

2011

Annual Report
ADC India Communications Ltd.

Building Reliable Connections



ADC is now TE Connectivity

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BOARD OF DIRECTORS

Mr. Sanjay Handu	Managing Director
Mr. S.Viswanath	Director
Mr. Tony Gatt	Director
Mr. Bodapati Bhaskar	Independent Director (upto November 3, 2011)
Mr. C.P. Rangachar	Independent Director
Ms. Revathy Ashok	Independent Director

Financial Controller & Company Secretary
Mr. R. Ganesh

Registered Office and Factory
10(C), II Phase, Peenya
Bangalore - 560 058

Auditors
S. R. Batliboi & Associates
Chartered Accountants

Bankers
Canara Bank
Citi Bank

Registrar & Share Transfer Agents
M/s. Karvy Computershare Private Limited
'Karvy House', 46 Avenue 4, Street No. 1
Banjara Hills, Hyderabad - 500 034
Tel: 040-23312454/23320251
Fax: 040-23311968
E-mail: mailmanager@karvy.com

NOTICE TO MEMBERS

Notice is hereby given that the 23rd Annual General Meeting of ADC India Communications Limited will be held on Friday, February 10, 2012 at 10.30 am at Hotel Atria, No.1, Palace Road, Bangalore 560001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended September 30, 2011, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. C.P. Rangachar, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To Appoint Auditors and fix their remuneration.
The retiring auditors, M/s. S.R. Batliboi & Associates, Chartered Accountants, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII to the said Act, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. Sanjay Handu, as Managing Director of the Company for a period of five years with effect from April 1, 2011 on a remuneration of Rs. 80,000 per annum and upon such terms and conditions as set out in the agreement dated April 21, 2011 signed between the Company and Mr. Sanjay Handu, which agreement is hereby specifically sanctioned with powers to the Board of Directors (including any Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto that the Central Government may make from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of the Board) be and is hereby

authorized to take such steps as may be necessary and desirable to give effect to this resolution."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED that Mr. S. Viswanath, who was appointed as an Additional Director and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED that Mr. Tony Gatt, who was appointed as an Additional Director and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED that Ms. Revathy Ashok, who was appointed as an Additional Director and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

By Order of the Board

R. Ganesh

Financial Controller & Company Secretary

Place: Bangalore

Date: November 03, 2011

NOTE:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from January 31, 2012 to February 10, 2012 (both days inclusive).

4. Dividend if declared, will be paid on or before the specified time limit to those Members whose name appear in the Register of Members of the Company as at the end of business hours on January 30, 2012. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership as per the details furnished by NSDL and CDSL for this purpose.
5. Since SEBI has made it mandatory for distributing dividends through Electronic Clearing Services (ECS), the Company will use the bank account details furnished by the Depositories for distributing the dividends to the shareholders holding shares in the electronic form. Members are requested to notify any change in their Bank account details to their Depository Participant immediately.
6. Members are requested to notify immediately any change in their registered address and the bank mandate details to the Company's Share Transfer Agent (for shares held in physical form) and to Depository Participants (for shares held in electronic form).
7. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company is required to be transferred to "Investor Education and Protection Fund" (IEPF) established by the Central Government. No claims can be made against the Company for the amounts of dividend so transferred to the said Fund. Pursuant to these provisions the unclaimed amount of dividend declared for the year 2003 and the interim dividend declared for the year 2004 have been transferred to Investor Education and Protection Fund. Final Dividend declared by the Company for the year 2004 and the dividend declared for the years thereafter and unclaimed is still lying in the respective unpaid dividend account of the Company. Shareholders, who have not yet encashed their dividend, may make their claim to the Company's Registrar & Share Transfer Agent, without any delay.
8. Re-appointment of Director
At the ensuing Annual General Meeting, Mr. C.P. Rangachar retires by rotation and being eligible, offers himself for reappointment. Mr. C.P. Rangachar is an accomplished manufacturing expert. A BITS Pilani Engineer, he has over 10 years engaged in plastics business with trainings in Europe, US & Japan executing

several transfers of technologies, before he promoted Yuken India which is a publicly listed Indo-Japanese JV in the field of hydraulics. He has also served as the Chairman of the Regional CII council and is a very active member in the Indian Machine Tool industry, besides serving on the Governing Council of CMTI.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No.5

Mr. Sanjay Handu was appointed as an Additional Director with effect from March 29, 2011 and as the Managing Director of the Company with effect from April 1, 2011 for a period of five years on a remuneration of Rs. 80,000 per annum in the Board Meeting held on March 29, 2011. A notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose the appointment of Mr. Sanjay Handu as a Director of the Company.

The terms and conditions as stated in this Notice and Explanatory Statement may be treated as an abstract of the terms of appointment and payment of remuneration to Mr. Sanjay Handu as required to be circulated under Section 302 of the Companies Act, 1956.

Mr. Sanjay Handu serves as the global Director of the Internal Purchasing offices at Tyco Electronics. He holds a bachelors degree in engineering and additional diplomas in business administration, finance management and international trade. He has also held leadership and office bearer positions in several industrial associations like CII, MAIT and ELCINA. He has worked for large MNC and Indian Organizations in various positions for over 25 years.

The Board of Directors recommends the resolution for approval of the shareholders.

None of the Directors except Mr. Sanjay Handu is concerned or interested in the resolution.

Item No. 6

Mr. S. Viswanath was appointed as an Additional Director in the Board Meeting held on March 29, 2011 and vacates his office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company. A notice under Section 257 of the said Act has been received from a Member signifying his intention to propose the appointment of Mr. Viswanath as a Director of the Company.

Mr. Viswanath is the financial controller of Tyco Electronics India and Middle East Region. He holds a bachelors degree in Physics and is a Cost Accountant by profession and has been with TE for the past 15 years. He has worked with ICI's Pharma/ Agro division, Voltas, Arvind Mills and AMP before joining TE group.

Your Directors recommend his appointment as a Member of the Board of Directors in the interest of the Company.

None of the Directors except Mr. S. Viswanath is concerned or interested in this resolution.

Item No. 7

Mr. Tony Gatt was appointed as an Additional Director in the Board Meeting held on March 29, 2011 and vacates his office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company. A notice under Section 257 of the said Act has been received from a Member signifying his intention to propose the appointment of Mr. Tony Gatt as a Director of the Company.

Mr. Tony Gatt serves as Vice President, energy division part of the network solutions segment of TE. Mr. Tony Gatt is an MBA from the Internal Management Centre, Buckingham, UK. Mr. Tony Gatt joined TE in 1987. Before joining TE he has worked with STC Components, UK and British Aerospace.

Your Directors recommend his appointment as a Member of the Board of Directors in the interest of the Company.

None of the Directors except Mr. Tony Gatt is concerned or interested in this resolution.

Item No. 8

Ms. Revathy Ashok was appointed as an Additional Director in the Board Meeting held on August 5, 2011 and vacates her office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company. A notice under Section 257 of the said Act has been received from a Member signifying her intention to propose the appointment of Ms. Revathy Ashok as a Director of the Company.

Ms. Revathy Ashok is a gold medalist from the Indian Institute of management, Bangalore. She has a successful leadership experience of over three decades spanning variety of industries – Private Equity, Software & IT enabled services, Manufacturing, Infrastructure & Real estate etc in Senior Management positions handling wide variety of portfolios, namely Capital Raising, Business Development, Finance, Commercial and other strategic general management functions. She has worked in Tishman Speyer India, Syntel, Tyco Electronics (erstwhile AMP). Ms. Revathy Ashok is a speaker at several industrial forums including guest lectures at the Indian Institute of Management and other colleges.

Your Directors recommend her appointment as a Member of the Board of Directors in the interest of the Company.

None of the Directors except Ms. Revathy Ashok is concerned or interested in this resolution.

By Order of the Board

R. Ganesh

Financial Controller & Company Secretary

Place: Bangalore

Date: November 03, 2011

DIRECTORS' REPORT

To the Members,

The Board of Directors of your Company has pleasure in presenting the 23rd Annual Report on the business and operations, including the financial statements for the year-ended September 30, 2011.

Financial Results

(Rs. in lakhs)

	For the Year ended 30th September 2011	For the Year ended 30th September 2010
Gross Revenue (including Excise Duty)	7351.75	7903.36
Profit before depreciation	540.19	487.11
Less: Depreciation	118.98	160.18
Net Profit for the year before Taxation	421.21	326.93
Provision for Taxation	137.46	114.65
Profit after tax	283.75	212.28
Add: Profit brought forward from previous year	4127.84	4006.64
Profit available for Appropriation	4411.59	4218.92
Appropriations		
Dividend Proposed	69.00	69.00
Tax on Dividends	11.19	11.46
Transfer to General Reserve	14.19	10.61
Profit retained in Profit & Loss Account	4317.21	4127.85

During the year under review Tyco Electronics Ltd (now renamed as TE Connectivity Ltd) completed the acquisition of ADC Group globally.

