total revenue		652,794,086	609,846,639
Expenses			
Cost of raw materials, components, packing materials and services consumed	17	89,670,465	89,656,580
Purchase of traded goods	18	371,332,062	337,697,259
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	19	3,845,772	1,134,238
Employee benefits expense	20	35,057,000	32,329,293
Finance cost - Interest on delayed payment of tax		-	214,279
Depreciation and amortization expense	21	2,606,341	3,418,958
Other expenses	22	87,033,884	86,955,229
Total expense		589,545,524	551,405,836
Profit before tax		63,248,562	58,440,803
Tax expenses			
Current tax		20,500,000	16,800,044
Deferred tax charge / (credit)		3,995,572	(10,529,495)
Total tax expense		24,495,572	6,270,549
Profit for the year		38,752,990	52,170,254
Earnings per equity share (nominal value of share Rs.10)			
Basic / Diluted EPS	36	8.42	11.34
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 16, 2017

Place : Bangalore
Date : May 16, 2017

Rakesh Bhanushali
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
Cash flow from operating activities		
Profit before tax	63,248,562	58,440,803
Add / (Less)		
Depreciation and amortization expense	2,606,341	3,418,958
Loss/ (profit) on sale of fixed assets (net) / Assets discarded	(65,218)	(59,575)
Reversal of provision for doubtful receivables	(1,205,691)	(1,381,765)
Provision for doubtful advances	-	1,410,777
Unrealized foreign exchange (gain) / loss (net)	82,845	120,307
Interest income	(15,599,529)	(16,217,781)
Finance cost - Interest on delayed payment of tax	-	214,279
Operating profit before working capital changes	49,067,310	45,946,003
Movements in working capital :		
Increase/ (Decrease) in trade payables	20,662,020	5,607,219
Increase / (Decrease) in long term provisions	707,433	904,799
Increase / (decrease) in short-term provisions	143,386	(257,292)
Increase/ (decrease) in other current liabilities	871,391	1,027,492
Decrease / (increase) in inventories	(15,595,951)	2,400,798
Decrease / (increase) in trade receivables	(7,070,698)	14,120,356
Decrease / (Increase) in long term loans and advances	(5,636,561)	(11,994,535)
Decrease / (increase) in short term loans and advances	6,159,451	(8,433,934)
Decrease / (increase) in other current assets	-	2,501,355
Cash generated from /(used in) operations	49,307,781	51,822,261
Direct taxes paid (net of refunds)	(18,717,975)	(20,183,167)
Net cash flow from/ (used in) operating activities (A)	30,589,806	31,639,094
Cash flows from investing activities		
Purchase of fixed assets, including capital advances	(923,078)	(644,013)
Proceeds from sale of fixed assets	65,218	59,575
Interest received	15,958,169	16,380,952
Net cash flow from investing activities (B)	15,100,309	15,796,514
Cash flows from financing activities		
Dividends paid on equity shares	(11,500,000)	(138,000,000)
Tax on equity dividend paid	(2,341,400)	(936,560)
Net increase/(decrease) in unpaid dividend account	(220,167)	(348,759)
Net cash flow used in financing activities (C)	(14,061,567)	(139,285,319)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (CONTINUED)

Particulars	April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
Net increase in cash and cash equivalents (A + B + C)	31,628,548	(91,849,711)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(2,339)	(9,782)
Cash and cash equivalents at the beginning of the year	264,236,888	356,096,381
Cash and cash equivalents at the end of the year	295,863,097	264,236,888
Components of cash and cash equivalents		
Balances with scheduled banks:		
- in current accounts	40,501,646	43,418,562
- in EEFC accounts	95,271	331,979
- in deposit accounts	255,000,000	220,000,000
- unpaid dividend accounts (earmarked for payment of dividends)	266,180	486,347
Total cash and cash equivalents (note 13)	295,863,097	264,236,888

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 16, 2017

Place : Bangalore
Date : May 16, 2017

Rakesh Bhanushali
Chief Financial Officer

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

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.

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued as follows:

Raw materials, components, consumable and packing materials (including materials in transit)	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods (including materials in transit)	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Traded goods (including materials in transit)	Lower of cost and net realizable value. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion (as appropriate) and estimated costs necessary to make the sale.

