

COMMSCOPE®



**2015 -2016 ANNUAL REPORT**  
ADC India Communications Limited

**CONTENTS**

Corporate Information.....	1
Board's Report.....	3
Management Discussion and Analysis .....	21
Report on Corporate Governance .....	23
Shareholder Information.....	30
Independent Auditors' Report .....	34
Financial Statements.....	40

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

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

**KEY MANAGERIAL PERSONNEL**

Mr. J.N. Mylraiah	-	Managing Director
Mr. Rakesh Bhanushali	-	Chief Financial officer
Mr. R. Ganesh	-	Company Secretary

**Registered Office and Factory Office**

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

**Statutory Auditors**

Deloitte Haskins & Sells  
Chartered Accountants

**Secretarial Auditors**

M/s.V.Sreedharan and Associates  
Company Secretaries

**Internal Auditors**

M/s.Gnanoba & Bhat  
Chartered Accountants

**Bankers**

Bank of America  
Canara Bank  
Citibank NA

**Registrar & Share Transfer Agents**

Karvy Computershare Private Limited  
Karvy Selenium Tower B  
Plot No. 31-32, Gachibowli  
Financial District, Nanakramguda  
Hyderabad-500 032  
Ph: 040-67162222  
Fax: 040-23001153  
E-mail: einward.ris@karvy.com

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**



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



## BOARD'S REPORT

To the Members,

The Board of Directors have pleasure in presenting the 28th Annual Report on the business and operations of your Company, along with the audited financial statements for the financial year ended March 31, 2016.

### Financial Results

(Rs. in lakhs)

	For the year ended 31st March 2016	For the Year ended 31st March 2015
Gross Revenue (including Excise Duty)	6310.85	6456.08
Profit/(Loss) before depreciation and Tax	618.60	770.77
Less: Depreciation	34.19	54.99
Net Profit/(Loss) for the year before Tax	584.41	715.78
Provision for Tax	62.71	218.06
Profit/(Loss) after Tax	521.70	497.72
Add: Profit brought forward from previous year	2424.22	3594.94
Profit available for Appropriation	2945.92	4092.66
Appropriations		
Interim Dividend on Equity Shares	-	1334.00
Proposed Final Dividend on Equity Shares	115.00	46.00
Tax on Dividends	23.41	288.44
Profit retained in Profit & Loss Account	2807.51	2424.22

### FINANCIAL PERFORMANCE

The gross revenue including other income during the year was more or less the same as that of previous year. Revenue from the Telecommunication business decreased by about 19% and the revenue from IT-Networking (Enterprise network) business grew by about 10% as compared to last year.

### DIVIDEND

Your Directors recommend a dividend of Rs.2.50 per equity share, of the face value of Rs.10/-each, to be appropriated from the profits of the financial year ended March 31, 2016, subject to the approval by the shareholders at the ensuing Annual General Meeting.

During the financial year ended March 31, 2016, unclaimed dividend amount of Rs. 132,948/- pertaining to dividend declared for the year 2008 was transferred to the Investor Education and Protection Fund.

### TRANSFER TO RESERVES

During the year no amount has been transferred to the General Reserve. An amount of Rs.2807.51 lakhs is proposed to be retained in the Statement of Profit and Loss on Standalone basis.

### STRATEGY AND OPERATIONS

The economic environment continued to improve, where Enterprise network market growth continues to improve compared to Telecom sector which grapple with fewer orders, lower price realization and reduced profitability. Pressure on profitability continues due to greater competition at the market. Your Company foresee growth in both Enterprise and telecom industry to grow in the next few years. The market overall is expected to improve in the medium term driven by demand in Infrastructure projects, Defense sector, E-commerce, Hospitality, IT/ITES & Government projects. Your Company do see growth in Fiber Business over copper due to large infrastructure corridors, national fiber optic network, digital India & smart city initiatives. Your Company should be able to favorably participate once the market activities picks up.

With the acquisition of the Broadband Network Solutions Business Unit of TE Connectivity Limited by CommScope, your company has now become part of CommScope. Consequently your Company continued to focus on successful integration with the new company and growing revenues with

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

### **DIRECTORS**

Mr. Joydeep Nag and Mr. Arun Kakatkar resigned as Directors of the Company with effect from August 29, 2015. Your Directors place on record their appreciation for the guidance and contribution provided by Mr. Joydeep Nag and Mr. Arun Kakatkar during their tenure with the Company.

### **DECLARATION BY INDEPENDENT DIRECTORS**

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

### **BOARD MEETINGS**

Nine Board meetings were held during the year 2015-16 on May 11, 2015, June 12, 2015, July 17, 2015, August 14, 2015, August 28, 2015, November 03, 2015, January 22, 2016, March 08, 2016 and March 28, 2016. The details of meetings held by various Committees of the Board are given in the Corporate Governance Report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed with no material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;

- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d. The Directors had prepared the Annual Accounts on a 'going concern' basis;
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and have been operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **DIRECTORS APPOINTMENT AND REMUNERATION**

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

### **AUDITORS AND AUDITORS' REPORT**

At the 26th Annual General Meeting of the Company held on August 08, 2014 M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company were re-appointed as the Auditors of the Company from the

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

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

#### **SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of section 204 of the Companies, 2013 and the Rules made thereunder, M/s.V.Sreedharan and Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors to conduct a secretarial audit of the Company's Secretarial and related records for the financial year 2015-16. The Secretarial Auditors' Report for the financial year ended March 31, 2016 is annexed to this Report as Annexure 1. No adverse comments have been made in the said report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has spent an amount of Rs.750,000/- towards various CSR Programs undertaken by the Company during the year. The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility) Rules, 2014 is annexed to this Report as Annexure 2.

#### **CORPORATE GOVERNANCE**

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

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

#### **WEBSITE OF THE COMPANY**

The Company maintains a website [www.adckcl.com](http://www.adckcl.com) where information related to the Company are provided.

#### **FIXED DEPOSITS**

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

#### **LISTING**

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

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

##### **A. Conservation of Energy**

The following energy conservation measures were implemented during the year:

- Optimum usage of Natural ventilations and CFL lamps in the factory premises.
- Continuation of good maintenance practices.
- Rain water harvesting at the factory premises and use of water collected for cleaning activities. This has resulted in reduction in water consumption by around 10%.
- Change of Air Compressor from 18KW to 3.5KW resulting in reduced power consumption.

##### **B. Technology**

Your Company did introduce new products such as Fiber & Copper patch Lock system, which helps customer to look at additional level of physical

security in critical connectivity requirements & also continued its work on supporting high density fiber requirements for co-locations with better manageability features. Your Company did introduce Outdoor environment enclosures / Cable assemblies products to support the Security & Surveillance market & continued its focus on Standard-Compliant product portfolio to increase its geographical reach.

#### C. Research and Development

- Installation of Chequer plates at material movement locations.
- Environmental Occupation Health and Safety (EOHS) awareness training for sub-contractor employees.

#### **FOREIGN EXCHANGE EARNINGS AND OUTFLOW**

During the year your Company has earned Foreign Exchange of Rs.16,422,099/- and the Foreign Exchange outflow was Rs.3,825,462/-.

#### **EXTRACT OF ANNUAL RETURN**

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

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pursuant to the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexure 4 and forms part of the Board's Report.

Disclosures pursuant to the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexure 5 and forms part of the Board's Report.

#### **WHISTLE BLOWER MECHANISM**

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

#### **SUBSIDIARY / ASSOCIATES / JOINT VENTURE COMPANIES**

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

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

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

#### **RELATED PARTY TRANSACTIONS**

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

All transactions with related parties during the year were in the ordinary course of business and at arm's

length. There are no related party transactions that may have potential conflict with the interest of the Company at large. The details of related party transactions are disclosed in Note No.24 to financial statements forming part of the accounts.

### **RISK MANAGEMENT**

The Company has formed a Risk Management Committee and the constitution and terms of reference of this Committee are set out in detail in the Corporate Governance Report. The details of risks faced by the Company and its mitigation process was discussed by the Risk Management Committee at its meeting held on January 22,2016 and the same was also reviewed by the Board of Directors at its meeting a held on the same day.

### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

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

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

### **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

The Company's Policy and process for evaluation lays down a structured questionnaire (a set of positive assertions) to be used in the evaluation of the entire Board of the Company, Board Sub-Committees and Individual Directors including the Independent Directors. This Policy has been displayed in the Company's website [www.adckcl.com](http://www.adckcl.com).

Using the parameters mentioned in the policy and process, all the evaluations has been carried out during the year. The Board Members had submitted their response on a scale of 0 to 3 for evaluating the entire Board, Board Committees and of their peer Board Members, including the Chairman of the Board. The Directors expressed their overall satisfaction with the evaluation process.

### **LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loan or guarantee nor has made any investment during the financial year 2015-16 attracting the provisions of section 186 of the Companies Act, 2013.

### **MATERIAL CHANGES AND COMMITMENTS**

There have not been any material changes and commitments affecting the financial position of the Company between the financial year ended March 31, 2015 and the date of the Directors Report.

### **ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board of Directors**

**S.Devarajan**  
Chairman

**J.N.Mylaraiah**  
Managing Director

Place: Bangalore  
Date: May 25, 2016



## ANNEXURE - 1 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED: MARCH 31, 2016

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

To

#### The Members of ADC India Communications Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ADC INDIA COMMUNICATIONS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2016 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The company has not made any Overseas Direct Investment and has no External Commercial Borrowings during the period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not Applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- (vi) The Company has identified the following laws as specifically applicable to the Company:
- a. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder
  - b. Boilers Act, 1923 & Rules made thereunder
  - c. Environment (Protection) Act, 1986
  - d. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ concerned State Rules.
  - e. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ concerned State Rules

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

WE HAVE ALSO EXAMINED COMPLIANCE WITH THE APPLICABLE CLAUSES OF THE FOLLOWING:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreement (till November 30, 2015) entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (From December 01, 2015 to March 31, 2016).

During the period under review the Company has complied with the provisions of the Act, Rules,

Regulations, Guidelines, Standards, etc. mentioned above.