Keeping in view the requirements of business and for realigning the operations of the Company the Marketing and Sales personnel were transferred to Tyco Electronics Corp (I) Pvt. Ltd. (TECIL) with effect from May 1, 2011. The Company also signed an Agency Contract with TECIL on August 8, 2011. Due to the benefits derived from realignment of the Company's operations and other cost reduction initiatives during the year, the Company was able to post a higher profit after tax in comparison to the previous year.

Dividend

Your Directors recommend a dividend of 15% (Rs.1.50 per equity share of Rs. 10/-) for the year ended September

2011 subject to the approval by the shareholders at the forthcoming Annual General Meeting.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act 1956, your Directors confirm that:

- in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Strategy & Operations

The past year was an extremely volatile one with several events that impacted the company. (i) the prolonged discussions and delay in the 3G and 2G license auctions, substantially delayed project implementations and affected our Carrier segment; (ii) copper prices escalated and swung considerably thereby affecting several long term large contracts that were already in force (iii) the global acquisition of ADC by TE Connectivity.

Looking ahead the now concluded 3G and BWA auctions will set the stage for aggressive project deployments by Telecom winners. The company is well set to ride that wave with a wide range of technology products and solutions. Specifically Fibre will be the area of prime focus and this will also accelerate based on the FTTX developments that are gathering momentum.

The Enterprise market space is expected to stay vibrant and present several opportunities for growth. Challenges of raw material price increase and competition from low end market players will need to be countered. With a view to better reach and service the market, the company revamped its GTM strategy and signed on some new dealers specifically to grow the Enterprise market segment.

To better manage the negative impact of commodity fluctuations the company has revamped its procurement, inventory and sales strategy such as to minimize future bottom-line impacts.

On the Operations front the company launched a series of aggressive initiatives all focused on driving up the productivity, quality and service levels. These initiatives were launched in the middle of the year and are already showing progress. This new thrust will help meet growing customer needs.

Directors

Mr. C.P. Rangachar retires by rotation and being eligible offers himself for re-appointment.

Mr. K. Balachandran ceased to be the Chairman and Managing Director of the Company with effect from March 31, 2011. Your Directors place on record their sincere appreciation for his long association with the Company and for the contributions made by him during his tenure with the Company.

Mr. Arun Thiagarajan & Mr. Bhaskar Bodapati ceased to be Directors with effect from August 7, 2011 and November 4, 2011 respectively. Your Directors place on record their appreciation for the contributions and valuable guidance given by them during their association with the Company.

We are glad to invite Mr. Sanjay Handu and Mr. S.Viswanath to the Board, who became an Additional Directors with effect from March 29, 2011. Mr. Sanjay Handu also became the Managing Director of the Company with effect from April 1, 2011. We are also glad to invite Mr. Tony Gatt and Ms. Revathy Ashok who became an Additional Directors with effect from April 1, 2011 and August 5, 2011 respectively.

Corporate Governance

As required under clause 49 of the Listing Agreement, a report on Corporate Governance and Auditor's Certificate confirming compliance thereof are made a part of this Annual Report.

Particulars of Employees

During the year under review, none of the Company's employees have received remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Auditors

The Auditors - M/s. S.R. Batliboi & Associates retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment.

Acknowledgements

The Directors thank the Company's customers, vendors, bankers, shareholders, channel partners and distributors for their continued support and co-operation during the year. The Directors also place on record their sincere thanks to ADC and TE for the support given to the Company during the year.

The Directors place on record their appreciation for the contribution made by the employees at all level and for their continued commitment and support during another challenging year.

For and on behalf of the Board of Directors

Sanjay Handu
Managing Director

Place: Bangalore

Date: November 03, 2011

ANNEXURE TO DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998:

A. Conservation of Energy

Towards Energy Conservation, the Company has taken various measures like Optimizing usage of Natural ventilations, use of CFL lamps, plugging air leakages in Pneumatic line and improved operational and maintenance practices. With focused approach on Environment, the Company has during the year implemented ISO 14001 (EMS- Environmental Management Systems).

B. Technology

The Company continued its efforts to introduce Fibre Connectivity and Data Connectivity products into

the Indian market. Another focus during the year was to carry out Product modifications to suit the requirements of the local markets.

1. Research & Development

Development of custom built assemblies were continued to give connectivity solutions. During the year Indoor Fibre Distribution Products were developed.

2. Foreign exchange earnings and outflow on cash basis:

(i) Foreign Exchange Earnings	-	Rs. 46,333,813/-
(ii) Foreign Exchange outflow	-	Rs. 24,501,796/-

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Carrier:

The wire-line segment remained dormant showing no appreciable growth. There was no major boost in the telecom business due to uncertainty in the government telecom policies. There were no new large connectivity contracts during the year. The price war and price pressures continue in the market. The Service Providers were more focused on OPEX than CAPEX. The Company intends to continue on maintaining the coverage in the commodity market. The Company will also focus in developing new localized and customized FTTH products. The Wire-line (Fibre / Copper) will be a key business driver.

Enterprise:

The Enterprise network market continued to boom in India. New government infrastructure and development projects combined with expansion in both domestic and international IT. ITes and SDC industries gave raise to huge growth opportunities in the networking industry. While this presented enough opportunity for the Company (ADC India) to expand its business, the beginning of the year also saw TE Connectivity's (TE) global acquisition of ADC become a reality. Both TE and ADC India teams worked together to arrive at common business strategies to address business. Even as this progressed ADC continued to position itself to a winning advantage. Unfortunately price pressure remained an area of concern with customers increasingly benchmarking prices with the open market. The Enterprise segment fared remarkably well with our introduction of new and differentiated product offerings especially where fibre is concerned. This was in response to the latest standards as well as customer requirements. The Company was able to further leverage these product strengths with our focus on the Government.

After hitting a plateau for a few months, copper prices rose steeply once again, it was therefore a big challenge to maintain copper cable prices in a market showing strong inertia to price increases.

REVIEW OF OPERATING PERFORMANCE

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956 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 judgements used in preparing the financial statements.

Some of the key performance indicators are given below:

Rs. in Lakhs

Particulars	2011	2010
Gross Revenue	7351.75	7903.36
Profit before Depreciation and Tax	540.19	487.11
Depreciation	118.98	160.18
Profit before Tax	421.21	326.93
Ratio of Profit before Tax to Revenue in percentage	5.73	4.14
Profit after Tax	283.74	212.28
Total Assets	6729.16	6311.93
Earnings per share	6.17	4.61
Inventory Turnover ratio	7.13 times	7.44 times
Debtors turnover ratio	3.64 times	3.65 times

During the year 2011, 70% of the Company's total sales came from Enterprise segment and 30% from Carrier segment. The Company's operations were realigned during the year. Due to the benefits derived from this realignment and other cost reduction initiatives the Company was able to post a higher profit after tax in comparison to the previous year.

OPPORTUNITIES AND THREATS

Carrier

The Company expects to capture leadership position in upper and middle segment of the market with strategic alliance with service partners for positioning end-to-end system / solution in major infrastructure projects. With an eye on the large untapped areas especially Fibre, FTTH, Wireless etc., the Company also intends to build up technical competency for next generation passive network among the installers. Major geographic coverage and development of Partners brand visibility, with new products and technology are some of the key areas the Company is striving to focus on. Low cost manufacturer's dominance on commodity and high volume requirement, changing business models of

customers, demand vs. resources are some of the challenges being faced in the Carrier market.

Enterprise

PACE (Program for Architects, Consultants and Engineers) developed earlier could be used to our advantage as winning strategy applied as an ongoing activity can be expected to pay better dividends in the near future.

As a result of TE/ADC merger the Company has now developed new distribution alliances that would be result in stronger channel business.

RISKS AND CONCERNS

Carrier

The narrowing of price gap between active and passive solution is building pressure on justifying the passive per home cost. Also, competition from low-cost vendors and the counterfeit products is a risk and concern.

Enterprise:

Maintaining margins and managing long term contracts with high variation in copper price is a challenge in Enterprise market.

TECHNOLOGY

The Company primarily makes and sells products developed out of technology owned by companies affiliated to it. The global acquisition of ADC by TE has strengthened the access to product pipeline. This is expected to complement the Company's India business.

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.

During the year M/s. Gnanoba & Bhat, Chartered Accountants were appointed as the Internal Auditors of the Company. The Internal Auditors 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

Lean initiatives implemented in the Company have resulted in freeing 15% of the floor space which could be utilized for future expansion. Continuing with the cost reduction exercises during the year, alternate source of supply have been identified/developed. Multitasking of manufacturing team resulted in implementation of more number of Kaizens/Suggestions. Close interaction between the Sales and the Production team have helped to improve Delivery lead-times. During the year the Company adopted TEOA (Tyco Electronics Operating Advantage) metrics which indicates the plant performance for Improvements.

HUMAN RESOURCES

The total number of permanent employees of the Company as at September 30, 2011 was 94. The Company firmly believes that human resource plays a significant and vital role in the growth of an organization and towards this the Company regularly organizes training for its employees to update their knowledge and skills. Occupational Health & Safety is considered as of prime importance and various employee awareness programs were conducted during the year.