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or

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

future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Dividends

With effect from April 1, 2016 final dividend, including tax thereon, on shares are recorded as a liability on the date of approval by the shareholders and interim dividend, including tax thereon, are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.7 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life ranging from two to five years. The amortization period and the amortization method are reviewed at each financial period / year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which normally coincides with the delivery of goods in terms of the arrangements with the customer. Sales include Excise duty but exclude Sales tax and Value added tax.

Revenue from Turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using Proportionate Completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from service contracts are recognised, when the rendering of services under a contract is completed or substantially complete.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Rental income is accounted on accrual basis.

2.9 Fixed Assets (Tangible / Intangible)

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

2.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items are carried at historical cost.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.11 Employee Benefits

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

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 each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

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.

2.12 Segmental Reporting

- (i) Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the location in which the customers are situated.

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

(ii) Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(iii) Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

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

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. 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.

2.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.15 Taxes on income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses and items relating to capital

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

losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.16 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.17 Provisions and Contingencies

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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. 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.

2.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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

	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
3 SHARE CAPITAL		
Authorised: 10,000,000 ((March 31, 2016: 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
Issued, subscribed and fully paid-up 4,600,000 (March 31, 2016: 4,600,000) equity shares of Rs.10 each fully paid up	46,000,000	46,000,000
Total issued, subscribed and fully paid-up share capital	46,000,000	46,000,000

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

	March 31, 2017		March 31, 2016	
	No.	Rs.	No.	Rs.
At the beginning of the year	4,600,000	46,000,000	4,600,000	46,000,000
Outstanding at the end of the year	4,600,000	46,000,000	4,600,000	46,000,000

(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, 2017 (Rs.)	March 31, 2016 (Rs.)
CommScope Connectivity LLC 3,104,360 (March 31, 2016: 3,104,360) equity shares of Rs.10 each fully paid up	31,043,600	31,043,600
CommScope Technologies LLC 208,677 (March 31, 2016: Nil) equity shares of Rs.10 each fully paid up	2,086,770	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**(d) Details of shareholders holding more than 5% shares in the Company**

	March 31, 2017		March 31, 2016	
	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%

		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
4	Reserves and Surplus		
	General reserve (A)	77,638,623	77,638,623
	Surplus in the Statement of Profit and Loss		
	Balance as per last financial statements	280,751,193	242,422,339
	Profit/(Loss) for the year	38,752,990	52,170,254
	<i>Less: Appropriations</i>		
	Proposed final equity dividend (Refer Note below; Previous Year Rs.2.50 per share)	-	(11,500,000)
	Tax on proposed final equity dividend	-	(2,341,400)
	Total appropriations	-	(13,841,400)
	Net surplus in the Statement of Profit and Loss (B)	319,504,183	280,751,193
	Total Reserves and surplus (A + B)	397,142,806	358,389,816

Note:

The Board of Directors, in its meeting on May 16, 2017, have proposed a final dividend of Rs.3/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on July 28, 2017 and if approved would result in a cash outflow of Rs. 16,609,355 including corporate dividend tax.

		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
5	Other long-term liabilities		
	Rental deposit from lessee	7,850,000	7,850,000
	Total	7,850,000	7,850,000

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

		Long-term		Short-term	
		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
6	Provisions				
	Provision for employee benefits				
	Provision for compensated absences	2,664,059	1,956,626	357,156	213,770
	(A)	2,664,059	1,956,626	357,156	213,770
	Other provisions				
	Provision for taxation (net)*	8,199,263	8,199,263	1,782,025	-
	Provision for equity dividend	-	-	-	11,500,000
	Provision for tax on proposed equity dividend	-	-	-	2,341,400
	(B)	8,199,263	8,199,263	1,782,025	13,841,400
	Total Provisions (A+B)	10,863,322	10,155,889	2,139,181	14,055,170

*Net of advance tax Rs. 84,865,201 (2016: Rs. 66,147,229)

		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
7	Trade payables and Other current liabilities		
	Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 31)	2,116,451	1,378,912
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	120,135,487	100,140,246
		122,251,938	101,519,158
	Other current liabilities		
	Investor education and protection fund will be credited by following amounts (as and when due)		
	- Unpaid dividend relating to earlier years	266,180	486,347
	Advance from customers	24,628	334,693
	Deferred Rent	91,572	-
	Gratuity payable (Refer Note 33)	627,933	415,179
	Statutory dues	5,775,051	4,897,921
	Total	6,785,364	6,134,140

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

Tangible and Intangible Assets

(Amount in Rs.)