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

WE FURTHER REPORT THAT:

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

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

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

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

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

**For V. SREEDHARAN & ASSOCIATES**

**(Pradeep B. Kulkarni)**

Partner

FCS: 7260;CP No.7835

Bangalore

Date : May 16, 2016

**ANNEXURE - 2 ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16**

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The Company's CSR Policy is placed on Company's website <a href="http://www.adckcl.com">www.adckcl.com</a>. The focus areas for the CSR programs/projects to be undertaken by the Company under this policy shall be in the following areas:</p> <ul style="list-style-type: none"> <li>i. Environment: To undertake activities in relation to increasing accountability through investments in energy and the environment, ensuring environmental sustainability, ecological balance, conservation of natural resources etc.</li> <li>ii. Health and Wellness: To promote healthcare including preventive health care and sanitation and to undertake other activities in relation to health and wellness.</li> <li>iii. Education: Fostering innovation through investment in education, vocation skills among children, women and elderly persons emphasizing on science, technology, engineering and mathematics.</li> <li>iv. Technology: To contribute to technology incubators located within academic institutions approved by the Central Government.</li> <li>v. Disaster Relief: To contribute to disaster relief efforts in compliance with legal guidelines.</li> </ul>
2	Composition of CSR Committee	<ol style="list-style-type: none"> <li>1. Ms.RevathyAshok– Chairman of the Committee &amp; Independent Director</li> <li>2. Mr.N.Srinivasan– Independent Director</li> <li>3. Mr.J.N.Mylaraiah- Managing Director</li> </ol>
3	Average net profit of the Company for last three financial years (Amount in Lakhs).	Rs.213.79
4	Prescribed CSR Expenditure (two percent of the amounts as in item 3 above) (Amount in Lakhs).	Rs.4.28
5	<p>Details of CSR spent during the financial year:</p> <ol style="list-style-type: none"> <li>1 Total amount to be spent for the financial year; ( Amount in Lakhs)</li> <li>2 Amount unspent, if any;</li> <li>3 Manner in which the amount spent during the financial year.</li> </ol>	<p>Rs.7.50</p> <p>Nil</p>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SL. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or other 2. Specify the state and district where Projects or Programs Was undertaken	Amount outlay(budget) Projects or Programs-wise	Amount spent on the Projects or Programs Subheads: 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Title Sponsor of the Light for Education -Pan-IIT Fundraiser Music Fest organized by Technology Alumni Association Bangalore (TAAB) held on February 21, 2016. TAAB have been supporting SELCO's Light for Education Program Education	Education	1. Local Area 2. Karnataka, Bangalore	Rs.200,000	Rs.200,000	Rs.200,000	Direct
2	Gold Sponsor of a fund raising charity sports event organized by Concern India Foundation held on February 06, 2016 to support the cause of underprivileged children.	Health & Wellness	1. Local Area 2. Karnataka, Bangalore	Rs.300,000	Rs.300,000	Rs.300,000	Direct
3	"Project Hope"- provision of Bone Marrow Biopsy/ Aspiration Needles for children from economically weaker sections suffering from Leukaemia of Rotary Club of Bangalore Cantonment	Health & Wellness	1. Local Area 2. Karnataka, Bangalore	Rs.250,000	Rs.250,000	Rs.250,000	Direct

We, Revathy Ashok, N.Srinivasan and J.N.Mylaraiah, the members of the CSR Committee confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-  
Revathy Ashok  
Chairman of the CSR Committee  
Bangalore  
May 25, 2016

Sd/-  
N.Srinivasan  
Independent Director

Sd/-  
J.N.Mylaraiah  
Managing Director



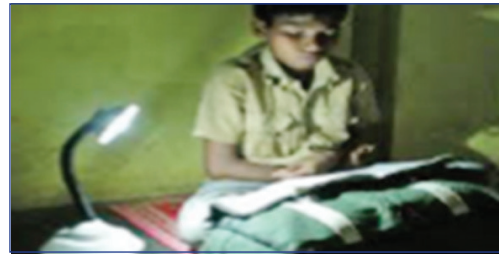
## CSR ACTIVITIES

### Light for Education (LFE) (Solar Powered LED Lamps to the students)

Most of the population in rural India has a very unreliable access to the grid because of which the most valuable time for study during night is lost. The students mostly use kerosene lamps or candles for studying at night. The smoke and heat irritates eyes and nose and affects the concentration. There is also the risk of fire accidents when children use kerosene lamps. LFE program aims to overcome the above issues and develop a holistic approach for the students and avail them effective solar lighting system to empower their dreams to study. In association with the Menda Foundation, your company sponsored solar powered LED Lamps to the students. The program also helps to create awareness in the young minds about renewable energy and sustainable energy usage.



Solar Lamps Charging Station



Solar Lamps used by students during night



Students charging the battery from the charging station fixed in the school

### Health Care – Project Hope

In association with Rotary International your Company sponsored “Project Hope” – provision of Bone Marrow Biopsy/ Aspiration Needles for children from economically weaker sections suffering from Leukemia. Approximately 600 New cases of Childhood Cancer are diagnosed at Memorial Institute of Oncology each year, of which about 40% are Acute Lymphoblastic Leukemia, where the survival rate is at 80 to 90% and can be significantly improved provided timely, high quality treatment given.

### Sports – Support Underprivileged Children

Your Company sponsored a charity sports event organized by Concern India Foundation held during February 2016 to support the cause of underprivileged children. Concern India Foundation is a registered, non-profit charitable trust working towards its objective of Helping People Help Themselves by making the disadvantaged self-reliant and thereby enabling them to lead a life of dignity. It was set up in 1991 to extend financial and non financial support to grass root programmes working in the areas of education, health and community development.



## ANNEXURE - 3 EXTRACT OF ANNUAL RETURN

**As on the financial year ended on March 31, 2016**

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

### I. REGISTRATION AND OTHER DETAILS

i) CIN:	L32209KA1988PLC009313
ii) Registration Date	July 26, 1988
iii) Name of the Company :	ADC India Communications Limited
iv) Category / Sub-Category of the Company	Public Limited
v) Address of the Registered office and contact details	No.485/8A & 8B, 14th Cross, 4th Phase, Peenya Industrial Area, Bangalore - 560058
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B Plot No. 31-32, Gachibowli Financial District, Nanakramguda Hyderabad-500 032  Phone: 040-67162222 Fax: 040-23001153 E-mail: einward.ris@karvy.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as Percentage of Total Equity)**

**i) Category – wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF									
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corporate									
e) Banks /FI									
f) Any Other...									
<b>Sub-Total (A)(1)</b>									
<b>(2) Foreign</b>									
a) NRIs-Individuals									
b) Other Individuals									
c) Bodies Corporate	3104360	Nil	3104360	67.49	3104360	Nil	3104360	67.49	Nil
d) Banks /FI									
e) Any other ...									
<b>Sub- Total (A) (2)</b>	3104360	Nil	3104360	67.49	3104360	Nil	3104360	67.49	Nil
<b>Total Shareholding of Promoter</b>	3104360	Nil	3104360	67.49	3104360	Nil	3104360	67.49	Nil
<b>(A)=(A)(1) +(A) (2)</b>									

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	700	700	0.02	-	700	700	0.02	Nil
b) Banks / FI	280	100	380	0.01	280	100	380	0.01	Nil
c) Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Other Specify)									
<b>Sub – total (B) (1)</b>	280	800	1080	0.02	280	800	1080	0.02	Nil
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	341511	4300	345811	7.52	346290	4300	350590	7.62	0.10
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	948394	78215	1026609	22.32	977329	76713	1054042	22.91	0.59
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	84093	-	84093	1.83	57130	-	57130	1.24	(0.59)
c) Others (specify)	37847	200	38047	0.82	32598	200	32798	0.72	(0.10)
<b>Sub – total (B) (2)</b>	1411845	82715	1494560	32.49	1413347	81213	1494560	32.49	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	1412125	83515	1495640	32.51	1413347	82013	1495640	32.51	-
C. Shares held by Custodian for GDRs & ADRS	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	4516485	83515	4600000	100.00	4517987	82013	4600000	100.00	-

## ii) Shareholding of Promoters

SI No.	Share Holder's Name	Shareholding at the beginning of year			Shareholding at the end of the year			% change in shareholding the year
		No of Shares	% of total Shares of Company	% of Shares Pledged/ encumbered to total shares	No of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Tyco Electronics AMP GmbH	3080824	66.97	Nil	Nil	Nil	Nil	(66.97)
2	TE Connectivity Ltd.	18569	0.41	Nil	Nil	Nil	Nil	(0.41)
3	CommScope Connectivity LLC (formerly ADC Telecommunications Inc.)	4967	0.11	Nil	3104360	67.49	Nil	67.38
	<b>Total</b>	3104360	67.49	Nil	3104360	67.49	Nil	Nil



## Twenty Eighth Annual Report

### iii) Change in Promoters' Shareholding:

No Change in Promoters shareholding during the year.

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

Sl No.	Name Shareholder	Shareholding at the beginning of year		*Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.) allotment / transfer/ bonus sweat equity etc.):	Cumulative Shareholding during the year		At the end of the year (or on the date of separation, if separated)
		No. of Shares	% of total Shares of the Company		No. of Shares	% of Total shares of the company	
1	Rajasthan Global Securities Pvt. Ltd.	228861	4.98	(9280)	219581	4.77	219581
2	Earnest Shipping and Ship Builders Ltd.	-	-	27834	27834	0.61	27834
3	Neeta H.Mehta	16760	0.36		16760	0.36	16760
4	Anshu Govil	-	-	16037	16037	0.35	16037
5	Govind Parikh Securities Pvt. Ltd	15000	0.33	15000	15000	0.33	15000
6	Taramati Parmanand Shah	16894	0.37	(2500)	14394	0.31	14394
7	Divyesh A Shah	13582	0.30	194	13776	0.30	13776
8	Prithvi Finmart Private Ltd.	6750	0.15	6265	13015	0.28	13015
9	Pradeep Aggarwal	12200	0.27	-	12200	0.27	12200
10	Niranjana Jitendra Shah	10000	0.22	-	10000	0.22	10000

\*Represents Demat Transactions

### v) Shareholding of Directors and Key Managerial Personnel

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

## V. INDEBTEDNESS

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager (Rs.)	Total Amount (Rs.)
		J.N.Mylaraiah	
1.	Gross Salary		
	a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	7,283,031	7,283,031
	b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil
	c) Profits in lieu of Salary under section 17 (3) Income Tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- As % of Profit	Nil	Nil
	- Others, specify	Nil	Nil
5.	Others, Please specify	Nil	Nil
	Total (A)	7,283,031	7,283,031
	Ceiling as per the Act	8,400,000	8,400,000