INFORMATION TECHNOLOGY

During the year Integration between TE & ADC Networks were carried out. IT Policies of the Parent Company was also adopted. Data interfaces were developed to provide inputs for the Data warehouse to monitor various Key Performance Indicators.

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 Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited.

2. BOARD OF DIRECTORS

The current Board of Directors consists of six Directors including the Managing Director and three Independent Directors.

Five Board Meetings were held during the period October 2010 to September 2011: November 17, 2010, February 11, 2011, March 29, 2011, May 06, 2011, August 05, 2011.

The details of the Directors on the Board of your Company for the year 2011 are given below:

Name	Category	Month & Year of Appointment	Designation	No. of meetings held during the last year	No. of meeting attended	Number of memberships in Board of other companies	Membership of Board Committees	Chairman of Board Committees	Whether attended last AGM
Sanjay Handu ¹	Nominee Director	March 2011	Managing Director	5	3	NIL	NIL	NIL	No
K. Bala Chandran ²	Managing Director	June 2000	Chairman & Managing Director	5	3	NIL	NIL	NIL	Yes
S.Viswanath ¹	Nominee Director	March 2011	Director	5	3	NIL	NIL	NIL	Yes
Tony Gatt ³	Nominee Director	March 2011	Director	5	0	NIL	NIL	NIL	No
Patrick D O'Brien ⁴	Nominee Director	August 2007	Director	5	0	NIL	NIL	NIL	No
James G Mathews ⁴	Nominee Director	August 2007	Director	5	0	NIL	NIL	NIL	No
Arun Thiagarajan ⁵	Independent Director	October 2003	Director	5	5	9	9	1	Yes
Bodapati Bhaskar	Independent Director	December 2008	Director	5	2	NIL	NIL	NIL	Yes
C.P. Rangachar	Independent Director	January 2010	Director	5	5	2	3	NIL	Yes
Revathy Ashok ⁶	Independent Director	August 2011	Director	5	1	1	NIL	NIL	No

1. Appointed as a Director wef March 29, 2011. 2. Ceased to be a Director wef April 1, 2011. 3. Appointed as a Director wef April 1, 2011. 4. Ceased to be a Director wef March 29, 2011. 5. Ceased to be a Director wef August 7, 2011. 6. Appointed as a Director wef August 5, 2011.

3. AUDIT COMMITTEE

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 statements are fairly stated.

- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing the internal audit system and scope of internal audit.

The Audit committee consists of the following Directors:

Mr. Bodapati Bhaskar : Chairman
 Mr. Arun Thiagarajan : Member (Up to August 7, 2011)
 Mr. C.P. Rangachar : Member
 Mr. James Mathews : Member (up to March 29, 2011)
 Mr. S. Viswanath : Member (from March 29, 2011)

During the year 2011 five audit committee meetings were held:

Mr. Arun Thiagarajan & Mr. C.P. Rangachar attended all the meetings. Mr. Bodapati Bhaskar attended two meetings Mr. James D Mathews could not attend any meeting and Mr. Viswanath attended three meetings. The requirements on periodicity and time gap between two meetings were in accordance with the requirements of clause 49 of the listing agreement.

Mr. R. Ganesh, Company Secretary acts as the Secretary to the Committee

4. COMPENSATION COMMITTEE

The committee reviews and decides the overall remuneration of the Managing Director.

The Compensation Committee consists of the following Directors:

Mr. S.Viswanath : Chairman
 Mr. Arun Thiagarajan : Member (up to August 7, 2011)
 Mr. Bodapati Bhaskar : Member
 Mr. C.P. Rangachar : Member

During the year 2011 one Compensation Committee meeting was held. Mr. Arun Thiagarajan, Mr. Bodapati Bhaskar and Mr. C.P. Rangachar attended this meeting.

Remuneration of whole-time Director:

Name : Mr. K. Bala Chandran
 Designation : Chairman & Managing Director
 Salary : Rs. 1,058,000

Remuneration of Non-whole-time Directors for the year ended 30th September 2011

Mr. Arun Thiagarajan : Rs. 136,644
 Mr. Bodapati Bhaskar : Rs. 161,408
 Mr. C.P. Rangachar : Rs. 161,408
 Ms. Revathy Ashok : Rs. 24,765
 Mr. Sanjay Handu : Rs. 40,000

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The committee monitors and redresses Shareholders and Investors complaints.

The Shareholders / Investors Grievance Committee consists of the following Directors:

Mr. C.P. Rangachar : Chairman
 Mr. Bodapati Bhaskar : Member
 Mr. Sanjay Handu : Member
 Mr. S.Viswanath : Member

During the year, four Shareholders/Investors Grievance Committee meetings were held. Mr. C.P. Rangachar attended all the four meetings. Mr. Bodapati Bhaskar attended one meeting. Mr. Sanjay Handu and Mr. S. Viswanath attended two meetings.

COMPLIANCE OFFICER

Name and designation of compliance officer is Mr. R. Ganesh, Company Secretary.

Details of number of Shareholders complaints received, number not solved and number of pending share transfers is provided in the Shareholder information section of this report.

6. GENERAL BODY MEETINGS

Location and time of the last three Annual General Meetings;

Year	Date	Venue	Time
2008	February 26, 2009	Hotel Atria, No.1, Palace Road, Bangalore	10.30 am
2009	January 22, 2010	Hotel Atria, No.1, Palace Road, Bangalore	10.30 am
2010	February 11, 2011	Hotel Atria, No.1, Palace Road, Bangalore	10.30 am

7. DISCLOSURES

- i. Related party transactions are disclosed in the Notes to the Financial Statements.
- ii. There are no materially significant transactions with the related parties' viz. Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large.
- iii. There are no pecuniary relationships or transactions with Non-Executive Directors of the Company except the remuneration paid to them for services rendered as Directors of the Company.
- iv. No penalties or strictures have been imposed on the Company by Stock Exchange or Securities &

Exchange Board of India or any statutory authority on any matter relating to capital markets.

8. MEANS OF COMMUNICATION

The quarterly results are generally published in Business Standard and Sanjevani. Quarterly and Annual financial results are posted on the website www.adc.com/in/en/

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

9. GENERAL SHAREHOLDER INFORMATION

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

AUDITORS' CERTIFICATE

To
The Members of ADC India Communications Limited

We have examined the compliance of conditions of corporate governance by ADC India Communications Limited, for the year ended on September 30, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify

that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 S. R. Batliboi & Associates
Firm Registration No: 101049W
Chartered Accountants

per Adarsh Ranka
Partner
Membership No.: 209567

Place: Bangalore
Date: November 03, 2011

CODE OF CONDUCT

DECLARATION

It is hereby declared that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the Directors and senior management of the Company in respect of the financial year ended September 30, 2011.

Place: Bangalore
Date: November 03, 2011

Sanjay Handu
Managing Director

AUDITORS' REPORT

To

The Members of ADC India Communications Limited

1. We have audited the attached Balance Sheet of ADC India Communications Limited as at September 30, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors, as on September 30, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on September 30, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at September 30, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Firm Registration No: 101049W
Chartered Accountants

per Adarsh Ranka
Partner
Membership No.: 209567

Place: Bangalore
Date: November 03, 2011

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report of even date

Re: ADC India Communications Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not commented upon.
- (b) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the

Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

- (v) In our opinion and according to the information and explanation given to us, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were

ANNEXURE TO AUDITORS' REPORT (CONTINUED)

outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which it relates	Forum where the dispute is pending
Karnataka Sales Tax Act, 1957	Sales Tax	11,223,615	1994-95 to 2001-02	Sales Tax Appellate Authorities
Central Excise Act, 1944	Excise Duty	180,269 (Paid under protest Rs.180,269)	2006-07 2007-08	Customs, Excise and Service Tax Appellate Tribunal

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The company did not have any debentures outstanding during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Associates
Firm Registration No: 101049W
Chartered Accountants

per Adarsh Ranka
Partner
Membership No.: 209567

Place: Bangalore
Date: November 03, 2011

BALANCE SHEET AS AT 30 SEPTEMBER 2011

	SCHEDULES	30 September 2011 (Rs.)	30 September 2010 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	46,000,000	46,000,000
Reserves and surplus	2	484,373,763	464,018,513
LOAN FUNDS			
Secured loans	3	-	4,681,782
TOTAL		530,373,763	514,700,295
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	4	213,589,937	223,489,185
Less: Accumulated depreciation & amortization		(147,269,263)	(143,863,868)
Net block		66,320,674	79,625,317
Capital work in progress (including Capital advances)		-	45,927
		66,320,674	79,671,244
DEFERRED TAX ASSET (NET)	5	3,365,996	761,751
CURRENT ASSETS, LOANS AND ADVANCES			
Interest accrued on bank deposits		6,334,238	1,506,495
Inventories	6	92,868,410	67,287,148
Sundry debtors	7	185,192,025	191,811,811
Cash and bank balances	8	302,921,756	267,239,731
Loans and advances	9	15,913,141	22,914,494
Total Current Assets (A)		603,229,570	550,759,679
Less: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	10	132,512,194	106,956,048
Provisions	11	10,030,283	9,536,331
Total Current Liabilities and Provisions (B)		142,542,477	116,492,379
Net Current Assets (A-B)		460,687,093	434,267,300
TOTAL		530,373,763	514,700,295
NOTES TO ACCOUNTS	17		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date.