	Tangible Assets							Intangible Assets	
	Freehold Land	Building*	Plant & Machinery	Electrical Installations*	Furniture & Fixtures*	Office Equipment*	Computers*	Total	Software
At Cost									
At April 1, 2015	17,298,442	27,776,829	106,019,388	5,746,430	4,581,246	5,999,599	6,524,040	173,945,974	11,415,026
Additions	-	-	-	-	-	441,590	202,423	644,013	-
Deletions	-	-	105,108	-	-	-	3,272,915	3,378,023	-
Adjustments/Reclass	-	279,475	(3,063,975)	-	1,074,199	988,968	721,333	-	-
At March 31, 2016	17,298,442	28,056,304	102,850,305	5,746,430	5,655,445	7,430,157	4,174,881	171,211,964	11,415,026
Depreciation									
At April 1, 2015	-	11,199,436	98,310,134	5,103,259	4,293,632	5,409,415	6,332,138	130,648,014	11,415,026
Charge for the year	-	931,768	1,228,252	643,171	317,347	186,968	111,452	3,418,958	-
Deletions	-	-	105,108	-	-	-	3,272,915	3,378,023	-
Adjustments/Reclass	-	185,125	(2,786,313)	-	895,135	988,968	717,085	-	-
At March 31, 2016	-	12,316,329	96,646,965	5,746,430	5,506,114	6,585,351	3,887,760	130,688,949	11,415,026
Net Block									
At March 31, 2016	17,298,442	15,739,975	6,203,340	-	149,331	844,806	287,121	40,523,015	-
At March 31, 2015	17,298,442	16,577,393	7,709,254	643,171	287,614	590,184	191,902	43,297,960	-

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

Class of Assets	Gross Carrying Amount as on 31st March 2016	Accumulated Depreciation as on 31st March 2016	Depreciation recognized in the statement of Profit & Loss for the year ended 31st March 2016
Building	28,056,304	(12,316,329)	931,768
Electrical Installations	4,908,570	(4,908,570)	259,152
Furniture & Fixtures	3,957,860	(3,906,433)	260,561
Office Equipment	4,090,633	(3,883,590)	30,656
Computers	205,000	(205,000)	-
Total	41,218,367	(25,219,922)	1,482,137

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

		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
9	Deferred tax asset (net)		
	Deferred tax asset on		
	Difference between book balance and tax balance of fixed assets	2,180,634	2,478,060
	Provision for doubtful debts / advances	3,116,495	4,465,320
	Provision for compensated absences, gratuity and other employee benefits	1,206,518	854,869
	VRS payments	-	2,731,246
	Deferred Rent	30,276	-
	Total	6,533,923	10,529,495

		Non-current		Current	
		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
10	Loans and advances				
	Security deposit (considered good)	6,121,139	6,121,139	-	-
	(A)	6,121,139	6,121,139	-	-
	Advances recoverable in cash or kind for value to be received				
	(Considered good, unless stated otherwise)				
	Advance income-tax (Net)*	14,669,425	14,669,425	-	-
	Prepaid expenses	-	-	672,944	774,599
	Other advances	-	-	3,013,975	10,000
	Balances with statutory / government authorities				
	Considered good	28,638,836	23,002,275	10,432,554	19,494,325
	Doubtful	4,790,721	9,144,168	-	-
		48,098,982	46,815,868	14,119,473	20,278,924
	Less: Provision for doubtful advances	4,790,721	9,144,168	-	-
	(B)	43,308,261	37,671,700	14,119,473	20,278,924
	Total (A+B)	49,429,400	43,792,839	14,119,473	20,278,924

* Net of provision for tax Rs. 264,282,870 (2016: Rs. 264,282,870)