### B. Remuneration to Other Directors :

Sl No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		S.Devarajan (Rs.)	Revathy Ashok (Rs.)	N.Srinivasan (Rs.)	Arun Kakatkar (Rs.)	Joydeep Nag (Rs.)	
1.	Independent Directors						
	- Fee for attending board Committee meetings	450,000	420,000	340,000	-	-	1,210,000
	- Commission	-	-	-	-	-	-
	- Others, Please Specify	-	-	-	-	-	-
	Total (1)	450,000	420,000	340,000	-	-	1,210,000
2.	Other Non-Executive Directors						
	- Fee for attending board Committee meetings	-	-	-	200,000	200,000	400,000
	- Commission	-	-	-	-	-	-
	- Others, Please Specify	-	-	-	-	-	-
	Total (2)				200,000	200,000	400,000
	Total (B) = (1+2)	450,000	420,000	340,000	200,000	200,000	1,610,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Companies Act 2013	800,000	900,000	700,000	500,000	500,000	3,400,000

## Twenty Eighth Annual Report

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

Sl No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Rs.)	CFO (Rs.)	Total (Rs.)
1.	Gross Salary			
	a) Salary as per provisions contained in section 17 (1) of the Income Tax Act 1961	Nil	5,661,591	5,661,591
	b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of Salary under section 17 (3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- As % of Profit	Nil	Nil	Nil
	- Others, specify	Nil	Nil	Nil
5.	Others - Professional Charges	1,483,500	Nil	1,483,500
	Total	1,483,500	5,661,591	7,145,091

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

## ANNEXURE - 4 PARTICULARS OF EMPLOYEES

### Disclosure pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr.J.N.Mylaraiah, Managing Director	12.54:1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Mr.J.N.Mylaraiah, Managing Director Mr.Rakesh Bhanushali Chief Financial Officer	8% 8%(Annualised)
(iii)	The percentage increase in the median remuneration of employees in the financial year.		10.71%
(iv)	The number of permanent employees on the rolls of the company.		24
(v)	The explanation on the relationship between average increase in remuneration and Company performance.	Average increase is based on Company's overall performance, market trend and long term interests of the Company.	
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	The gross revenue including other income during the financial year was more or less as that of previous year and profit after tax grew by about 5%. The percentage increase in the remuneration of Managerial Personnel is around 8%.This is based on overall performance, market trend and long term interest of the Company.	
(vii)	a. Variations in market capitalisation of the Company.  b. Variations in price earning ratio.  c. Percentage increase over decrease in the market quotation of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	a. Market capitalisation has decreased from Rs.14416 lakhs as on March 31, 2015 to Rs.11353 lakhs as on March 31, 2016.  b. PE ratio was Rs.11.34 at March 31, 2016 as compared to Rs.10.82 at March 31, 2015.  c. The closing share price as on March 31, 2016 was Rs. 246.80 representing approx. 2400 percent increase over IPO price of Rs.10/- per equity share.	
(viii)	Average percentile increase in the salaries of employees excluding managerial personnel in the financial year and comparison with the percentile increase in remuneration of Executive Directors and justification thereof.	Average percentile increase in the salaries of employees excluding managerial personnel in the financial year was 10.71% as compared to 8% in case of the Managing Director.	
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Explanation as given in point vi.	
(x)	The key parameters for any variable component of remuneration availed by the Directors.	Variable component of remuneration (i.e. incentive) paid to the Managing Director are linked to the overall Company's performance.	
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	There is no employee who receives remuneration in excess of the remuneration paid to the Managing Director.	

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

For and on behalf of the Board of Directors

S.Devarajan  
Chairman

J.N.Mylaraiah  
Managing Director

Bangalore, May 25, 2016



**ANNEXURE - 5 PARTICULARS OF EMPLOYEES**

**Disclosure pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Employed throughout the financial year and was in receipt of remuneration of not less than Rs.6,000,000/- per annum.**

Employee Name	Designation	Qualification	Age	Experience (in years)	Remuneration	Date of Joining	Previous Employment and Designation
J.N.Mylaraiah	Managing Director	BE ( Mechanical )	43	20	Rs. 7,283,031	September 09, 2013	TE Connectivity India Private Limited, Country Manager- Technical and Marketing

Note:

1. Remuneration includes salary, allowances and incentive and monetary value of perquisites as per income tax rules.
2. Mr. Mylaraiah does not hold any equity shares of the Company.
3. Mr. Mylaraiah is not related to any other Director or Manager of the Company.

For and on behalf of the Board of Directors

S.Devarajan  
Chairman

J.N. Mylaraiah  
Managing Director

Bangalore  
May 25,2016

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Telecommunication

The telecom sector continues to be at the epicenter for growth, innovation, and disruption for virtually any industry. India is currently the world's second-largest telecommunications market and has registered strong growth in the past decade and half by contributing substantially to India's gross domestic product (GDP), according to report prepared by GSM Association. According to a study smartphones are expected to account for two out of every three mobile connections globally by 2020 making India the fourth largest smartphone market with rising internet usage and gradually upgrade to 4G LTE technology. Continued momentum around core telecommunications businesses— Mobile devices and related broadband connectivity continue to be more and more embedded in the fabric of society today and are key in driving the momentum around some key trends such as video streaming, Internet of Things (IoT), and mobile payments.

Extensive deployment of optical fiber in the existing network as well as for residences (FTTH) for the network to be laid in coming years to support new broadband services is stressed to be more important to meet the upcoming bandwidth requirements. With developments in services such as security and surveillance, remote monitoring of ATM machines, Internet of Things, Home automation, traffic management, retail, logistics and grid energy could eventually facilitate optimization of resources, which indicates a better future performance for the operators and there is likelihood of a higher capex spend in the medium to long term which bodes well for your company.

#### Enterprise

Enterprise network market growth continues to improve with lower price realization and reduced profitability with greater competition at the market. We do foresee the growth to improve in the medium term driven by demand in Infrastructure projects, Defense sector, E-commerce, Hospitality, Education, IT/ITES & Government projects. We do see growth in Fiber Business over copper due to large infrastructure corridors, national fiber optic network, digital India & smart city initiatives which would in turn help us to maintain profitability.

### 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 judgments used in preparing the financial statements. Some of the key performance indicators are given below:

(Rs. in Lakhs)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Gross Revenue	6310.85	6456.08
Profit/(Loss) before Depreciation and Tax	618.60	770.77
Depreciation	34.19	54.99
Profit/(Loss) before Tax	584.41	715.78
Ratio of Profit/(Loss) before Tax to Revenue in percentage	9.26	11.09
Profit/(Loss) after Tax	521.70	497.72
Total Assets	5359.05	6215.00
Earnings per share	11.34	10.82
Inventory Turnover ratio	11.20 times	8.10 times
Debtors turnover ratio	5.12 times	5.08 times

The gross revenue including other income during the year was more or less the same as that of previous year. Revenue from the Telecommunication business decreased by about 19% and the revenue from IT-Networking (Enterprise network) business grew by about 10% as compared to last year.

### OPPORTUNITIES AND THREATS

#### Telecommunication

Carriers will continue to focus on providing data and voice services that are high quality, reliable, and affordable with 4G LTE technology expected to drive the industry pace and growth. The major challenge

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

### **Enterprise**

Demand in Infrastructure projects, Defense sector, E-commerce, Hospitality, Education, IT/ITES and Government projects is expected to drive growth including the Small and Medium Business (SMB) segment which is looking promising and future business potential looks positive. However, the Company need to be cautious with lower price realization and reduced profitability with greater competition at the market.

### **RISKS AND CONCERNS**

#### **Telecommunication**

With billions of dollars at stake, 2016 spectrum auctions will remain a top-of-mind concern for telecom companies. Government is expected to facilitate the growth of the telecom industry in the next 2 to 3 years. With clear policies and renewed administration by the Government the investment climate has slightly improved and expected to improve in the near future.

### **Enterprise**

With Smart city, Digital India Initiatives which in turn would drive demand in Infrastructure projects. Other sectors such as Defense, E-commerce, Hospitality, Education, IT/ITES & Government projects also looks very positive & promising in the next 12 to 18 months.

### **TECHNOLOGY**

Your Company did introduce new products such as Fiber & Copper patch Lock system, which helps customer to look at additional level of physical security in critical connectivity requirements and also continued its work on supporting high density fiber requirements for co-locations with better manageability features. Your Company did introduce Outdoor environment enclosures / Cable assemblies

products to support the Security & Surveillance market & continued its focus on Standard-Compliant product portfolio to increase its geographical reach.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

### **MANUFACTURING OPERATIONS**

The Company continued with outsourcing of a major portion of manufacturing operations. The Company in order to be cost competitive continued to look at other ways of cost reduction.

### **HUMAN RESOURCES**

The total number of permanent employees of the Company as on March 31, 2016 was 24. To ensure safety of the Company's and sub-contractor employees working in the factory premises and to create awareness among the employees, training was organized during the year on Basic Chemical Handling, Safety and Hazards Waste Management and Medical Emergency Preparedness.

### **INFORMATION TECHNOLOGY**

During the year the Company replaced few of Laptops since existing systems were too old to operate and use the latest software. Has installed Security Cameras at workplace towards safety of Company & its employees.

### **Cautionary Statement:**

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

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

### 2. BOARD OF DIRECTORS

#### (A) Composition of Board

The Board of Directors of the Company consists of one Executive Director and three Non-Executive Independent Directors. One of the Non-Executive Independent Directors is a Woman Director.

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

The Company has a Non-Executive Chairman. More than 50% of the total strength of the Board consists of Independent Directors, meeting the requirement relating to Composition of the Board under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### (B) Board Meetings

Nine Board meetings were held during the year 2015-16 on May 11,2015, June 12,2015, July 17,2015, August 14,2015, August 28,2015,November 03,2015, January 22,2016, March 08, 2016 and March 28, 2016.

#### (C) Attendance at Board Meetings and Annual General Meeting

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on June 26,2015, with particulars of their Directorship and Chairman/Membership of Board Committees of other companies as on March 31,2016 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
S. Devarajan	Independent Director	February 2013	Chairman & Director	9	8	1	NIL	NIL	Yes
J.N. Mylraiah	Nominee Director	September 2013	Managing Director	9	9	NIL	NIL	NIL	Yes
Arun Kakatkar*	Nominee Director	November 2012	Director	9	5	NIL	NIL	NIL	Yes
Joydeep Nag*	Nominee Director	May 2013	Director	9	5	1	NIL	NIL	Yes
Revathy Ashok	Independent Director	August 2011	Director	9	9	6	5	1	Yes
N. Srinivasan	Independent Director	February 2012	Director	9	7	NIL	NIL	NIL	Yes

\*Ceased to be a Director w.e.f. August 29, 2015

### 3. AUDIT COMMITTEE

#### (A) Terms of Reference

The role of the Audit Committee includes the following:

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

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report
    - Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
    - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
    - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
    - Approval or any subsequent modification of transactions of the company with related parties.
    - Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **(B) Composition**

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



financially literate and having adequate financial management expertise.