For S.R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

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

Per Adarsh Ranka
Partner
Membership No.: 209567

R. Ganesh
Financial Controller
and Company Secretary

Sanjay Handu
Managing Director

S. Viswanath
C.P. Rangachar
Revathy Ashok
Directors

Place : Bangalore
Date : November 03, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2011

	SCHEDULES	Year Ended 30 September 2011 (Rs.)	Year Ended 30 September 2010 (Rs.)
INCOME			
Sales of product (gross)		712,033,317	772,674,954
Less: Sales Tax		8,848,136	12,820,487
Less: VAT		10,837,997	8,292,513
Less: Excise duty		20,329,775	21,501,145
Sales of product (net)		672,017,409	730,060,809
Sales of services [(net of Service tax Rs. 24,869 (previous year Rs.49,800)]		13,246,808	5,458,913
Other income	12	29,581,584	33,314,639
TOTAL		714,845,801	768,834,361
EXPENDITURE			
Cost of sales	13	518,748,714	521,050,453
Personnel expenses	14	64,952,257	88,984,309
Manufacturing, marketing and other expenses	15	74,601,780	106,023,250
Depreciation & amortisation		11,898,343	16,018,334
Financial expenses	16	2,523,862	4,064,817
TOTAL EXPENDITURE		672,724,956	736,141,163
Profit Before Tax		42,120,845	32,693,198
Less : Provision for Tax			
- Current tax		16,350,490	12,586,100
- Deferred tax charge/ (credit)		(2,604,248)	(929,200)
- Fringe benefit tax		-	(192,052)
Total Tax Expense		13,746,242	11,464,848
Profit After Tax		28,374,603	21,228,350
Balance brought forward from previous year		412,784,685	400,663,757
Profit available for appropriation		441,159,288	421,892,107
Appropriations			
- Proposed Dividend		6,900,000	6,900,000
- Tax on Dividend		1,119,353	1,146,004
- Transfer to General Reserve		1,418,730	1,061,418
Surplus carried to Balance Sheet		431,721,205	412,784,685
Earnings per share (EPS)			
Basic and Diluted EPS [Nominal Value of shares Rs.10 (Previous Year: Rs.10)]		6.17	4.61
Weighted average number of equity shares used in computation of above		4,600,000	4,600,000
NOTES TO ACCOUNTS	17		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date.

For S.R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

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

Per Adarsh Ranka
Partner
Membership No.: 209567

R. Ganesh
Financial Controller
and Company Secretary

Sanjay Handu
Managing Director

S. Viswanath
C.P. Rangachar
Revathy Ashok
Directors

Place : Bangalore
Date : November 03, 2011

SCHEDULES TO THE BALANCE SHEET AS AT 30 SEPTEMBER 2011

		30 September 2011 (Rs.)	30 September 2010 (Rs.)
1	SHARE CAPITAL Authorised: 10,000,000 (Previous year 10,000,000) equity shares of Rs.10/- each Issued, subscribed and paid-up: 4,600,000 (Previous year 4,600,000) equity shares of Rs. 10/- each, fully paid up (Of the above 3,080,824 (Previous year 3,080,824) equity shares of Rs. 10/- each are held by ADC GmbH, Germany, the holding company)	100,000,000 46,000,000	100,000,000 46,000,000
2	RESERVES AND SURPLUS General reserve Balance as per last account Add: Transferred from profit and loss account Profit and loss account	 51,233,828 1,418,730 52,652,558 431,721,205 484,373,763	 50,172,410 1,061,418 51,233,828 412,784,685 464,018,513
3	SECURED LOANS Term loan from a bank (secured by hypothecation of vehicles purchased) [Amounts payable within one year Rs. Nil (Previous year Rs. 2,170,141)]	 - -	 4,681,782 4,681,782

SCHEDULES TO THE BALANCE SHEET AS AT 30 SEPTEMBER 2011 (CONTINUED)

4. FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block				Depreciation & Amortization				Net Block	
	As at 1 October 2010	Additions during the year	Deletion & Adjustments during the year	As at 30 September 2011	As at 1 October 2010	Additions during the year	Deletion & Adjustments during the year	As at 30 September 2011	As at 30 September 2011	As at 30 September 2010
Land	17,298,442	-	-	17,298,442	-	-	-	17,298,442	17,298,442	17,298,442
Building	27,674,516	446,228	97,500	28,023,244	7,187,602	925,313	26,866	8,086,049	19,937,195	20,486,914
Plant and machinery	127,356,780	244,788	396,556	127,205,012	105,089,191	4,587,136	202,518	109,473,809	17,731,203	22,267,589
Electrical installations	5,098,135	-	-	5,098,135	2,372,647	245,799	-	2,618,446	2,479,689	2,725,488
Furniture and fixtures	5,363,432	69,803	194,969	5,238,266	3,297,972	503,847	127,271	3,674,548	1,563,718	2,065,460
Office equipment	8,146,338	45,927	501,739	7,690,526	5,212,069	912,760	422,084	5,702,745	1,987,781	2,934,269
Computers	9,808,704	435,250	572,795	9,671,159	7,803,152	1,295,816	492,377	8,606,591	1,064,568	2,005,552
Vehicles	11,006,488	-	9,377,685	1,628,803	6,586,132	1,400,067	7,221,832	764,367	864,436	4,420,356
Intangible Assets										
Software	11,736,350	-	-	11,736,350	6,315,103	2,027,605	-	8,342,708	3,393,642	5,421,247
TOTAL	223,489,185	1,241,996	11,141,244	213,589,937	143,863,868	11,898,343	8,492,948	147,269,263	66,320,674	79,625,317
Previous year	223,434,213	5,832,874	5,777,902	223,489,185	132,677,633	16,018,334	4,832,099	143,863,868	79,625,317	

SCHEDULES TO THE BALANCE SHEET AS AT 30 SEPTEMBER 2011 (CONTINUED)

		30 September 2011 (Rs.)	30 September 2010 (Rs.)
5	DEFERRED TAX ASSET (NET)		
	Deferred Tax Assets		
	Expenditure debited to Profit & Loss Account in the current year but allowed for tax purposes in following years	927,913	2,062,876
	Provision for doubtful debts	3,482,022	882,555
	Gross Deferred Tax Assets	4,409,935	2,945,431
	Deferred Tax Liability		
	Difference in Depreciation in Block of Fixed Assets as per tax books and financial books	1,043,939	2,183,680
	Gross Deferred Tax Liability	1,043,939	2,183,680
	Net Deferred Tax Asset	3,365,996	761,751
6	INVENTORIES (at lower of cost and net realisable value)		
	Raw materials and components [Including stock in transit Rs. 976,849 (Previous year Rs.3,272,468)]	29,312,167	21,133,423
	Consumables and packing material	96,537	89,349
	Work-in-Progress/Semi Finished goods	3,163,868	4,178,407
	Finished goods	13,040,288	11,271,540
	Traded goods [Including stock in transit Rs. 1,518,156 (Previous year Rs.1,430,991)]	47,255,550	30,614,429
		92,868,410	67,287,148
7	SUNDRY DEBTORS *		
	Unsecured		
	Debts outstanding for a period exceeding six months		
	- considered good	62,864,607	3,850,876
	- considered doubtful	8,077,893	2,656,897
		70,942,500	6,507,773
	Other debts - Considered good	122,327,418	187,960,935
		193,269,918	194,468,708
	Less : Provision for doubtful debts	(8,077,893)	(2,656,897)
		185,192,025	191,811,811
	*Sundry Debtors include amount due from companies under the same management as follows :		
	ADC Telecommunications Inc., USA	248,605	252,459
	ADC Communications (Australia) Pty Ltd.	292,785	258,485
	ADC Telecom Equipment (Shanghai) Company Ltd	2,458,408	13,934
	Tyco Electronics Corporation India Private Limited	27,261,807	-
8	CASH AND BANK BALANCES		
	Cash on hand	60,693	141,482
	Balances with scheduled banks :		
	- in current accounts	66,027,929	28,456,147
	- in deposit accounts*	235,100,000	236,858,800
	- in unpaid dividend accounts	1,733,134	1,783,302
		302,921,756	267,239,731
	*Includes:		
	- Margin money deposits under lien against bank guarantees	100,000	1,858,800
	- Fixed deposits with maturity greater than three months	100,000,000	226,858,800

SCHEDULES TO THE BALANCE SHEET AS AT 30 SEPTEMBER 2011 (CONTINUED)