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

		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
11	Inventories (valued at lower of cost and net realizable value)		
	Raw materials, components, consumables and packing materials	35,554,559	16,112,836
	Work-in-progress	973,836	651,936
	Finished goods [Includes intransit Rs. 2,860,885 (March 2016 : Rs.88,110)]	15,543,250	19,448,036
	Traded goods [Includes intransit Rs. 7,424,298 (March 2016 : Rs.935,405)]	15,096,796	15,359,682
		67,168,441	51,572,490

		Current	
		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
12	Trade Receivables		
	(Unsecured unless stated otherwise)		
	Outstanding for a period exceeding six months from the date they were due for payment		
	Considered good	1,662,277	2,103,246
	Doubtful	4,160,113	4,093,474
		5,822,390	6,196,720
	Provision for doubtful trade receivables	(4,160,113)	(4,093,474)
	(A)	1,662,277	2,103,246
	Other trade receivables		
	Considered good	115,649,700	106,942,088
	Doubtful	475,096	267,849
		116,124,796	107,209,937
	Provision for doubtful trade receivables	(475,096)	(267,849)
	(B)	115,649,700	106,942,088
	Total (A+B)	117,311,977	109,045,334

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

		Current	
		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
13	Cash and Cash equivalents		
	Cash	-	-
	Balances with banks:		
	– In current accounts	40,501,646	43,418,562
	– In EEFC accounts	95,271	331,979
	– Demand Deposits	255,000,000	220,000,000
	– On unpaid dividend account (earmarked for payment of dividends)	266,180	486,347
		295,863,097	264,236,888
	Amounts that qualify as Cash and Cash equivalents under Accounting Standard 3 “Cash Flow Statements”	295,863,097	264,236,888

Note:

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, as defined in the notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance.

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

		Current	
		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
14	Other Assets		
	Unsecured, considered good unless stated otherwise		
	Interest accrued on fixed deposits	2,415,661	2,774,301
	Unbilled Revenue	1,350,887	1,350,887
	Total	3,766,548	4,125,188

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

		April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
15	Revenue from operations		
	Sale of products		
	Finished Goods	188,492,075	193,972,188
	Traded Goods	447,738,943	396,971,322
		<u>636,231,018</u>	<u>590,943,510</u>
	Revenue under Turnkey contracts	-	1,728,301
	Revenue from Installation services	3,035,045	3,489,523
	Other operating revenue		
	Scrap Sales	6,407,793	7,002,667
	Revenue from operations (gross)	<u>645,673,856</u>	<u>603,164,001</u>
	Less: Excise Duty	22,434,436	21,238,400
	Revenue from operations (net)	<u>623,239,420</u>	<u>581,925,601</u>

		April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
	Detail of products sold		
	Finished goods sold		
	Telecom products/connectors, accessories	142,154,535	170,192,573
	Test cords	-	74,070
	Tools	5,221,324	3,792,722
	Patch cords	41,116,216	19,912,823
		<u>188,492,075</u>	<u>193,972,188</u>
	Traded goods sold		
	Cables	342,089,182	280,026,877
	Connector and patch cords	59,265,773	71,710,993
	Others	46,383,988	45,233,452
		<u>447,738,943</u>	<u>396,971,322</u>

		April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
16	Other income		
	Interest income on Bank deposits	15,599,529	16,217,781
	Rent	12,676,893	10,261,917
	Profit on sale of fixed assets	65,218	59,575
	Reversal of provision for doubtful receivables / advances	1,205,691	1,381,765
	Foreign exchange fluctuation (net)	7,335	-
		<u>29,554,666</u>	<u>27,921,038</u>

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

		April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
17	Cost of raw materials, components, packing materials and services consumed		
	Inventory at the beginning of the year	16,112,836	17,379,396
	Add: Purchases	109,112,188	88,390,020
		125,225,024	105,769,416
	Less: inventory at the end of the year	35,554,559	16,112,836
	Total	89,670,465	89,656,580
	Details of raw materials, components, packing materials and services consumed:		
	PCB Assy-CAT6	14,231,389	8,274,145
	Special Alloy	26,960,706	29,527,050
	Contacts	10,226,113	10,501,072
	Others	38,252,257	41,354,313
		89,670,465	89,656,580
		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
	Details of Inventory Raw materials, Components, consumables and packing materials:		
	Special Alloy	2,951,780	1,989,923
	Patch cables	5,726,686	6,747,421
	Plastics	1,325,378	1,566,360
	Contacts	2,427,028	1,819,374
	Patch Panel	8,394,591	-
	UTP Info Outlet	9,093,415	27,904
	Others	5,635,681	3,961,854
		35,554,559	16,112,836
		April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
18	Details of purchase of traded goods		
	Cables	297,581,585	239,956,505
	Connector and Patch Cords	16,837,416	27,128,607
	Others	56,913,061	70,612,147
		371,332,062	337,697,259