### (C) Committee Meetings and Attendance

Five Audit Committee meetings were held during the year 2015-16 on May 11, 2015, July 17, 2015, November 03, 2015, January 22, 2016 and March 28, 2016. The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Ms. Revathy Ashok	Chairman	5	5
Mr. S. Devarajan	Member	5	5
Mr. N. Srinivasan	Member	5	4
Mr. Joydeep Nag*	Member	5	2

\* Ceased to be a Committee Member w.e.f. August 29, 2015

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

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

## 4. NOMINATION AND REMUNERATION COMMITTEE

### (A) Terms of Reference

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

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

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

### (B) Composition

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

### (C) Committee Meetings and Attendance

One Nomination and Remuneration Committee meeting was held during the year 2015-16 on March 28, 2016.

The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Mr. N. Srinivasan	Chairman	1	1
Mr. S. Devarajan	Member	1	1
Ms. Revathy Ashok	Member	1	1
Mr. Joydeep Nag*	Member	1	0

\* Ceased to be a Committee Member w.e.f. August 29, 2015

### (D) Remuneration Policy

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

Non-Executive Directors appointed on the Board are paid sitting fees for attending the meeting of the Board and Board committee meetings. No other remuneration or commission is paid to the non-executive Directors. Non-Executive Chairman is paid a Sitting fee of Rs.75,000/- with effect from March 08, 2016 ( Rs.50,000/- before this date)and other Non-Executive Directors are paid a sitting fee of Rs.70,000/-with effect from March 08, 2016( Rs.40,000/- before this date) for attending Board/Committee Meetings held on the same day.

**(E) Remuneration paid to Directors for the year ended March 31, 2016**

(Amount in Rs.)

Name of Director	Salary	Bonus /Incentive	Allowances & Perquisites	Sitting Fees	Total
Mr. S. Devarajan	-	-	-	450,000	450,000
Mr.J.N. Mylariaiah	3,845,016	2,663,804	774,211	Nil	7,283,031
Mr. Arun Kakatkar	-	-	-	200,000	200,000
Mr. Joydeep Nag	-	-	-	200,000	200,000
Ms. Revathy Ashok	-	-	-	420,000	420,000
Mr. Srinivasan	-	-	-	340,000	340,000

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

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

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

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

**(B) Composition**

The current committee comprises of one Executive Director and two Non-Executive Directors. Mr.N.Srinivasan is the Chairman and Mr. S.Devarajan and Mr.J.N.Mylariaiah are members of the Committee. The Chairman of the Committee is an Independent Director.

**(C) Committee Meetings and Attendance**

Four Stakeholders Relationship Committee meetings were held during the year 2015-16 on May 11, 2015, July 17, 2015, November 03, 2015 and January 22, 2016.

The attendance of the members is given below:

Name of Member	Position	Number of meetings Held	Number of meetings Attended
Mr.N. Srinivasan	Chairman	4	3
Mr.S. Devarajan	Member	4	4
Mr. Joydeep Nag*	Member	4	2
Mr.J.N.Mylariaiah	Member	4	4

\* Ceased to be a Committee Member w.e.f. August 29, 2015

**(D) Name and Designation of Compliance Officer**

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

**(E) Shareholders Complaints**

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

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

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

**(B) Composition**

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

### (C) Committee Meetings and Attendance

One Risk Management Committee meeting was held during the year 2015-16 on January 22, 2016. All the members attended this meeting.

## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

### (A) Terms of Reference

The role of the CSR Committee are as follows:

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

### (B) Composition

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

### (C) Committee Meetings and Attendance

One CSR Committee meeting was held during the year 2015-16 on January 22, 2016. All the members attended this meeting

## 8. GENERAL BODY MEETINGS

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

Year	Date	Venue	Time
2012-13	August 13, 2013	Hotel Atria, No.1, Palace Road, Bangalore	10.30 am
2013-14	August 08, 2014	Vivanta by Taj, No.41/3, M.G. Road, Bangalore	11.00 am
2014-15	June 26, 2015	Vivanta by Taj, No.41/3, M.G. Road, Bangalore	11.00 am

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

- At the AGM held on August 13, 2013 a Special Resolution for amending the Article of Association of the Company was passed.
- At the AGM held on August 08, 2014 a Special Resolution for payment of remuneration to

Mr.J.N.Mylariah, Managing Director of the Company was passed.

- At the AGM held on June 26, 2015 a Special Resolution for adoption of new Articles of Association of the Company and a Special Resolution to approve Related Party transactions was passed

### (C) Postal Ballot

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

## 9. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

The Familiarization Program for Independent Directors and details of the Program undergone by the Independent Directors has been displayed in the Company's website [www.adckcl.com](http://www.adckcl.com).

## 10. INDEPENDENT DIRECTORS MEETING

The Independent Directors Mr.S.Devarajan, Ms.Revathy Ashok and Mr.N.Srinivasan held two meetings on January 22, 2016 and March 08, 2016 without the presence of Non-Independent Directors and Senior Management Personnel.

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

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

## 12. TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of Independent Directors of the Company

have been displayed in the Company's website [www.adckcl.com](http://www.adckcl.com).

### 13. COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of financial statements for the year ended March 31, 2016, there is no deviation from the prescribed Accounting Standards.

### 14. COMPLIANCE CERTIFICATE FROM THE AUDITORS

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

### 15. CODE OF CONDUCT

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

#### DECLARATION

It is hereby declared that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the Directors and Senior Management of the Company in respect of the financial year ended March 31, 2016.

Place: Bangalore  
Date: May 25, 2016

J.N.Mylaraiah  
Managing Director

### 16. RECONCILIATION OF SHARE CAPITAL AUDIT

In the year 2015-16 M/s. V.Sreedharan and Associates, Practicing Company Secretaries carried out the Reconciliation of Share Capital Audit on quarterly basis to reconcile the total issued and paid-up capital with the aggregate of the total number of the shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of Share Capital was submitted to the Bombay Stock Exchange Limited.

### 17. CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company give certification on

financial reporting and internal controls to the Board on an annual basis. This certificate for the financial year 2015-16 was placed before the Board at its meeting held on May 25, 2016.

### 18. COMPLIANCE WITH MANDATORY & NON-MANDATORY REQUIREMENTS

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

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

#### (A) Audit Qualifications

The Auditors have not qualified the financial statements of the Company

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

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

#### (C) Reporting of Internal Auditors

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

### 19. DISCLOSURES

#### (A) Related Party Transactions

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

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

None of the Non-Executive Directors have any pecuniary material relationship or material transaction with the Company for the year ended March 31, 2016.

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

#### (B) Management Discussion & Analysis

Management discussion and analysis report is

---

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

**(C) Compliances by the Company**

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

**(D) Whistle Blower Policy**

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

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company affirms that no person has been denied access to the Audit Committee in this respect.

**20. MEANS OF COMMUNICATION**

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

**21. GENERAL SHAREHOLDER INFORMATION**

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



## SHAREHOLDER INFORMATION

### 1. Corporate Identity Number (CIN)

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

### 2. Annual General Meeting

Date & Time : July 13, 2016 at 11.00 am

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

### 3. Financial Calendar (tentative and subject to change)

Description	Dates
Financial Reporting – I Quarter Results	July, 2016
Financial Reporting – II Quarter Results	October, 2016
Financial Reporting – III Quarter Results	January, 2017
Financial Reporting – 2017 Year End Results	May, 2017
Annual General Meeting	July, 2017

### 4. Date of Book Closure

July 08, 2016 to July 13, 2016 (both days inclusive)

### 5. Dividend Payment Date

Within the time specified in the Companies Act, 2013.

### 6. Listing on Stock Exchanges & Stock Code

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai 400 001

### 7. Stock Code - 523411

### 8. Registrar and Share Transfer Agents

Karvy Computershare Private Limited

Karvy Selenium Tower B

Plot No. 31-32, Gachibowli

Financial District, Nanakramguda

Hyderabad-500 032

Phone: 040-67162222

Fax: 040-23001153

E-mail : einward.ris@karvy.com

## SHAREHOLDER INFORMATION

### 9. Shareholders Complaints

Sl. No.	Nature of Complaints	Received	Resolved	Unresolved
1	Non receipt of share certificates	2	2	0
2	Non receipt of Dividend Warrants	25	25	0
3	Non receipt of Annual Reports	2	2	0
4	Others	3	3	0
	<b>Total</b>	<b>32</b>	<b>32</b>	<b>0</b>

### 10. 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
April-15	410	289	29095	26898				
May-15	350	271	28071	26424	-15%	-6%	-4%	-2%
June-15	320	245	27969	26307	-9%	-10%	0%	0%
July-15	398	283	28578	27416	24%	16%	2%	4%
August-15	382	285	28418	24833	-4%	-1%	-1%	-8%
September-15	308	260	26472	24833	-19%	-9%	-7%	-2%
October-15	355	285	27618	26169	15%	10%	4%	5%
November-15	323	267	26824	25451	-9%	-6%	-3%	-3%
December-15	327	280	26256	24868	1%	5%	-2%	-2%
January-16	310	259	26197	23840	-5%	-8%	0%	-4%
February-16	279	220	25002	22495	-10%	-15%	-5%	-6%
March-16	270	232	25480	23133	-3%	5%	2%	3%

### 11. 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 as and when required for approving the share transfers.

### 12. Distribution of Shareholding as on March 31, 2016:

Category	No. of Shareholders	% to total number of shareholders	No. of shares	% to total number of shares
1 – 100	3685	72.55	246253	5.35
101 – 200	561	11.05	100185	2.18
201 – 500	466	9.18	169149	3.68
501 – 1000	191	3.76	153707	3.34
1001 – 5000	145	2.85	326951	7.11
5001 – 10000	21	0.41	150798	3.28
Above 10001	10	0.20	3452957	75.06
<b>Total</b>	<b>5079</b>	<b>100.00</b>	<b>4600000</b>	<b>100.00</b>

## SHAREHOLDER INFORMATION

### 13. Categories of Shareholders as on March 31, 2016:

Category	No. of Shareholders	Total Shares	Percentage to Total
Promoters	1	3104360	67.49
Non Resident Indians	43	32330	0.70
Mutual Funds	4	700	0.02
Banks	4	380	0.01
Bodies Corporate	156	350590	7.62
Public	4871	1111640	24.16
<b>Total</b>	<b>5079</b>	<b>4600000</b>	<b>100.00</b>

### 14. Dematerialisation of Shares

As on March 31, 2016, 4517987 Equity Shares of the Company representing 98.22% of the paid-up share capital are in dematerialized form

### 15. Outstanding ADR/GDR/Convertible bonds

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

### 16. Plant location

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

Peenya Industrial Area,

Bangalore 560 058.