		30 September 2011 (Rs.)	30 September 2010 (Rs.)
9	LOANS AND ADVANCES		
	Unsecured, considered good, except otherwise stated		
	*Advances recoverable in cash or in kind or for value to be received	6,540,654	7,899,974
	(Includes doubtful Rs.2,654,184 Previous year Rs.Nil)		
	Balances with customs, excise and sales tax authorities	4,879,442	1,967,457
	Deposits - others	3,170,999	4,713,559
	Excess of Gratuity paid over liability	1,546,895	996,095
	Advance Income Tax (net of provisions)	-	4,293,462
	Prepaid expenses	2,429,335	3,043,947
		18,567,325	22,914,494
	Less: Provision for doubtful advances	2,654,184	-
		15,913,141	22,914,494
	*Includes amounts due from companies under same management		
	LGC Wireless Inc.	-	1,579,597
	[Maximum due outstanding during the year Rs. 4,641,360 (Previous Year : Rs. 4,424,686)]		
	Tyco Electronics Corporation India Private Limited	1,762,434	-
	[Maximum due outstanding during the year Rs.1,762,434 (Previous Year : Rs. Nil)]		
10	CURRENT LIABILITIES		
	Sundry creditors		
	- Dues to Micro, Small and Medium companies (refer Note 10 of schedule 17)	5,787,014	14,405,815
	- Dues to creditors other than Micro and Small and Medium Enterprises	120,412,329	88,666,663
	[Includes amounts due to companies under same management]		
	Rs. 6,283,721 (Previous Year Rs. 20,822,420)]		
	Advance from customers	170,096	614,606
	Investor Education and Protection Fund shall be credited with the following amounts (as and when due)		
	- Unclaimed dividend	1,733,134	1,783,302
	Other liabilities	4,409,621	1,485,662
		132,512,194	106,956,048
11	PROVISIONS		
	Provision for Income Tax (net of advance tax payments)	1,416,421	-
	Provision for compensated absences	594,509	1,490,327
	Proposed dividend	6,900,000	6,900,000
	Tax on proposed dividend	1,119,353	1,146,004
		10,030,283	9,536,331

**SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2011
(CONTINUED)**

		Year ended 30 September 2011 (Rs.)	Year ended 30 September 2010 (Rs.)
12	OTHER INCOME		
	Interest on:		
	- Bank deposits [Tax deducted at source - Rs. 1,023,779 (Previous Year Rs. 1,171,358)]	16,471,227	9,065,222
	Others	15,079	416,305
	Duty draw back	935,043	1,037,603
	Scrap sales	10,209,575	7,998,305
	Foreign Exchange Fluctuation (Net)	-	1,685,875
	Commission	1,866,856	2,385,453
	Reversal of provision for doubtful debts	-	800,494
	Liabilities/ provisions no longer required written back	-	8,533,938
	Miscellaneous income	83,804	1,391,444
		29,581,584	33,314,639
13	COST OF SALES		
	Raw materials and components consumed	171,493,623	178,508,651
	Traded goods	343,955,690	334,214,281
	Packing materials consumed	4,018,059	4,534,038
	(A)	519,467,372	517,256,970
	Decrease / (Increase) in stocks		
	Opening:		
	Finished goods	11,271, 540	16,618,387
	Work in Progress/Semifinished goods	4,178,407	3,097,281
		15,449,947	19,715,668
	Less: Closing		
	Finished goods	13,040,288	11,271,540
	Work in Progress/Semifinished goods	3,163,868	4,178,407
		16,204,156	15,449,947
	Add / (Less): Differential in Excise duty provision on Finished Goods	35,551	(472,238)
	Net Decrease/ (Increase) (B)	(718,658)	3,793,483
	(A)+(B)	518,748,714	521,050,453

**SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2011
(CONTINUED)**

		Year ended 30 September 2011 (Rs.)	Year ended 30 September 2010 (Rs.)
14	PERSONNEL EXPENSES		
	Salaries, wages and bonus	57,013,438	78,223,192
	Contribution to provident and other funds	5,582,741	7,881,560
	Gratuity Expenses	522,337	1,673,875
	Workmen and staff welfare expenses	1,833,741	1,205,682
		64,952,257	88,984,309
15	MANUFACTURING, MARKETING AND OTHER EXPENSES		
	Power and fuel	2,226,607	2,482,186
	Repairs and maintenance:		
	- Plant and machinery	1,833,990	1,689,974
	- Building	819,121	1,561,473
	- Others	6,385,748	7,853,953
	Rent	3,572,578	4,554,551
	Rates and taxes	2,343,844	2,970,365
	Insurance	3,014,588	2,849,322
	Professional and consultancy charges	7,456,984	4,415,222
	Management services fee	6,773,524	13,831,967
	Telephone and Communication	1,811,286	3,109,356
	Advertisement and sales promotion	3,328,259	13,587,490
	Printing and stationery	768,087	1,002,912
	Travelling and conveyance	6,276,794	12,658,354
	Commission on sales	4,151,580	10,422,882
	Foreign Exchange Fluctuation (Net)	840,205	-
	Royalty/ technical fees	7,753,289	15,279,424
	Provision for doubtful debts and advances	8,435,361	-
	Loss on assets sold/discarded (Net)	17,701	54,342
	Freight Outwards (Net of recovery)	2,922,295	4,241,275
	Miscellaneous Expenses	3,869,939	3,458,202
		74,601,780	106,023,250
16	FINANCIAL EXPENSES		
	Interest on Term Loans	261,166	726,230
	Bank charges	2,262,696	3,338,587
		2,523,862	4,064,817

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2011

		Year ended 30 September 2011 (Rs.)	Year ended 30 September 2010 (Rs.)
A.	Cash flows from operating activities:		
	Profit before Taxation	42,120,845	32,693,198
	Adjustments:		
	Depreciation	11,898,343	16,018,334
	Interest on loans	261,166	726,230
	Unrealised exchange gain, net	642,919	(499,495)
	(Profit)/Loss on assets sold/discarded, net	17,701	54,342
	Interest Income	(16,486,306)	(9,481,527)
	Liabilities no longer required written back	-	(8,533,938)
	(Reversal)/Provision for doubtful debts (Net)	8,435,361	(800,494)
	Operating profit before working capital changes	46,890,029	30,176,650
	Movements in working capital:		
	(Increase)/Decrease in Debtors	1,093,076	17,968,221
	(Increase)/Decrease in Inventories	(25,581,262)	21,899,722
	(Increase)/Decrease in Loans & Advances	53,707	(4,863,394)
	Increase/(Decrease) in Current Liabilities & Provisions	25,012,304	(34,842,891)
	Cash generated from operations	47,467,854	30,338,308
	Less: Direct Taxes paid (net of refunds)	(10,640,607)	(7,764,993)
	Net cash from / (used in) operating activities	36,827,247	22,573,315
B.	Cash flows from investing activities		
	Purchase of fixed assets	(2,445,428)	(4,648,540)
	Proceeds from sale of fixed assets	2,630,595	891,461
	Deposit made during the year	(100,000,000)	(226,858,800)
	Deposit matured during the year	226,858,800	111,787,034
	Interest earned	11,658,563	11,208,862
	Net cash from / (used in) investing activities	138,702,530	(107,619,983)
C.	Cash flows from financing activities		
	Interest paid	(261,166)	(726,230)
	Proceeds from term Loans	-	1,496,900
	Repayment of term loans	(4,681,782)	(2,856,779)
	Dividend Paid	(6,900,000)	(6,900,000)
	Tax on Dividend paid	(1,146,004)	(1,172,655)
	Net Cash from / (used in) financing activities	(12,988,952)	(10,158,764)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2011 (CONTINUED)

	Year ended 30 September 2011 (Rs.)	Year ended 30 September 2010 (Rs.)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	162,540,825	(95,205,432)
Cash and cash equivalents at the beginning of the year	40,380,931	135,586,363
Cash and cash equivalents at the end of the year	202,921,756	40,380,931
Cash and cash equivalents comprise of cash at bank and in hand, and short term deposits with an original maturity period of three months or less.		
Components of cash and cash equivalents as at		
Cash on hand	60,693	141,482
Balances with scheduled banks :		
- in current accounts	66,027,929	28,456,147
- in deposit accounts*	235,100,000	236,858,800
- in Unpaid Dividend Accounts#	1,733,134	1,783,302
	302,921,756	267,239,731
Less : Fixed deposits with maturity greater than three months	100,000,000	226,858,800
Net	202,921,756	40,380,931

*Includes Margin money deposits against bank guarantees - Rs. 100,000 (Previous year - Rs. 1,858,800)

#These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

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

Per Adarsh Ranka
Partner
Membership No.: 209567

R. Ganesh
Financial Controller
and Company Secretary

Sanjay Handu
Managing Director

S. Viswanath
C.P. Rangachar
Revathy Ashok
Directors

Place : Bangalore
Date : November 03, 2011

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

1. NATURE OF OPERATIONS

ADC India Communications Ltd. ("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 fibre physical connectivity in telecommunications and data networking solutions including structured cabling.

The Company is headquartered at Bangalore and has its manufacturing facility at Peenya and Regional sales offices in New Delhi, Mumbai, Chennai, Hyderabad and Pune.