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

		March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
19	(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods Inventories at the end of the year Traded goods Work-in-progress Finished goods Inventories at the beginning of the year Traded goods Work-in-progress Finished goods Total Details of inventory Traded goods Cables Connector and patch cords UTP Info Outlets Others Work-in-progress Telecom products/connectors, accessories Finished goods Telecom products/connectors, accessories Test cords Fibre patch cords	15,096,796 973,836 15,543,250 31,613,882 15,359,682 651,936 19,448,036 35,459,654 3,845,772 10,186,785 1,008,860 2,956,731 944,420 15,096,796 973,836 973,836 15,499,214 - 44,036 15,543,250	15,359,682 651,936 19,448,036 35,459,654 20,465,086 1,552,982 14,575,824 36,593,892 1,134,238 5,651,811 3,022,800 3,534,729 3,150,342 15,359,682 651,936 651,936 18,633,444 10,787 803,805 19,448,036
		April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
20	Employee benefit expense Salaries, wages and bonus Contribution to provident and other funds Staff welfare expenses	32,978,471 1,401,100 677,429 35,057,000	30,403,116 1,262,794 663,383 32,329,293

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

		April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
21	Depreciation and amortization expense		
	Depreciation of tangible assets (Refer to Note 8)	2,606,341	3,418,958
	Amortization of intangible assets (Refer to Note 8)	-	-
		2,606,341	3,418,958
22	Other expenses		
	Power and fuel	529,157	586,812
	Repairs and maintenance		
	Plant and machinery	2,214,534	2,120,098
	Buildings	136,520	119,427
	Others	803,749	1,035,536
	Rent	7,112,130	6,851,922
	Rates and taxes	6,138,507	4,393,158
	Insurance	629,590	451,392
	Professional and consultancy charges	12,330,723	8,876,756
	Expenditure on Corporate Social Responsibility	500,000	750,000
	Remuneration to auditors (refer details below)	4,274,155	4,117,749
	Telephone and communication	1,018,318	1,130,369
	Advertisement and sales promotion	512,862	483,916
	Travelling and conveyance	1,964,047	2,929,579
	Commission on sales (other than sole selling agents)	28,468,920	34,140,179
	Foreign exchange fluctuation (net)	-	680,844
	Provision for doubtful advances	-	1,410,777
	Provision for doubtful debts	273,887	-
	Freight outwards (net of recovery)	8,540,624	7,132,867
	TEIS chargeback	3,453,333	3,825,462
	Director Sitting Fees	1,435,000	1,610,000
	Security Services	2,525,834	1,950,815
	Miscellaneous expenses	4,171,994	2,357,571
		87,033,884	86,955,229
	Remuneration to auditors		
	For Audit (including fees for limited reviews)	1,600,000	1,200,000
	For Taxation matters *	2,567,031	2,598,490
	Reimbursement of expenses	107,124	319,259
		4,274,155	4,117,749
	* Includes amount paid to affiliates of the audit firm		

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

23. Segment Information

Business Segments : The Company has organized its operations into two major businesses: Telecommunication and IT- Networking.

Geographical Segments : The Company's operations are predominantly carried out in India and hence geographical segment information is not separately furnished in this.