Tel: +91 80 28366291

Fax: +91 80 28362214

### 17. Address for correspondence

Members can contact the Compliance Officer at the following address:

Mr. R. Ganesh

ADC India Communications Limited

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

Peenya Industrial Area

Bangalore 560 058

Tel: +91 80 28366291

Fax: +91 80 28362214

Email: r.ganesh@te.com

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To**  
**The Members of ADC India Communications Limited**

1. We have examined the compliance of conditions of Corporate Governance by ADC INDIA COMMUNICATIONS LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

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

Sathya P Koushik  
Partner  
Membership No. 206920

Place: Bangalore  
Date: May 25, 2016

## INDEPENDENT AUDITORS' REPORT

To

**The Members of ADC India Communications Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ADC INDIA COMMUNICATIONS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

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

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made

thereunder and the Order under section 143 (11) of the Act.

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



## INDEPENDENT AUDITORS' REPORT

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sathya P Koushik  
Partner  
Membership No. 206920

Place: Bangalore  
Date: May 25, 2016

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of ADC INDIACOMMUNICATIONS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

---

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (CONTINUED)****Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sathya P Koushik  
Partner  
Membership No. 206920

Place: Bangalore  
Date: May 25, 2016

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and BBMP Khata certificate provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues.
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State

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

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is Pending	Period to which the Amount relates	Amount involved (Rs.)
Income Tax Act, 1961	Income Tax	High Court of Karnataka	AY 1994-95	19,556,185
		CIT (Appeals)	AY 2009-10	7,074,810
		Income Tax Appellate Tribunal	AY 2010-11	5,085,370
		Income Tax Appellate Tribunal	AY 2011-12	26,306,990
		CIT (Appeals)	AY 2012-13	17,050,470
Central Sales Tax Act' 1956	Sales Tax (including interest till date of assessment)	Assistant Commissioner of Commercial Taxes	AY 2011-12	381,176
		Joint Commissioner of Commercial Taxes	AY 2012-13	12,527,486
		Assistant Commissioner of Commercial Taxes	AY 2013-14	11,051,563
		Assistant Commissioner of Commercial Taxes	AY 2014-15	11,374,009

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT (CONTINUED)

- |   |   |
|---|---|
| <p>(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.</p> <p>(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> <p>(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.</p> <p>(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.</p> | <p>(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.</p> <p>(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.</p> <p>(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.</p> |
|---|---|

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

Sathya P Koushik  
Partner  
Membership No. 206920

Place: Bangalore  
Date: May 25, 2016



**BALANCE SHEET AS AT MARCH 31, 2016**

	Notes	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>Equity and Liabilities</b>			
Shareholders' funds			
Share capital	3	46,000,000	46,000,000
Reserves and surplus	4	358,389,816	320,060,962
		<b>404,389,816</b>	<b>366,060,962</b>
<b>Non-current liabilities</b>			
Other long-term liabilities	5	7,850,000	7,850,000
Long-term provisions	6	1,956,626	1,051,827
		<b>9,806,626</b>	<b>8,901,827</b>
<b>Current liabilities</b>			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	7	1,378,912	3,445,499
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7	100,140,246	92,430,783
Other current liabilities	7	6,134,140	138,855,407
Short-term provisions	6	14,055,170	11,805,135
		<b>121,708,468</b>	<b>246,536,824</b>
<b>TOTAL</b>		<b>535,904,910</b>	<b>621,499,613</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	8	40,523,015	43,297,960
Intangible assets	8	-	-
Deferred tax assets (net)	9	10,529,495	-
Long-term loans and advances	10	35,593,576	27,638,488
		<b>86,646,086</b>	<b>70,936,448</b>
<b>Current assets</b>			
Inventories	11	51,572,490	53,973,288
Trade receivables	12	109,045,334	121,858,792
Cash and cash equivalents	13	264,236,888	356,096,381
Short-term loans and advances	10	20,278,924	11,844,989
Other current assets	14	4,125,188	6,789,715
		<b>449,258,824</b>	<b>550,563,165</b>
<b>TOTAL</b>		<b>535,904,910</b>	<b>621,499,613</b>

See accompanying notes forming part of the Financial Statements.

In terms of our report attached

**For Deloitte Haskins & Sells**  
**Chartered Accountants**

**Sathya P Koushik**  
Partner

Place : Bangalore  
Date : May 25, 2016

**S.Devarajan**  
Chairman and Director

Place : Bangalore  
Date : May 25, 2016

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

**Mylaraiah J.N**  
Managing Director

**R. Ganesh**  
Company Secretary

**Rakesh Bhanushali**  
CFO

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Notes	April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
<b>Income</b>			
Revenue from operations (gross)		603,164,001	600,281,534
Less: excise duty		21,238,400	22,197,581
<b>Revenue from operations (net)</b>	15	<b>581,925,601</b>	<b>578,083,953</b>
Other income	16	27,921,038	45,326,600
<b>Total revenue</b>		<b>609,846,639</b>	<b>623,410,553</b>
<b>Expenses</b>			
Cost of raw materials, components, packing materials and services consumed	17	89,656,580	129,990,826
Purchase of traded goods	18	337,697,259	263,828,969
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	19	1,134,238	23,433,834
Employee benefits expense	20	32,329,293	29,389,341
Other expenses	21	86,955,229	98,597,918
Depreciation and amortization expense	22	3,418,958	5,498,860
Finance cost - Interest on delayed payment of tax		214,279	1,093,025
<b>Total expense</b>		<b>551,405,836</b>	<b>551,832,773</b>
<b>Profit before tax</b>		<b>58,440,803</b>	<b>71,577,780</b>
<b>Tax expenses</b>			
Current tax		16,800,044	21,806,141
Deferred tax charge / (credit)		(10,529,495)	-
Total tax expense		6,270,549	21,806,141
<b>Profit for the year</b>		<b>52,170,254</b>	<b>49,771,639</b>
<b>Earnings per equity share (nominal value of share Rs.10)</b>			
<b>Basic / Diluted EPS</b>	36	11.34	10.82
Weighted average number of equity shares used in computation of above		4,600,000	4,600,000

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**

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

**Sathya P Koushik**  
Partner

**S.Devarajan**  
Chairman and Director

**Mylaraiah J.N**  
Managing Director

**R. Ganesh**  
Company Secretary

Place : Bangalore  
Date : May 25, 2016

Place : Bangalore  
Date : May 25, 2016

**Rakesh Bhanushali**  
CFO

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	58,440,803	71,577,780
<b>Add / (Less)</b>		
Depreciation and amortization expense	3,418,958	5,498,860
Loss/ (profit) on sale of fixed assets (net) / Assets discarded	(59,575)	550,025
Reversal of provision for doubtful receivables	(1,381,765)	(829,586)
Provision for doubtful advances	1,410,777	5,733,391
Unrealized foreign exchange loss (net)	-	167,884
Liabilities no longer required written back	-	(9,317,184)
Interest income	(16,217,781)	(25,322,541)
Finance cost - Interest on delayed payment of tax	214,279	1,093,025
<b>Operating profit before working capital changes</b>	<b>45,825,696</b>	<b>49,151,654</b>
<b>Movements in working capital :</b>		
Increase/ (Decrease) in trade payables	5,642,876	(248,665)
Increase / (Decrease) in long term provisions	904,799	488,651
Increase / (decrease) in short-term provisions	(257,292)	1,645,006
Increase/ (decrease) in other current liabilities	1,027,492	(927,802)
Decrease / (increase) in inventories	2,400,798	36,001,235
Decrease / (increase) in trade receivables	14,195,224	(13,327,974)
Decrease / (Increase) in long term loans and advances	(11,994,535)	(2,704,767)
Decrease / (increase) in short term loans and advances	(8,433,934)	(1,299,507)
Decrease / (increase) in other current assets	2,664,526	21,489,146
Cash generated from / (used in) operations	<b>51,975,650</b>	<b>90,266,977</b>
Direct taxes paid (net of refunds)	(20,183,167)	(21,312,251)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>31,792,483</b>	<b>68,954,726</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital advances	(644,013)	(989,265)
Proceeds from sale of fixed assets	59,575	-
Interest received	16,217,781	24,514,787
<b>Net cash flow from investing activities (B)</b>	<b>15,633,343</b>	<b>23,525,522</b>
<b>Cash flows from financing activities</b>		
Dividends paid on equity shares	(138,000,000)	(11,500,000)
Tax on equity dividend paid	(936,560)	(1,954,425)
Tax on interim dividend	-	(27,907,280)
Net increase/(decrease) in unpaid dividend account	(348,759)	21,224
<b>Net cash flow used in financing activities (C)</b>	<b>(139,285,319)</b>	<b>(41,340,481)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (CONTINUED)**

Particulars	April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(91,859,493)</b>	<b>51,139,767</b>
Cash and cash equivalents at the beginning of the year	356,096,381	304,956,614
<b>Cash and cash equivalents at the end of the year</b>	<b>264,236,888</b>	<b>356,096,381</b>
<b>Components of cash and cash equivalents</b>		
Balances with scheduled banks:		
- in current accounts	43,750,542	6,861,275
- in deposit accounts	220,000,000	215,000,000
- unpaid dividend accounts (earmarked for payment of dividends)	486,346	134,235,106
<b>Total cash and cash equivalents (note 13)</b>	<b>264,236,888</b>	<b>356,096,381</b>

In terms of our report attached

**For Deloitte Haskins & Sells**  
**Chartered Accountants**

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

**Sathya P Koushik**  
Partner

**S.Devarajan**  
Chairman and Director

**Mylaraiah J.N**  
Managing Director

**R. Ganesh**  
Company Secretary

Place : Bangalore  
Date : May 25, 2016

Place : Bangalore  
Date : May 25, 2016

**Rakesh Bhanushali**  
CFO

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**2.1. CORPORATE INFORMATION**

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

**2.2 Basis of accounting and preparation of financial statements**

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

**2.3 Use of estimates**

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

**2.4 Inventories**

Inventories are valued as follows:

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

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

**2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)**

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

**2.6 Cash flow statement**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

### 2.7 Depreciation and amortization

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

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

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

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

### 2.8 Revenue recognition

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

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

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

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

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

### 2.9 Fixed Assets (Tangible / Intangible)

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

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

### 2.10 Foreign currency transactions and translations

#### 1 Initial recognition

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2 Conversion

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

### 3 Exchange differences

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

## 2.11 Employee Benefits

### Defined contribution plans

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

### Defined benefit plans

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

### Short-term employee benefits

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

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

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

## 2.12 Segmental Reporting

### (i) Identification of segments:

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

### (ii) Allocation of common costs:

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

### (iii) Segment policies:

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.13 Leases

#### *Where the Company is lessee*

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

#### *Where the Company is lessor*

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

### 2.14 Earnings per share

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

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

### 2.15 Taxes on income

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

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

### 2.16 Impairment of assets

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

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

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

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

### 2.17 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.18 Operating Cycle

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>3 SHARE CAPITAL</b>		
<b>Authorised:</b> 10,000,000 ((March 31, 2015: 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
<b>Issued, subscribed and fully paid-up</b> 4,600,000 (March 31, 2015: 4,600,000) equity shares of Rs.10 each fully paid up	46,000,000	46,000,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>46,000,000</b>	<b>46,000,000</b>

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

	March 31, 2016		March 31, 2015	
	No.	Rs.	No.	Rs.
At the beginning of the year	4,600,000	46,000,000	4,600,000	46,000,000
Outstanding at the end of the year	4,600,000	46,000,000	4,600,000	46,000,000

**(b) Terms/ rights attached to equity shares**

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>CommScope Connectivity LLC</b> <b>(formerly ADC Telecommunications Inc.)</b> <b>(w.e.f. 27th August 2015)</b> 3,104,360 (March 31, 2015: 4,967) equity shares of Rs.10 each fully paid up	31,043,600	49,670
<b>Tyco Electronics AMP GmbH, the holding company</b> <b>(upto 26th August 2015)</b> Nil. (March 31, 2015: 3,080,824) equity shares of Rs.10 each fully paid up	-	30,808,240

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

<b>TE Connectivity Ltd, ultimate holding company (upto 26th August 2015)</b> Nil. (March 31, 2015: 18,569) equity shares of Rs.10 each fully paid up	-	185,690
---	---	---------

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

	March 31, 2016		March 31, 2015	
	No.	% holding	No.	% holding
<b>Equity shares of Rs.10 each fully paid</b> CommScope Connectivity LLC (formerly ADC Telecommunications Inc.) ( w.e.f. 27th August 2015)	3,104,360	67.49%	-	-
Tyco Electronics AMP GmbH, the holding company	-	-	3,080,824	66.97%

		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>4</b>	<b>Reserves and Surplus</b>		
	<b>General reserve (A)</b>	77,638,623	77,638,623
	<b>Surplus in the Statement of Profit and Loss</b>		
	Balance as per last financial statements	242,422,339	359,494,540
	Profit/(Loss) for the year	52,170,254	49,771,639
	<i>Less: Appropriations</i>		
	Interim dividend (Rs.Nil per share; Previous Year Rs. 29 per share)	-	(133,400,000)
	Tax on Interim dividend	-	(27,907,280)
	Proposed final equity dividend (Rs.2.50 per share; Previous Year Rs. 1.00 per share)	(11,500,000)	(4,600,000)
	Tax on proposed final equity dividend	(2,341,400)	(936,560)
	Total appropriations	(13,841,400)	(166,843,840)
	<b>Net surplus in the Statement of Profit and Loss (B)</b>	<b>280,751,193</b>	<b>242,422,339</b>
	<b>Total Reserves and surplus (A + B)</b>	<b>358,389,816</b>	<b>320,060,962</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>5</b>	<b>Other long-term liabilities</b>		
	Rental deposit from lessee	7,850,000	7,850,000
	<b>Total</b>	<u><u>7,850,000</u></u>	<u><u>7,850,000</u></u>

		Long-term		Short-term	
		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>6</b>	<b>Provisions</b>				
	<b>Provision for employee benefits</b>				
	Provision for compensated absences	1,956,626	1,051,827	213,770	471,062
	<b>(A)</b>	<u>1,956,626</u>	<u>1,051,827</u>	<u>213,770</u>	<u>471,062</u>
	<b>Other provision</b>				
	Provision for taxation (net)*	-	-	-	5,797,513
	Provision for equity dividend	-	-	11,500,000	4,600,000
	Provision for tax on proposed equity dividend	-	-	2,341,400	936,560
	<b>(B)</b>	<u>-</u>	<u>-</u>	<u>13,841,400</u>	<u>11,334,073</u>
	<b>Total Provisions (A+B)</b>	<u><u>1,956,626</u></u>	<u><u>1,051,827</u></u>	<u><u>14,055,170</u></u>	<u><u>11,805,135</u></u>

\*Net of advance tax Rs.19,291,446 (2015: Rs. 14,726,488)

		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>7</b>	<b>Trade payables and other current liabilities</b>		
	(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 31)	1,378,912	3,445,499
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	100,140,246	92,430,783
		<u>101,519,158</u>	<u>95,876,282</u>
	<b>Other current liabilities</b>		
	Interim dividend payable	-	133,400,000
	Investor education and protection fund will be credited by following amounts (as and when due)		
	- Unpaid dividend relating to earlier years	486,347	835,106
	Advance from customers	334,693	23,817
	Gratuity payable	415,179	529,513
	Statutory dues	4,897,921	4,066,971
	<b>Total</b>	<u><u>6,134,140</u></u>	<u><u>138,855,407</u></u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		Tangible Assets										Intangible Assets	
		Freehold Land	Building*	Plant & Machinery	Electrical Installations*	Furniture & Fixtures*	Office Equipment*	Computers*	Total	Software			
<b>At Cost</b>													
At April 1, 2015	17,298,442	27,776,829	106,019,388	5,746,430	4,581,246	5,999,599	6,524,040	173,945,974		11,415,026			
Additions	-	-	-	-	-	441,590	202,423	644,013		-			
Deletions	-	-	105,108	-	-	-	3,272,915	3,378,023		-			
Adjustments/Reclass	-	279,475	(3,063,975)	-	1,074,199	988,968	7,21,333	-		-			
<b>At March 31, 2016</b>	<b>17,298,442</b>	<b>28,056,304</b>	<b>102,850,305</b>	<b>5,746,430</b>	<b>5,655,445</b>	<b>7,430,157</b>	<b>4,174,881</b>	<b>171,211,964</b>		<b>11,415,026</b>			
<b>Depreciation</b>													
At April 1, 2015	-	11,199,436	98,310,134	5,103,259	4,293,632	5,409,415	6,332,138	130,648,014		11,415,026			
Charge for the year	-	931,768	1,228,252	643,171	317,347	186,968	111,452	3,418,958		-			
Deletions	-	-	105,108	-	-	-	3,272,915	3,378,023		-			
Adjustments/Reclass	-	185,125	(2,786,313)	-	895,135	988,968	717,085	-		-			
<b>At March 31, 2016</b>	<b>-</b>	<b>12,316,329</b>	<b>96,646,965</b>	<b>5,746,430</b>	<b>5,506,114</b>	<b>6,585,351</b>	<b>3,887,760</b>	<b>130,688,949</b>		<b>11,415,026</b>			
<b>Net Block</b>													
At March 31, 2016	17,298,442	15,739,975	6,203,340	-	149,331	844,806	287,121	40,523,015		-			
At March 31, 2015	17,298,442	16,577,393	7,709,254	643,171	287,614	590,184	191,902	43,297,960		-			

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### Tangible and Intangible Assets

(Amount in Rs.)

	Tangible Assets							Intangible Assets	
	Freehold Land	Building*	Plant & Machinery	Electrical Installations*	Furniture & Fixtures*	Office Equipment*	Computers*	Total	Software
<b>At Cost</b>									
At April 1, 2014	17,298,442	28,023,244	111,738,026	5,935,995	5,156,004	7,354,261	7,317,118	182,823,090	11,736,350
Additions	-	-	120,000	-	41,220	608,036	220,009	989,265	-
Deletions / Adjustments	-	246,415	5,838,638	189,565	615,978	1,962,698	1,013,087	9,866,381	321,324
<b>At March 31, 2015</b>	<b>17,298,442</b>	<b>27,776,829</b>	<b>106,019,388</b>	<b>5,746,430</b>	<b>4,581,246</b>	<b>5,999,599</b>	<b>6,524,040</b>	<b>173,945,974</b>	<b>11,415,026</b>
<b>Depreciation</b>									
At April 1, 2014	-	10,424,122	102,383,904	3,267,860	4,506,348	6,737,419	7,145,857	134,465,510	11,736,350
Charge for the year	-	1,002,669	1,307,010	2,005,377	394,583	589,853	199,368	5,498,860	-
Withdrawn on deletions / Adjustments	-	227,355	5,380,780	169,978	607,299	1,917,857	1,013,087	9,316,356	321,324
<b>At March 31, 2015</b>	<b>-</b>	<b>11,199,436</b>	<b>98,310,134</b>	<b>5,103,259</b>	<b>4,293,632</b>	<b>5,409,415</b>	<b>6,332,138</b>	<b>130,648,014</b>	<b>11,415,026</b>
<b>Net Block</b>									
At March 31, 2015	17,298,442	16,577,393	7,709,254	643,171	287,614	590,184	191,902	43,297,960	-
At March 31, 2014	17,298,442	17,599,122	9,354,122	2,668,135	649,656	616,842	171,261	48,357,580	-

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

Class of Assets	Gross Carrying Amount as on 31st March 2015	Accumulated Depreciation as on 31st March 2015	Depreciation recognized in the statement of P&L for the year ending 31st March 2015
<b>Building</b>	28,056,304	(11,384,561)	934,385
<b>Electrical Installations</b>	4,908,570	(4,649,418)	1,578,467
<b>Furniture &amp; Fixtures</b>	3,957,860	(3,645,871)	328,861
<b>Office Equipment</b>	4,090,633	(3,852,934)	462,974
<b>Computers</b>	205,000	(205,000)	55,521
<b>Total</b>	41,218,367	(23,737,784)	3,360,208

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
9	<b>Deferred tax asset (net)</b>		
	<b>Deferred tax asset</b>		
	On difference between book balance and tax balance of fixed assets	2,478,060	-
	Provision for doubtful debts / advances	4,465,320	-
	Provision for compensated absences, gratuity and other employee benefits	854,869	-
	VRS payments	2,731,246	-
	<b>Total</b>	<b>10,529,495</b>	<b>-</b>

**Note:** As at March 31, 2016 and 2015, the Company had net deferred tax asset with respect to timing differences. The Company recognised such asset as at March 31, 2016 on meeting the recognition criteria in accordance with the accounting policies of the Company.