Post to the global acquisition of ADC Telecommunications Inc., by Tyco Minnesota Inc., TE Connectivity Ltd. had declared an open offer to acquire 920,000 shares at an offer price of Rs.137.15 per share. The open offer opened on May 13, 2011 and closed on June 1, 2011 and the total shares tendered and accepted in the offer were 18,569. Consequent to the shares acquired under the open offer the public shareholding has reduced from 32.92% to 32.51%.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of Preparation*

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards issued by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.

2.2 *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 *Fixed Assets and Intangible Assets*

Fixed assets and Intangible assets are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

2.4 *Impairment*

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011**2.5 Depreciation**

Depreciation is provided as per useful lives of assets estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956 which ever is higher. Depreciation on vehicles is provided under the written down value method, while other assets are depreciated under the straight line method.

Description	Rate of depreciation (SLM)	Schedule-XIV rates (SLM)
Buildings	3.34% - 25%	3.34%
Plant and Machinery	5% - 50%	4.75%
Moulds	20% - 100%	16.21%
Software	20% - 50%	16.21%
Computers	25%	16.21%
Electrical Installations	5%	4.75%
Office Equipments	10% - 100%	4.75%
Furniture and Fittings	10% - 100%	6.33%
	(WDV)	(WDV)
Vehicles	25.89%	25.89%

Assets individually costing Rs. 5,000 or less are depreciated fully in the year of purchase.

2.6 Leases

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 Profit and Loss account on a straight-line basis over the lease term.

2.7 Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares (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, semi finished goods and finished goods	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.

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

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 dispatch of goods from the factory/warehouse of the Company. Excise Duty, Sales Tax & VAT – deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

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 rate applicable. Duty drawback benefit is recognised on an accrual basis based on an estimate of the benefit receivable. Commission Income is accounted on accrual basis as per the terms of the contract with the customers.

2.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.10 Foreign Currency Translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) 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 Retirement and other Employee Benefits

Retirement benefits in the form of Provident Fund and Superannuation Scheme are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable under the respective schemes.

Gratuity liability is a defined benefit obligation and is provided for based on an actuarial valuation on projected unit credit method determined at the balance sheet date.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to the profit and loss account and not deferred.

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011**2.12 Income Taxes**

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 Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised 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 realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognizes deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a 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 realised. 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.

2.13 Segment Reporting Policies

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.

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.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

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.

2.14 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 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; 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 are not discounted to its present value and are determined based on 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.

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

2.16 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3. Segment Information

Business Segments :

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

Geographical Segments :

The Company's geographical areas of operations comprises of a) India, and b) other countries.

(a) PRIMARY SEGMENT INFORMATION (by Business Segment)

Particulars	30 Sep. 2011 Rs.	30 Sep. 2010 Rs.
Segment Revenue		
a. Telecommunication	202,281,648	210,618,056
b. IT – Networking	482,982,569	524,901,666
Net sales / income from operations	685,264,217	735,519,722
Segment Result		
a. Telecommunication	(6,957,279)	(13,358,384)
b. IT – Networking	35,563,326	40,982,290
Total	28,606,047	27,623,906
Add /(Less) : a. Interest income, Dividend (net of interest expense)	16,225,140	8,755,297
b. Other un-allocable expenditure (Net of un-allocable income)	(2,710,342)	(3,686,005)
Total Profit Before Tax	42,120,845	32,693,198
Provision for taxation	13,746,242	11,464,848
Profit after tax	28,374,603	21,228,350
Other information:		
Depreciation		
a. Telecommunication	7,150,301	8,798,321
b. IT – Networking	2,035,619	3,191,162
c. Unallocable	2,712,423	4,028,851
Total	11,898,343	16,018,334

Particulars	30 Sep. 2011 Rs.	30 Sep. 2010 Rs.
Other information:		
Segmental Assets		
a. Telecommunication	148,793,236	132,073,955
b. IT – Networking	183,205,487	195,925,071
c. Unallocable	340,917,517	303,193,648
Total Assets	672,916,240	631,192,674

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

Particulars	30 Sep. 2011 Rs.	30 Sep. 2010 Rs.
Other information:		
Segmental Liabilities		
a. Telecommunication	27,302,894	24,996,466
b. IT-Networking	94,798,152	69,998,863
c. Unallocable	20,441,431	26,188,832
Total Liability	142,542,477	121,174,161
Capital Expenditure (Excluding capital advances)		
a. Telecommunication	691,016	3,666,968
b. IT-Networking	-	731,748
c. Unallocable	550,980	1,434,158
Total Capital Expenditure	1,241,996	5,832,874

(b) SECONDARY SEGMENT INFORMATION (by Geographical Segment)

Particulars	30 Sep. 2011 Rs.	30 Sep. 2010 Rs.
Revenue		
a. India	648,216,721	693,887,292
b. Outside India	37,047,496	41,632,430
Total Revenue	685,264,217	735,519,722
Assets		
a. India	669,909,857	624,164,073
b. Outside India	3,006,383	7,028,601
Total Assets	672,916,240	631,192,674
Capital Expenditure		
a. India	1,241,996	5,832,874
b. Outside India	-	-
Total Capital Expenditure	1,241,996	5,832,874

4. Related Party Disclosure**1. Names of related parties**

Holding Company	ADC GmbH., Germany (ADC Germany)
Holding Company of ADC Germany	ADC Telecommunications Inc., USA (ADC Telecom)
Fellow Subsidiaries	ADC Communications Hongkong Ltd. (ADC Hongkong) ADC Communications (Australia) Pty Ltd. (ADC Australia) ADC USA Incorporated (ADC Incorporated) ADC Digital Communications Inc. (ADC Digital) ADC Communications (UK) Ltd. (ADC UK) ADC Communications (SEA) Pte Ltd. (ADC Singapore) ADC Telecom Equipment (Shanghai) Company Ltd. (ADC Shanghai) LGC Wireless Inc. (LGC Wireless) Shenzhen Century Man Communication. (Shenzhen) Tyco Electronics Corporation India Pvt. Ltd. (TE Corporation)
Key Management Personnel	Mr. Sanjay Handu, Managing Director (w.e.f April 1, 2011)
	Mr. K Bala Chandran, Chairman & Managing Director (Upto March 31, 2011)

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

Transactions with other related parties

(Amount in Rs.)

	Purchase of goods	Sale of goods	Commission income	Royalty & Technical Know how	Commission Expense	Sale of Assets	reimburse-ments paid (refer note 2 below)	reimburse-ments received (refer note 2 below)	Amounts receivable	Amounts payable
	For the year ended 30 th September 2011								As at 30 th September 2011	
ADC Germany	45,061,725 (25,804,476)	2,092 (-)	- (-)	3,237,429 (6,058,110)	- (-)	- (-)	179,218 (-)	- (-)	- (-)	758,992 (7,252,123)
ADC Telecom	2,238,930 (176,071)	44,251 (32,650)	54,197 (877,706)	4,515,860 (9,221,314)	- (-)	- (-)	6,773,524 (15,423,987)	- (-)	248,605 (252,459)	- (-)
ADC Hongkong	1,915,803 (7,054,368)	690,300 (19,349,969)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
ADC Australia	114,598 (3,267,006)	3,678,349 (3,948,436)	- (-)	- (-)	- (-)	- (-)	- (56,848)	- (-)	292,785 (258,485)	- (28,119)
ADC Incorporated	42,301,632 (39,612,195)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	629,306 (9,512,581)
ADC Digital	14,267,031 (20,887,955)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,140,763 (4,029,597)
LGC Wireless	- (-)	- (148,400)	1,812,659 (1,507,747)	- (-)	- (-)	- (-)	- (-)	1,249,104 (-)	- (1,579,597)	- (-)
TE Corporation	- (-)	128,748,069 (-)	- (-)	- (-)	2,754,660 (-)	82,536 (-)	- (-)	1,762,434 (-)	29,024,241 (-)	2,754,660 (-)
ADC Singapore	- (-)	16,437,218 (92,543)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Other fellow subsidiaries	137,537 (8,507,204)	4,903,990 (1,520,375)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,458,408 (13,934)	- (-)
TOTAL	106,037,256 (105,309,275)	154,504,269 (25,092,373)	1,866,856 (2,385,453)	7,753,289 (15,279,424)	2,754,660 (-)	82,536 (-)	6,952,742 (15,480,835)	3,011,538 (-)	32,024,039 (2,104,475)	6,283,721 (20,822,420)

- Figures in brackets represent amounts for previous year ended September 30, 2010.
- Expenses reimbursed (includes management service fees, rent, freight charges etc.) have been debited / credited to the respective heads of expenses in the profit and loss account.
- Remuneration paid to directors is disclosed below under Note 8.

5. Leases

Operating Lease:

The Company has non-cancellable operating leases for office premises that are renewable on a periodic basis. Lease rental expense debited to Profit and Loss Account for the period is Rs.3,572,578 (Previous year: Rs. 4,554,551). The future minimum lease payments for operating lease for the period that the facilities are expected to be occupied is as follows:

(Amount in Rs.)