(a) PRIMARY SEGMENT INFORMATION (by Business Segment)

Particulars	April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
Segment Revenue		
a. Telecommunication	137,541,462	151,888,299
b. IT - Networking	485,697,958	430,037,302
Net sales / income from operations	623,239,420	581,925,601
Segment Result – Profit/(Loss)		
a. Telecommunication	4,991,333	9,587,763
b. IT - Networking	29,980,807	22,373,342
Total	34,972,140	31,961,105
a. Interest and rental income	28,276,422	26,479,698
b. Other un-allocable (expenditure) Net of un-allocable income	-	-
Total profit before tax	63,248,562	58,440,803
Provision for taxation	24,495,572	6,270,549
Profit after tax	38,752,990	52,170,254

Other information:

i. Depreciation

Particulars	April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
a. Telecommunication	781,902	1,025,688
b. IT - Networking	1,824,439	2,393,270
Total depreciation	2,606,341	3,418,958

ii. Segmental Assets

Particulars	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
a. Telecommunication	75,652,203	77,498,268
b. IT - Networking	194,884,327	172,402,042
c. Unallocable	322,496,081	294,203,863
Total assets	593,032,611	544,104,173

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**Other information:****iii. Segmental liabilities**

Particulars	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
a. Telecommunication	21,204,687	22,810,055
b. IT – Networking	108,797,620	86,527,292
c. Unallocable	19,887,498	30,377,010
Total liabilities	149,889,805	139,714,357

iv. Capital expenditure (excluding capital advances)

Particulars	April 1, 2016 to March 31, 2017 (Rs.)	April 1, 2015 to March 31, 2016 (Rs.)
a. Telecommunication	276,923	193,204
b. IT – Networking	646,155	450,809
Total capital expenditure	923,078	644,013

24. Related Party Disclosures**Names of related parties and related party relationship****Related parties where control exists**

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

Related Parties with whom transactions have taken place during the year

Fellow Subsidiaries	<p>CommScope Technologies Australia Pty Ltd (formerly ADC Communications (Australia) Pty Ltd.) (CommScope Australia)</p> <p>CommScope Connectivity Solutions LLC (CommScope USA)</p> <p>CommScope Technologies LLC</p> <p>CommScope Connectivity (Wuxi) Co, Ltd. (CommScope Wuxi)</p> <p>TE Connectivity Global Shared Services India Pvt Ltd. (TEGSS)</p> <p>TE Connectivity Corporation (TE Corporation)</p> <p>CommScope Connectivity LLC (CommScope LLC) (formerly ADC Telecommunications Inc.) (w.e.f.27th August 2015)</p> <p>TE Connectivity Solutions GmbH, Switzerland (TE Switzerland) (upto 27th August 2015)</p>
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	<p>Tyco Electronics Technology (Kunshan) Co. Ltd. (TE Technology) (upto 27th August 2015)</p> <p>TE Connectivity India Pvt. Ltd. (TE Connectivity) (upto 27th August 2015)</p> <p>Tyco EL Malaysia Selang (TE Malaysia) (upto 27th August 2015)</p> <p>Tyco Electronics Singapore (TE Singapore) (upto 27th August 2015)</p>
Key Management Personnel	<p>Mr. Mylaraiah J.N, Managing Director (on deputation from TE Connectivity Global Shared Services India Pvt. Ltd.)</p>

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

Transactions with related parties								(Amount in Rs.)	
Company	Purchase of goods	Sale of goods	TEIS (IT Charges)	Reimbursement (LC Fees)	Commission expense	Managerial remuneration	Amounts receivable	Amounts payable	
	For the year ended March 31, 2017							As at March 31, 2017	
CommScope Technologies LLC	9,479,218 (-)	- (-)	- (-)	825,939 (-)	- (-)	- (-)	- (-)	7,109,826 (-)	
CommScope Australia	- (65,094)	826,458 (583,771)	- (-)	- (-)	- (-)	- (-)	- (100,774)	- (-)	
CommScope USA	15,014,427 (30,827,719)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (5,496,387)	
TE Corporation	- (-)	- (-)	- (3,825,462)	- (-)	- (-)	- (-)	- (-)	- (-)	
TEGSS	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3,003,975 (-)	- (9,406,383)	
CommScope Wuxi	72,027 (50,636)	3,538,297 (3,148,812)	- (-)	- (-)	- (-)	- (-)	146,970 (1,636,831)	- (-)	
CommScope LLC	- (1,903,337)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
TE Switzerland	- (4,459,037)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
TE Technology	- (315,091)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
TE Connectivity	- (18,547,451)	- (52,980,807)	- (-)	- (-)	- (2,787,520)	- (-)	- (-)	- (-)	
TE Malaysia	- (-)	- (590,619)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
TE Singapore	- (-)	- (43,056)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Mr. Mylaraiah	- (-)	- (-)	- (-)	- (-)	- (-)	6,546,493 (7,283,031)	- (-)	- (-)	

- Figures in brackets represent amounts for previous year ended March 31, 2016.
- No amounts in respect of related parties have been written off / back or provided for during the year.
- Related party relationships have been identified by the Management and relied upon by the auditors.