		Non-current		Current	
		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
10	<b>Loans and advances</b>				
	<b>Security deposit (considered good)</b>	6,121,139	6,121,139	-	-
	(A)	<b>6,121,139</b>	<b>6,121,139</b>	-	-
	<b>Advances recoverable in cash or kind for value to be received</b>				
	(Considered good, unless stated otherwise)				
	Advance income-tax (Net)	8,470,162	10,884,553	-	-
	Prepaid expenses	-	-	774,599	741,718
	Other advances	-	-	10,000	87,000
	Balances with statutory / government authorities				
	Considered good	21,002,275	10,632,796	19,494,325	11,016,271
	Doubtful	9,144,168	7,733,391	-	-
		<b>38,616,605</b>	<b>29,250,740</b>	<b>20,278,924</b>	<b>11,844,989</b>
	Less: Provision for doubtful advances	9,144,168	7,733,391	-	-
	(B)	<b>29,472,437</b>	<b>21,517,349</b>	<b>20,278,924</b>	<b>11,844,989</b>
	<b>Total (A+B)</b>	<b>35,593,576</b>	<b>27,638,488</b>	<b>20,278,924</b>	<b>11,844,989</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>11 Inventories (valued at lower of cost and net realizable value)</b>		
Raw materials, components, consumables and packing materials	16,112,836	17,379,396
Work-in-progress	651,936	1,552,982
Finished goods [Includes intransit Rs. 88,110 (March 2015 : Rs.3,483,856)]	19,448,036	14,575,824
Traded goods [Includes intransit Rs. 935,405 (March 2015 : Rs.3,644,821)]	15,359,682	20,465,086
	<u>51,572,490</u>	<u>53,973,288</u>

	Current	
	March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>12 Trade Receivables</b>		
<b>(Unsecured unless stated otherwise)</b>		
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
Considered good	2,103,246	829,739
Doubtful	4,093,474	3,667,506
	<u>6,196,720</u>	<u>4,497,245</u>
Provision for doubtful trade receivables	(4,093,474)	(3,667,506)
<b>(A)</b>	<u>2,103,246</u>	<u>829,739</u>
<b>Other trade receivables</b>		
Considered good	106,942,088	121,029,053
Doubtful	267,849	2,075,582
	<u>107,209,937</u>	<u>123,104,635</u>
Provision for doubtful trade receivables	(267,849)	(2,075,582)
<b>(B)</b>	<u>106,942,088</u>	<u>121,029,053</u>
<b>Total (A+B)</b>	<u>109,045,334</u>	<u>121,858,792</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

		Current	
		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>13</b>	<b>Cash and cash equivalents</b>		
	Balances with banks:		
	– In current accounts	43,750,542	6,861,275
	– Demand Deposits	220,000,000	215,000,000
	– On unpaid dividend account (earmarked for payment of dividend)	486,346	134,235,106
	Cash on hand	-	-
		<u>264,236,888</u>	<u>356,096,381</u>
	Amounts that qualify as Cash and Cash equivalents under Accounting Standard 3 “Cash Flow Statements”	<u>264,236,888</u>	<u>356,096,381</u>
		Current	
		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>14</b>	<b>Other Assets</b>		
	<b>Unsecured, considered good unless stated otherwise</b>		
	Interest accrued on fixed deposits	2,774,301	2,937,473
	Unbilled Revenue	1,350,887	3,852,242
	<b>Total</b>	<u>4,125,188</u>	<u>6,789,715</u>
		April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
<b>15</b>	<b>Revenue from operations</b>		
	Sale of products		
	Finished Goods	193,972,188	254,039,795
	Traded Goods	396,971,322	328,863,477
		<u>590,943,510</u>	<u>582,903,272</u>
	Revenue under Turnkey contracts	1,728,301	2,502,868
	Revenue from Installation services	3,489,523	2,023,921
	Other operating revenue		
	Scrap Sales	7,002,667	12,851,473
	<b>Revenue from operations (gross)</b>	<u>603,164,001</u>	<u>600,281,534</u>
	Less: Excise Duty	21,238,400	22,197,581
	<b>Revenue from operations (net)</b>	<u>581,925,601</u>	<u>578,083,953</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

		April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
	<b>Detail of products sold</b>		
	<b>Finished goods sold</b>		
	Telecom products/connectors, accessories	170,192,573	219,312,638
	Test cords	74,070	440,346
	Tools	3,792,722	5,094,207
	Patch cords	19,912,823	29,192,604
		<u>193,972,188</u>	<u>254,039,795</u>
	<b>Traded goods sold</b>		
	Cables	280,026,877	158,383,064
	Connector and patch cords	71,710,993	54,577,280
	Others	45,233,452	115,903,133
		<u>396,971,322</u>	<u>328,863,477</u>
		April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
16	<b>Other income</b>		
	Interest income on Bank deposits	16,217,781	25,322,541
	Rent	10,261,917	9,773,250
	Liabilities no longer required written back	-	9,317,184
	Profit on sale of fixed assets	59,575	-
	Reversal of provision for doubtful receivables	1,381,765	829,586
	Foreign exchange fluctuation (net)	-	84,039
		<u>27,921,038</u>	<u>45,326,600</u>
17	<b>Cost of raw materials, components, packing materials and services consumed</b>		
	Inventory at the beginning of the year	17,379,396	29,946,797
	Add: Purchases	88,390,020	117,423,425
		<u>105,769,416</u>	<u>147,370,222</u>
	Less: inventory at the end of the year	16,112,836	17,379,396
	<b>Total</b>	<u>89,656,580</u>	<u>129,990,826</u>
	<b>Details of raw materials, components, packing materials and services consumed:</b>		
	PCB Assy-CAT6	8,274,145	10,765,420
	Special Alloy	29,527,050	46,349,677
	Contacts	10,501,072	21,217,640
	Others	41,354,313	51,658,089
		<u>89,656,580</u>	<u>129,990,826</u>
		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
	<b>Details of Inventory</b>		
	<b>Raw materials, Components, consumables and packing materials:</b>		
	Special Alloy	1,989,923	1,157,877
	Patch cables	4,267,754	3,912,576
	Plastics	1,566,360	5,381,275
	Contacts	1,819,374	1,475,846
	Others	6,469,425	5,451,822
		<u>16,112,836</u>	<u>17,379,396</u>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

		April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
<b>18</b>	<b>Details of purchase of traded goods</b>		
	Cables	239,956,505	175,010,431
	Connector and Patch Cords	27,128,607	34,907,989
	Others	70,612,147	53,910,549
		<u>337,697,259</u>	<u>263,828,969</u>
		March 31, 2016 (Rs.)	March 31, 2015 (Rs.)
<b>19</b>	<b>(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods</b>		
	<b>Inventories at the end of the year</b>		
	Traded goods	15,359,682	20,465,086
	Work-in-progress	651,936	1,552,982
	Finished goods	19,448,036	14,575,824
		<u>35,459,654</u>	<u>36,593,892</u>
	<b>Inventories at the beginning of the year</b>		
	Traded goods	20,465,086	32,224,315
	Work-in-progress	1,552,982	5,689,867
	Finished goods	14,575,824	22,113,544
		<u>36,593,892</u>	<u>60,027,726</u>
	<b>Total</b>	<u>1,134,238</u>	<u>23,433,834</u>
	<b>Details of inventory</b>		
	<b>Traded goods</b>		
	Cables	5,651,811	7,064,506
	Connector and patch cords	3,022,800	2,184,244
	UTP Info Outlets	3,534,729	6,013,176
	Others	3,150,342	5,203,160
		<u>15,359,682</u>	<u>20,465,086</u>
	<b>Finished goods</b>		
	Telecom products/connectors, accessories	18,633,444	13,672,422
	Test cords	10,787	16,179
	Fibre patch cords	803,805	887,223
		<u>19,448,036</u>	<u>14,575,824</u>
	<b>Work-in-progress</b>		
	Telecom products/connectors, accessories	651,936	1,552,982
		<u>651,936</u>	<u>1,552,982</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	April 1, 2015 to March 31, 2016 (Rs.)	April 1, 2014 to March 31, 2015 (Rs.)
<b>20</b>	<b>Employee benefit expense</b>	
	Salaries, wages and bonus	30,403,116
	Contribution to provident and other funds	26,307,846
	Staff welfare expenses	2,402,705
		678,790
	<b>32,329,293</b>	<b>29,389,341</b>
<b>21</b>	<b>Other expenses</b>	
	Power and fuel	586,812
	Repairs and maintenance	527,054
	Plant and machinery	2,396,080
	Buildings	228,997
	Others	2,210,554
	Rent	6,320,801
	Rates and taxes	6,851,922
	Insurance	4,393,158
	Professional and consultancy charges	451,392
	Expenditure on Corporate Social Responsibility	9,813,143
	Remuneration to auditors (refer details below)	750,000
	Telephone and communication	-
	Advertisement and sales promotion	3,181,362
	Travelling and conveyance	2,385,983
	Commission on sales (other than sole selling agents)	1,012,231
	Foreign exchange fluctuation (net)	483,916
	Provision for doubtful advances	374,621
	Loss on assets sold/discarded (net)	1,676,626
	Freight outwards (net of recovery)	2,929,579
	Miscellaneous expenses	34,140,179
		680,844
		-
		5,733,391
		-
		550,025
		7,132,867
		9,200,898
		9,743,848
	<b>86,955,229</b>	<b>98,597,918</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

		<b>April 1, 2015 to March 31, 2016 (Rs.)</b>	<b>April 1, 2014 to March 31, 2015 (Rs.)</b>
	<b>Remuneration to auditors</b>		
	For Audit (including fees for limited reviews)	1,200,000	1,200,000
	For Taxation matters	1,662,103	1,100,000
	Reimbursement of expenses	319,259	85,983
		<u><b>3,181,362</b></u>	<u><b>2,385,983</b></u>
<b>22</b>	<b>Depreciation and amortization expense</b>		
	Depreciation of tangible assets (Refer to Note 8)	3,418,958	5,498,860
	Amortization of intangible assets (Refer to Note 8)	-	-
		<u><b>3,418,958</b></u>	<u><b>5,498,860</b></u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 23. Segment Information

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

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

#### (a) PRIMARY SEGMENT INFORMATION (by Business Segment)

Particulars	April 1, 2015 to March 31, 2016 Rs.	April 1, 2014 to March 31, 2015 Rs.
Segment Revenue		
a. Telecommunication	151,888,299	188,393,307
b. IT - Networking	430,037,302	389,690,646
<b>Net sales / income from operations</b>	<b>581,925,601</b>	<b>578,083,953</b>
Segment Result – Profit/(Loss)		
a. Telecommunication	9,587,763	17,152,386
b. IT - Networking	22,373,342	19,329,603
<b>Total</b>	<b>31,961,105</b>	<b>36,481,989</b>
a. Interest and rental income	26,479,698	35,095,791
b. Other un-allocable (expenditure) Net of un-allocable income	-	-
<b>Total profit before tax</b>	<b>58,440,803</b>	<b>71,577,780</b>
Provision for taxation	6,270,549	21,806,141
<b>Profit after tax</b>	<b>52,170,254</b>	<b>49,771,639</b>