	30 Sep. 2011	30 Sep. 2010
Not later than one year	2,164,860	2,164,860
Later than one year but not later than five years	541,215	2,706,075
Later than five years	-	-

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011**6. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs. Nil (Previous year - Rs. 227,230).

7. Contingent Liabilities not provided for**(Amount in Rs.)**

	30 Sep. 2011	30 Sep. 2010
Sales tax demands contested by the Company	11,223,615	11,223,615
Letters of Credit	-	267,336
Performance Bank guarantees	77,342,278	121,181,984

8. Supplementary Statutory Information**8.1 Directors' Remuneration****(Amount in Rs.)**

	30 Sep. 2011	30 Sep. 2010
(a) Paid to the erstwhile Managing Director		
Salaries, bonus and allowances*	1,923,281	1,866,181
Contribution to Provident Fund & Other Funds	192,719	249,819
(b) Paid / Payable to the current Managing Director	40,000	-
	2,156,000	2,116,000
(c) Commission to Non-Wholtime Directors	204,225	187,371
(d) Directors' Sitting fees	340,000	200,000
Total Remuneration	2,700,225	2,503,371

* The above amount includes Rs 1,058,000 paid as severance pay towards compensation for loss of office.

8.2 Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956**(Amount in Rs.)**

	30 Sep. 2011	30 Sep. 2010
Profit before tax (as per Profit and Loss Account)	42,120,845	32,693,198
Add:		
Book Depreciation	11,898,343	16,018,334
(Reversal) / Provision for doubtful debts and advances (net)	8,435,361	(800,494)
Depreciation as per Schedule-XIV of the Companies Act	(9,674,312)	(11,677,336)
Net profits as per Section 349 of the Companies Act, 1956	52,780,237	36,233,702
Add: Managerial remuneration	2,700,225	2,503,371
Profit as per Section 198 of the Companies Act, 1956	55,480,462	38,737,073
Remuneration to Managing Director at 5% of the net profits as calculated above	2,774,023	1,936,854
Remuneration paid	2,156,000	2,116,000
Commission to other directors at 1% of the net profits as calculated above	554,805	387,371
Remuneration paid / payable	544,225	387,371

Note: Remuneration to Managing Director for the previous year is as per limits specified in Schedule – XIII of the Companies Act, 1956.

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(Amount in Rs.)

	30 Sep. 2011	30 Sep. 2010
8.3 Earnings in foreign currency (Cash basis)		
Exports at F.O.B. Value	42,808,676	43,056,441
Commission	3,525,137	2,895,839
Total	46,333,813	45,952,280
8.4 Expenditure in foreign currency (Cash basis)		
Traveling	79,993	2,233,830
Management Service Fee	10,070,250	13,759,500
Royalty / technical fees	14,172,335	25,690,982
Others	179,218	56,848
	24,501,796	41,741,160
8.5 Value of imports calculated on CIF basis		
Raw materials	59,508,611	29,877,821
Components	56,872,621	48,441,347
Traded Goods	133,441,658	137,826,112
Other Consumables	578,160	422,319
Capital goods	-	467,455
	250,401,050	217,035,054
8.6 Dividend remitted in foreign exchange		
Number of non-resident shareholders	3	3
Number of equity shares held on which dividend was due	3,085,791	2,883,673
Amount remitted (Rs.)	4,628,687	4,325,509
Year to which it relates	2010	2009

9. Auditors' remuneration included in Professional and Consultancy charges: (Amount in Rs.)

	30 Sep. 2011	30 Sep. 2010
As Auditors -		
Audit fee	700,000	700,000
Tax audit fee	305,000	305,000
Limited reviews	300,000	300,000
Out of pocket expenses reimbursed (including service tax)	113,037	85,963

10. The Company has amounts due to the Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at September 30, 2011. (Amount in Rs.)

	30 Sep. 2011	30 Sep. 2010
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
Principal Amount :	5,787,014	14,405,815
Interest :	Nil	Nil
ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011**11. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956****11.1 Licensed Capacity and Installed Capacity**

Class of Goods	Unit	Licensed Capacity		Installed Capacity	
		2011	2010	2011	2010
Telephone connectors including back panel connectors and accessories	Rs.	600 Million	600 Million	600 Million	600 Million

Notes :

- No specific license is necessary for the manufacture of products mentioned above. Under the terms of registration of this industrial undertaking the annual total capacity is Rs.600 million.
- The figure for installed capacity is as certified by management and not verified by the auditors being a technical matter.

11.2 Particulars of Manufactured Goods (Quantity in Units):

Production	2011	2010
Telecom Products / Connectors, Accessories	1,537,053	1,533,471
Tools	9,509	14,842
Test cords	160,135	172,751
Fibre patch cords	100	330

	Quantity (Units)		Value (Rs.)	
	2011	2010	2011	2010
Opening Stock				
Telecom Products / Connectors, Accessories	131,172	195,447	7,103,946	13,232,786
Tools	455	1,050	102,847	178,193
Test cords	11,832	25,111	4,044,098	3,207,408
Fibre Patch cords	100	-	20,649	-
			11,271,540	16,618,387
Closing Stock				
Telecom Products / Connectors, Accessories	120,180	131,172	10,009,687	7,103,946
Tools	438	455	99,418	102,847
Test cords	21,711	11,832	2,910,534	4,044,098
Fibre patch cords	100	100	20,649	20,649
			13,040,288	11,271,540
Sales				
Telecom products / Connectors, Accessories	1,548,045	1,597,746	220,121,129	254,643,043
Tools	9,526	15,437	3,565,266	6,354,916
Test cords	150,256	186,030	34,481,422	39,545,784
Fibre patch cords	100	230	17,407	73,050
			258,185,224	300,616,793

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

11.3 Details of Traded Goods

	Quantity (Units)		Value (Rs.)	
	2011	2010	2011	2010
Cables (meters)				
Opening Stock	62,611,778	1,016,119	9,851,472	11,268,308
Purchases	182,841,882	169,917,004	202,322,938	200,697,814
Sales	219,362,409	108,321,345	261,625,460	238,243,151
Closing Stock	26,091,251	62,611,778	16,178,112	9,851,472
Connectors & Patch Cords (Nos.)				
Opening Stock	58,195	75,929	11,544,725	12,741,840
Purchases	426,150	360,859	89,927,574	76,081,343
Sales	403,833	378,593	85,842,460	126,699,781
Closing Stock	80,512	58,195	15,755,703	11,544,725
Others*				
Opening Stock			7,787,241	4,529,598
Purchases			68,259,134	58,078,816
Sales			66,364,265	64,501,084
Closing Stock			13,803,579	7,787,241
Total sales of Traded goods			413,832,185	429,444,016

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

11.4 Consumption of Raw Materials and Components

Raw Materials (in Kgs)

	Quantity		Value (Rs.)	
	2011	2010	2011	2010
Plastics	36,763	39,804	7,990,955	9,070,199
Phosphor Bronze	5,727	594	3,546,993	297,795
Special alloy	60,252	53,393	34,508,174	27,167,581
ABS	5,630	7,912	698,299	866,685
Others*			1,870,222	1,795,134
			48,614,643	39,197,394

Components (in Nos.)

	Quantity		Value (Rs.)	
	2011	2010	2011	2010
Contacts	50,546,159	53,276,673	20,980,117	16,286,918
PCB Assy-CAT6	59,790	87,313	18,068,814	20,604,867
Cat 6 Connectors	630,437	640,886	7,676,316	7,012,432
Back mount frames	124,767	75,483	5,946,335	3,603,616
Patch Cables	2,204,393	2,104,406	11,486,819	11,405,921
Others*			58,720,579	80,397,503
			122,878,980	139,311,257

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011**11.5 Imported and Indigenous Raw Materials, Components and Spare Parts Consumed**

	Percentage of total		Value (Rs.)	
	2011	2010	2011	2010
Raw Materials				
Imported	95	93	46,012,492	36,464,647
Indigenously obtained	5	7	2,602,151	2,732,747
	100	100	48,614,643	39,197,394
Components				
Imported	50	33	61,353,924	46,839,315
Indigenously obtained	50	67	61,525,056	92,471,942
	100	100	122,878,980	139,311,257

12. a) Defined Contribution Scheme	2011 Rs.	2010 Rs.
Contribution to superannuation fund	1,827,845	2,782,293
Contribution to provident fund	3,286,308	4,539,433
Contribution to ESI	165,772	141,593
	5,279,925	7,463,319

b) Defined Benefit Scheme**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 summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost)

(Amount in Rs.)

	2011	2010
Current service cost	816,002	1,117,275
Interest cost on benefit obligation	938,780	1,327,510
Expected return on plan assets	(904,220)	(1,400,571)
Net actuarial (gain) / loss recognised in the year	(1,164,237)	(1,507,697)
Past service cost	51,080	2,092,480
Net benefit expense	(262,595)	1,628,997
Actual return on plan assets	764,647	1,576,978

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

Balance Sheet

(Amount in Rs.)