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

25. Leases

The Company has entered into non-cancellable operating leases for office premises that are renewable on a periodic basis. Lease rental expense (net of reimbursements) debited to Statement of profit and loss for the year is Rs. 7,112,130 (March 31, 2016: Rs.6,851,922). The future minimum lease payments under non-cancellable operating leases are as follows

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Not later than one year	5,066,992	2,641,086
Later than one year but not later than five years	1,282,010	-
Later than five years	-	-

The Company has given on lease certain assets under cancellable operating leases that are renewable on a periodic basis. Lease rental Income credited to Statement of profit and loss for the year is Rs.12,676,893 (March 31, 2016: Rs. 10,261,917)

26. Contingent Liabilities

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Central sales tax demands contested by the Company	49,679,182	49,540,849
Income Tax demands contested by the Company	65,648,445	77,073,825
Customs duty, excise duty & service tax demand contested by the Company	-	-
Total	115,327,627	126,614,674

27. Earnings in foreign currency (accrual basis)

(Amount in Rs.)

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Exports at F.O.B. Value	2,665,432	16,422,099
Total	2,665,432	16,422,099

28. Expenditure in foreign currency (accrual basis)

(Amount in Rs.)

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
TE Information System Charge back	3,453,333	3,825,462
LC Fees Charge back	825,939	-
Total	4,279,272	3,825,462

29. Value of imports calculated on CIF basis

(Amount in Rs.)

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Raw materials, components, consumables and packing materials	19,057,942	31,254,460
Traded Goods	25,173,924	46,636,340
Total	44,231,866	77,890,800

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**30. Net dividend remitted in foreign exchange****(Amount in Rs.)**

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Period to which it relates	April 2015 to March 2016	April 2014 to March 2015
Number of non-resident shareholders	3	3
Number of equity shares held on which dividend was due	3,104,360	3,104,360
Amount remitted (Rs.)	7,760,900	93,130,800

31. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (Amount in Rs.)

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
Principal amount due to micro and small enterprises:	2,116,451	1,378,912
Interest due on above:	16,778	11,899
	2,133,229	1,390,811
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	78,934	229,017
The amount of interest accrued and remaining unpaid at the end of each accounting year.	342,931	247,219
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

32. Imported and Indigenous raw materials, components, and packing materials consumed (including cost of services)

Particulars	% of total consumption		Value (in Rs.)	
	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Imported	7	37	5,934,763	32,778,862
Indigenously obtained	93	63	83,735,702	56,877,718
	100	100	89,670,465	89,656,580

33. Employee benefit plans**Defined Contribution Plans**

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 879,774 (Year ended 31 March, 2016: Rs. 823,533) for Provident Fund contributions, Rs. 206,474 Period ended 31 March, 2016: Rs. 415,496) for Superannuation Fund contributions and Rs. Nil

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

(Period ended 31, March, 2016: Rs. Nil) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

Gratuity benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarises the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognised in the balance sheet.

Statement of profit and loss

Net employee benefit expense (recognised in Employee Benefit expenses)

(Amount in Rs.)

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Current service cost	180,222	189,985
Interest cost	471,641	431,473
Expected return on plan assets	(418,186)	(373,913)
Net actuarial (gain) / loss recognised	81,175	(223,780)
Past service cost	-	-
Net benefit expense	314,852	23,765

Balance Sheet

Benefit asset / liability

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Present value of defined benefit obligation	(6,490,362)	(5,725,579)
Fair value of plan assets	5,862,429	5,310,400
Plan asset / (liability)	(627,933)	(415,179)

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs.)

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Opening defined benefit obligation	5,725,579	5,284,385
Interest cost	471,641	431,473
Current service cost	180,222	189,985
Past service cost	-	-
Benefits paid	-	(28,210)
Actuarial (gains) / losses on obligation	112,920	(152,054)
Closing defined benefit obligation	6,490,362	5,725,579

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

Changes in the fair value of plan assets are as follows:

(Amount in Rs.)