#### Other information:

##### i. Depreciation

Particulars	April 1, 2015 to March 31, 2016 Rs.	April 1, 2014 to March 31, 2015 Rs.
a. Telecommunication	1,025,688	2,199,544
b. IT - Networking	2,393,270	3,299,316
<b>Total depreciation</b>	<b>3,418,958</b>	<b>5,498,860</b>

##### ii. Segmental Assets

Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
a. Telecommunication	83,152,116	94,294,912
b. IT - Networking	185,731,605	166,642,337
c. Unallocable	267,021,189	360,562,364
<b>Total assets</b>	<b>535,904,910</b>	<b>621,499,613</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**Other information:****iii. Segmental liabilities**

Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
a. Telecommunication	22,810,055	25,429,422
b. IT – Networking	86,527,292	87,393,312
c. Unallocable	22,177,747	142,615,917
<b>Total liabilities</b>	<b>131,515,094</b>	<b>255,438,651</b>

**iv. Capital Expenditure** (excluding capital advances)

Particulars	April 1, 2015 to March 31, 2016 Rs.	April 1, 2014 to March 31, 2015 Rs.
a. Telecommunication	193,204	296,780
b. IT – Networking	450,809	692,485
<b>Total capital expenditure</b>	<b>644,013</b>	<b>989,265</b>

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

Holding Company	CommScope Connectivity LLC (Commscope LLC) (formerly ADC Telecommunications Inc.) (w.e.f. 27th August 2015)  Tyco Electronics AMP GmbH, ( Upto 26th August 2015)
Ultimate Holding Company	CommScope Holding Company, Inc. (w.e.f. 27th August 2015) TE Connectivity, Switzerland ( Upto 26th August 2015)

**Related Parties with whom transactions have taken place during the year/period**

Fellow Subsidiaries	ADC Communications (Australia) Pty Ltd. (ADC Australia)  CommScope Connectivity Solutions LLC (CommScope USA) formerly known as TE Connectivity Networks Inc.  CommScope Connectivity LLC formerly known as ADC Telecommunications Inc.,  CommScope Connectivity (Wuxi) Co, Ltd. (CommScope Wuxi) formerly known as TE Connectivity, Wuxi, China (TE Wuxi)  TE Connectivity, Hongkong Ltd. (TE HK Ltd) (upto 27th August 2015)
---------------------	--

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





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 25. Leases

The Company has entered into non-cancellable operating leases for office premises that are renewable on a periodic basis. Lease rental expense (net of reimbursements) debited to Statement of profit and loss for the year is Rs. 6,851,922 (March 31, 2015: Rs. 6,320,801). The future minimum lease payments under non-cancellable operating leases are as follows  
(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Not later than one year	2,641,086	4,510,008
Later than one year but not later than five years	-	1,141,086
Later than five years	-	-

The Company has given on lease certain assets under non-cancellable operating leases that are renewable on a periodic basis. Lease rental Income credited to Statement of profit and loss for the year is Rs.10,261,917 (March 31, 2015: Rs. 9,773,250). The future minimum lease payments receivable under non-cancellable operating leases are as follows  
(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Not later than one year	2,596,389	10,261,908
Later than one year but not later than five years	-	2,596,386
Later than five years	-	-

### 26. Contingent Liabilities

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Central sales tax demands contested by the Company	49,540,849	-
Income Tax demands contested by the Company	77,073,825	65,372,424
Customs duty, excise duty & service tax demand contested by the Company	-	-
<b>Total</b>	<b>126,614,674</b>	<b>65,372,424</b>

### 27. Earnings in foreign currency (accrual basis)

(Amount in Rs.)

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Exports at F.O.B. Value	16,422,099	43,144,966
<b>Total</b>	<b>16,422,099</b>	<b>43,144,966</b>

### 28. Expenditure in foreign currency (accrual basis)

(Amount in Rs.)

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
TEIS Charge backs	3,825,462	1,932,319
<b>Total</b>	<b>3,825,462</b>	<b>1,932,319</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****29. Value of imports calculated on CIF basis (Amount in Rs.)**

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Raw materials, components, consumables and packing materials	31,254,460	84,975,418
Traded Goods	46,636,340	42,733,302
<b>Total</b>	<b>77,890,800</b>	<b>127,708,720</b>

**30. Net dividend remitted in foreign exchange (Amount in Rs.)**

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Period to which it relates	April 2014 to March 2015	April 2013 to March 2014
Number of non-resident shareholders	3	3
Number of equity shares held on which dividend was due	3,104,360	3,104,360
Amount remitted (Rs.)	93,130,800	7,760,900

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

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
Principal amount due to micro and small enterprises:	1,378,912	3,445,499
Interest due on above:	11,899	4,827
	1,390,811	3,450,326
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	229,017	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	247,219	6,303
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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

Particulars	% of total consumption		Value (in Rs.)	
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Imported	37	71	32,778,862	91,998,194
Indigenously obtained	63	29	56,877,718	37,992,632
	<b>100</b>	<b>100</b>	<b>89,656,580</b>	<b>129,990,826</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 33. Employee benefit plans

#### Defined Contribution Plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.823,533 (Year ended 31 March, 2015 Rs. 756,515) for Provident Fund contributions, Rs.415,496 (Period ended 31 March, 2015 Rs. 177,864) for Superannuation Fund contributions and Rs. Nil (Period ended 31, March, 2015 Rs. 57,220) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Defined benefit plans

##### Gratuity benefit plan

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

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

#### **Statement of profit and loss**

Net employee benefit expense (recognised in Employee Benefit expenses)

(Amount in Rs.)

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Current service cost	189,985	92,319
Interest cost	431,473	330,472
Expected return on plan assets	(373,913)	(297,115)
Net actuarial (gain) / loss recognised	(223,780)	1,342,650
Past service cost	-	-
<b>Net benefit expense</b>	<b>23,765</b>	<b>1,468,326</b>

#### **Balance Sheet**

Benefit asset / liability

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	(5,725,579)	(5,284,385)
Fair value of plan assets	5,310,400	4,754,872
<b>Plan asset / (liability)</b>	<b>(415,179)</b>	<b>(529,513)</b>

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

(Amount in Rs.)

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Opening defined benefit obligation	5,284,385	3,459,073
Interest cost	431,473	330,472
Current service cost	189,985	92,319
Past Service Cost	-	-
Benefits paid	(28,210)	-
Actuarial (gains) / losses on obligation	(152,054)	1,402,521
<b>Closing defined benefit obligation</b>	<b>5,725,579</b>	<b>5,284,385</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

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

(Amount in Rs.)

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Opening fair value of plan assets	4,754,872	3,978,469
Expected return	373,913	297,115
Contributions by employer	138,099	419,417
Benefits paid	(28,210)	-
Actuarial gains / (losses)	71,726	59,871
<b>Closing fair value of plan assets</b>	<b>5,310,400</b>	<b>4,754,872</b>

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

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

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Discount rate	8.10%	8.00%
Expected rate of return on assets	8.00%	8.00%
Salary escalation rate	9.00%	9.00%

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

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

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

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

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

(Amount in Rs.)

Description	Twelve months ended March 31, 2016	Twelve months ended March 31, 2015	Twelve months ended March 31, 2014	Twelve months ended March 31, 2013	Six months ended March 31, 2012
Defined benefit obligation	5,725,579	5,284,385	3,459,073	3,549,266	10,539,613
Plan assets	5,310,400	4,754,872	3,978,469	4,057,709	11,938,044
Surplus / (deficit)	(415,179)	(529,513)	519,396	508,443	1,398,431
Experience adjustment on Plan Liabilities	(95,420)	1,402,521	245,883	915,387	(208,084)
Experience adjustment on Plan Assets	71,726	59,871	(24,690)	314,298	(18,774)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Category of Investments	March 31, 2016	March 31, 2015
Central Government Securities	1,062,080	1,490,798
State Government Securities	-	509,348
Other approved securities (Government guaranteed securities)	1,062,080	64,106
Debentures and bonds	3,186,240	2,037,542
Equity Shares	-	248,250
Fixed Deposits	-	397,237
CBLO (Money market instruments)	-	7,591
<b>Total</b>	<b>5,310,400</b>	<b>4,754,872</b>

**Other long term benefits- unfunded**

Compensated absences

Particulars	Liability as on March 31, 2016	Liability as on March 31, 2015
Current	213,770	471,062
Non Current	1,956,626	1,051,827
<b>Total</b>	<b>2,170,396</b>	<b>1,522,889</b>

Principal actuarial assumptions used:

Particulars	March 31, 2016	March 31, 2015
Discount Rate	8.10%	8.00%
Expected Return on plan assets	NA	NA
Salary Escalation Rate	9%	9%
Attrition rate	2 - 5%	2 - 5%
Retirement age	58	58
Mortality	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate

### 34. Unhedged Foreign Exchange Exposure

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

Particulars	Currency	March 31, 2016		March 31, 2015	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Amounts Payable	USD	126,443	8,510,860	152,616	9,689,621
	EURO	11,355	864,922	6,926	474,656
	AUD	-	-	819	39,680
Bank Account –EEFC A/c	USD	5,108	331,979	-	-
Amounts Receivable	USD	25,585	1,662,737	11,500	705,040



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****35. Disclosures under Accounting Standard 7 “Construction Contracts” (Amount in Rs.)**

<b>Details of contract revenue and costs</b>	<b>April 1, 2015 to March 31, 2016</b>	<b>April 1, 2014 to March 31, 2015</b>
Aggregate of contract costs incurred and recognized profits (less recognized losses) upto the reporting date	1,350,887	3,852,242
Advances received for contracts in progress	-	117,738
Retention money for contracts in progress	286,038	211,432
Gross amount due from customers for contract work (asset)	7,422,994	3,945,936
Gross amount due to customers for contract work (liability)	-	-
Contract revenue recognised during the year	1,728,301	2,502,868

**36. Earnings per share**

<b>Particulars</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
Profit after tax as per Statement of Profit and Loss (Rs.)	(A)	52,170,254	49,771,639
Weighted average number of equity shares outstanding (Basic and diluted)	(B)	4,600,000	4,600,000
Nominal value of shares (Rs.)		10	10
Earnings per share (Basic and diluted) (Rs.)	(A/B)	11.34	10.82

**37. Previous period comparatives**

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

---

## NOTES

A series of horizontal dotted lines for taking notes.