	2011	2010
Details of Provision for gratuity		
Defined benefit obligation	10,451,486	16,131,170
Fair value of plan assets	11,998,381	17,127,265
Plan liability / (asset)	(1,546,895)	(996,095)

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

Opening defined benefit obligation	16,131,170	14,903,606
Interest cost	938,780	1,327,510
Current service cost	816,002	1,117,275
Past service cost	51,080	2,092,480
Benefits paid	(6,181,736)	(1,978,411)
Actuarial (gains) / losses on obligation	(1,303,810)	(1,331,290)
Closing defined benefit obligation	10,451,486	16,131,170

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

	2011	2010
Opening fair value of plan assets	17,127,265	17,528,698
Expected return	904,220	1,400,571
Contributions by employer	288,205	-
Benefits paid	(6,181,736)	(1,978,411)
Actuarial gains / (losses)	(139,573)	176,407
Closing fair value of plan assets	11,998,381	17,127,265

The Company expects to contribute Rs.Nil (previous year Rs.Nil) to gratuity in 2011-12. The total assets are insurer-managed funds. The principal assumptions used in determining gratuity obligations for the Company's plans:

	2011	2010
Discount rate	8.45%	8.15%
Expected rate of return on assets	7.50%	7.50%

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.

Based on available data, amounts for the current and previous periods are as follows:

	2011 Rs.	2010 Rs.	2009 Rs.	2008 Rs.
Defined benefit obligation	10,451,486	16,131,170	14,903,606	13,504,135
Plan assets	11,998,381	17,127,265	17,528,698	13,272,333
Surplus / (deficit)	1,546,895	996,095	2,625,092	(231,802)
Experience adjustment on Plan Liabilities	12,760	(25,849)	(95,376)	(10,871)
Experience adjustment on Plan Assets	(13,437)	(154,004)	4,081	37,070

SCHEDULE 17 - NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2011**13. Unhedged Foreign Exchange Exposure**

Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	2011		2010	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Amounts Payable	USD	429,479	21,021,991	496,359	22,254,255
	EURO	1,500	100,206	90,798	5,549,942
	AUD	-	-	648	28,124
Amounts Receivable	EURO	-	-	4,229	258,485
	USD	61,420	3,006,383	152,743	6,848,232

14. Previous period comparatives

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

Signatures to Schedules 1 to 17

As per our report of even date.

For S.R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

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

Per Adarsh Ranka
Partner
Membership No.: 209567

R. Ganesh
Financial Controller
and Company Secretary

Sanjay Handu
Managing Director

S. Viswanath
C.P. Rangachar
Revathy Ashok
Directors

Place : Bangalore
Date : November 03, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	9313	State Code	8
Balance Sheet Date	30.09.2011		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liability	5,30,374	Total Assets	5,30,374
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Source of Funds

Paid-up Capital	46,000	Reserves & Surplus	4,84,374
Secured Loans	-	Unsecured Loans	-

Application of funds

Net Fixed Assets	66,321	Investments	-
Net Current Assets	4,60,687	Misc. Expenditure	-
Accumulated Losses	-		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	7,14,846	Total Expenditure	6,72,725
Profit before Tax	42,121	Profit after Tax	28,375
Earning per Share	6.17	Dividend Rate %	15%

V. General Names of Principal Products of Company (as per monetary terms)

Item Code No.	85179090
Product Description	Telecommunication Connectors / Parts / Products
Item Code No.	82079090
Product Description	Tools
Item Code No.	85444190
Product Description	Test Plugs
Item Code No.	85366990
Product Description	KM8 Punchdown Jacks (Connectors)

SHAREHOLDER INFORMATION

1 Date, Time and Venue of the Annual General Meeting

Friday, February 10, 2012 at 10.30 am

Hotel Atria, No.1, Palace Road

Bangalore - 560 001

2 Financial Calendar (tentative and subject to change)

Description	Dates
Financial Reporting – I Quarter Results	Friday, February 10, 2012
Financial Reporting – 2012 Year End Results	Friday, May 11, 2012
Annual General Meeting	

3 Record Date / Date of Book Closure

January 31, 2012 to February 10, 2012 (both days inclusive)

4 Dividend Payment Date

Within the statutory time limit.

5 Listing on Stock Exchanges

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai 400 001

6 Stock Code

BSE - 523411

7 Registrar and Transfer Agents

Karvy Computershare Private Limited

17-24 Vittal Rao Nagar, Madhapur

Hyderabad-500 081

Ph: 040-23420815, 23420828

Fax: 040-23420814

E-mail : mailmanager@karvy.com

SHAREHOLDER INFORMATION

8 Shareholders complaints

Sl. No.	Nature of Complaints	Received	Resolved	Unresolved
1	Non receipt of share certificates / annual reports	1	1	0
2	Non receipt of Dividend Warrants	8	8	0
3	Queries relating to Demat / remat	0	0	0
4	Complaint from Stock Exchange	0	0	0
	Total	9	9	0

9. Market Price Data

Monthly high and low quotations at Bombay 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
October-10	181	144	20,854	19,769				
November-10	162	115	21,108	18,955	-10%	-20%	1%	-4%
December-10	149	113	20,552	19,074	-8%	-2%	-3%	1%
January-11	140	112	20,665	18,038	-6%	-1%	1%	-5%
February-11	129	116	18,691	17,295	-8%	4%	-10%	-4%
March-11	138	118	19,575	17,792	7%	2%	5%	3%
April-11	163	130	19,811	18,976	18%	10%	1%	7%
May-11	141	134	19,254	17,786	-13%	3%	-3%	-6%
June-11	140	120	18,873	17,314	-1%	-10%	-2%	-3%
July-11	145	131	19,132	18,131	4%	9%	1%	5%
August-11	135	111	18,440	15,765	-7%	-15%	-4%	-13%
September-11	127	110	17,212	15,801	-6%	-1%	-7%	0%

10.Share Transfer System

The turnaround time for completion of transfer of shares in physical form is 30 days from the date of receipt if the documents are clear in all respects. The share transfer committee meets at frequent intervals for approving the share transfers.

11. Distribution of Shareholding as on 30 September, 2011:

Category	No. of Shareholders	% to total number of shareholders	No. of shares	% to total number of shares
1 – 100	4138	71.98	295681	6.43
101 – 200	656	11.41	119150	2.59
201 – 500	546	9.50	202842	4.41
501 – 1000	209	3.63	168049	3.65
1001 – 5000	166	2.89	361536	7.86
5001 – 10000	21	0.36	143972	3.13
Above 10001	13	0.23	3308770	71.93
Total	5749	100.00	4600000	100.00

SHAREHOLDER INFORMATION

12. Categories of Shareholders as on 30 September, 2011:

Category	No. of Shareholders	Total Shares	Percentage to Total
Foreign Collaborators – Promoter	3	3104360	67.49
Non Resident Indians	45	36340	0.79
Foreign Institutional Investors	0	0	0.00
Mutual Funds	4	700	0.02
Banks	4	380	0.01
Bodies Corporate	156	97398	2.11
Corporate Bodies Overseas Co	0	0	0.00
Public	5537	1360822	29.58
Total	5749	4600000	100.00

13. Dematerialisation of Shares

67.49% of the paid up capital is held by ADC GmbH, ADC Telecommunications Inc., and TE Connectivity Ltd. The balance 32.51% of the paid up capital is held by Public.

4508785 shares representing 98.02% of the paid-up capital (including 100% of the Promoter Shareholding) have been dematerialized as on 30th September, 2011.

14. Outstanding ADR/GDR/Convertible : NIL

15. Plant location

No.10 C, II Phase, Peenya Industrial Area

Bangalore 560 058

Ph: 28396101 / 28396291

Fax: 28396104

16. Address for correspondence

Members can contact the Compliance Officer at the following address:

Mr. R. Ganesh

ADC India Communications Limited

No.10 C, II Phase, Peenya Industrial Area

Bangalore 560 058

Ph: 28396101 / 28396291

Fax: 28396104

Email: r.ganesh@adc.com

ADC INDIA COMMUNICATIONS LIMITED
10(C), II Phase, Peenya, Bangalore - 560 058

ATTENDANCE SLIP

Twenty Third Annual General Meeting February 10, 2012

Regd. Folio No.....

No. of Shares held.....

I hereby record my presence at the Twenty Third Annual General Meeting of the Company at Hotel Atria, No. 1, Palace Road, Bangalore 560 001 at 10.30 a.m. on February 10, 2012.

Member's / Proxy's Name

Signature of Member / Proxy

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL
Members are requested to bring copies of the Annual Report to the Meeting.

ADC INDIA COMMUNICATIONS LIMITED
10(C), II Phase, Peenya, Bangalore - 560 058

PROXY FORM

I/We.....being a Member / Members of
ADC India Communications Limited, hereby appoint.....
.....as my / our proxy to vote for me/ us on
my / our behalf at the Twenty Third Annual General Meeting of the Company to be held at Hotel
Atria, No. 1, Palace Road, Bangalore 560 001 at 10.30 am on February 10, 2012.

Signed this.....day of.....2012

Note: This form, in order to be effective, should be duly completed signed and must be deposited at the
Registered Office of the Company, not less than 48 hours before the Meeting.