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Opening fair value of plan assets	5,310,400	4,754,872
Expected return	418,186	373,913
Contributions by employer	102,098	138,099
Benefits paid	-	(28,210)
Actuarial gains / (losses)	31,745	71,726
Closing fair value of plan assets	5,862,429	5,310,400

The Company expects to contribute Rs.100,000 (previous year Rs.Nil) in the next fiscal year. The total assets are insurer-managed funds.

The principal assumptions used in determining gratuity obligations for the Company's plans:

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Discount rate	7.65%	8.10%
Expected rate of return on assets	7.50%	8.00%
Salary escalation rate	9.00%	9.00%
Retirement age	58	58

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Mortality rates are published under the Indian Assured Lives Mortality (2006-08) Ult table.

Amounts for the current and previous four periods are as follows:

(Amount in Rs.)

Description	Twelve months ended March 31, 2017	Twelve months ended March 31, 2016	Twelve months ended March 31, 2015	Twelve months ended March 31, 2014	Twelve months ended March 31, 2013
Defined benefit obligation	6,490,362	5,725,579	5,284,385	3,459,073	3,549,266
Plan assets	5,862,429	5,310,400	4,754,872	3,978,469	4,057,709
Surplus / (deficit)	(627,933)	(415,179)	(529,513)	519,396	508,443
Experience adjustment on Plan Liabilities	(150,762)	(95,420)	1,402,521	245,883	915,387
Experience adjustment on Plan Assets	31,745	71,726	59,871	(24,690)	314,298

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

Composition of the plan assets as made available by LIC, the fund manager: (Amount in Rs.)

Category of Investments	March 31, 2017	March 31, 2016
Central Government Securities	1,172,486	1,062,080
State Government Securities	-	-
Other approved securities (Government guaranteed securities)	1,172,486	1,062,080
Debentures and bonds	3,517,457	3,186,240
Equity Shares	-	-
Fixed Deposits	-	-
CBLO (Money market instruments)	-	-
Total	5,862,429	5,310,400

Other long term benefits- unfunded

Compensated absences

Particulars	Liability as on March 31, 2017	Liability as on March 31, 2016
Current	357,156	213,770
Non Current	2,664,059	1,956,626
Total	3,021,215	2,170,396

Principal actuarial assumptions used:

Particulars	March 31, 2017	March 31, 2016
Discount Rate	7.65%	8.10%
Expected Return on plan assets	NA	NA
Salary Escalation Rate	9%	9%
Attrition rate	2 - 5%	2 - 5%
Retirement age	58	58
Mortality	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate

34. Unhedged Foreign Exchange Exposure

Particulars of unhedged foreign currency exposure as at the balance sheet date

Particulars	Currency	March 31, 2017		March 31, 2016	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Amounts Payable	USD	145,880	9,610,551	126,443	8,510,860
	EURO	4,420	310,770	11,355	864,922
Bank Account –EEFC A/c	USD	1,497	95,271	5,108	331,979
Amounts Receivable	USD	3,108	197,731	25,585	1,662,737

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**35. Disclosures under Accounting Standard 7 “Construction Contracts”****(Amount in Rs.)**

Details of contract revenue and costs	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Aggregate of contract costs incurred and recognized profits (less recognized losses) upto the reporting date	1,350,887	1,350,887
Advances received for contracts in progress	-	-
Retention money for contracts in progress	286,038	286,038
Gross amount due from customers for contract work (asset)	5,571,100	7,422,994
Gross amount due to customers for contract work (liability)	-	-
Contract revenue recognised during the year	-	1,728,301

36. Earnings per share

Particulars		March 31, 2017	March 31, 2016
Profit after tax as per Statement of Profit and Loss (Rs.)	(A)	38,752,990	52,170,254
Weighted average number of equity shares outstanding (Basic and diluted)	(B)	4,600,000	4,600,000
Nominal value of shares (Rs.)		10	10
Earnings per share (Basic and diluted) (Rs.)	(A/B)	8.42	11.34

37. Previous period comparatives

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

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