



ADC/2024-25/36th AGM/2

July 16, 2024

**Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400 001**

Dear Sir/Madam

**Sub: Notice of the 36<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year 2023-24**

**Ref: Scrip Code: 523411**

The 36th Annual General Meeting of the Company will be held on Friday, August 9, 2024, at 11.00 AM IST through Video Conference ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

1. Notice of the 36th Annual General Meeting
2. Annual Report for the Financial Year 2023-24

In compliance with General Circular Nos. 20/2020 dated May 5, 2020, 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities and Exchange Board of India ("SEBI"), the Notice of the 36th Annual General Meeting along with the Annual Report for the Financial Year 2023-24 are being sent only through electronic mode to those members whose email addresses are registered with the Company/Company's Registrar and Transfer Agent, KFin Technologies Limited/ Depository Participant(s).

Further, the aforesaid documents shall be made available on the website of the Company at [www.adckcl.com](http://www.adckcl.com).

This is for your information and records.

Thanking you,

Yours faithfully,

**For ADC India Communications Limited**

**R. Ganesh  
Company Secretary**

**ADC India Communications Limited  
CIN: L32209KA1988PLC009313**

**Regd. Office & Factory: No.10C, 2nd Phase, 1st Main, P.B.No. 5812, Peenya Industrial Area  
Bangalore – 560 058. Tel +91 80 2839 6102 / 2839 6291  
Email: [support@adckcl.com](mailto:support@adckcl.com) Website: [www.adckcl.com](http://www.adckcl.com)**

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ADC India Communications Ltd

2023-2024 Annual Report



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS \*

**Mr. Nagendra Venkaswamy**  
Chairman & Independent Director

**Mr. J. N. Mylraiah**  
Managing Director

**Ms. Vijaya Latha Reddy**  
Independent Director

**Mr. Harish Hassan Visweswara**  
Independent Director

**Mr. Ravi Bosco Rebello**  
Non-Executive Director

**Ms. Yaman Roy**  
Non-Executive Director

**Mr. Rakesh Kishore Bhanushali**  
Non-Executive Director

### KEY MANAGERIAL PERSONNEL

**Chief Financial officer**  
Mr. Anandu Vithal Nayak

**Company Secretary**  
Mr. R. Ganesh

### AUDITORS

#### Statutory Auditors

M/s. S R B C & CO LLP  
Chartered Accountants  
12th Floor, The Ruby  
29, Senapati Bapat Marg  
Dadar (W), Mumbai - 400028

#### Secretarial Auditors

M/s. V Sreedharan & Associates  
Company Secretaries  
Plot No.293 #201, 2nd Floor  
10th Main Road, 3rd Block  
Jayanagar, Bengaluru - 560011

#### Internal Auditors

M/s. Gnanoba & Bhat  
Chartered Accountants  
1st Floor, Annamalai Arcade  
1st Cross, Wilson Garden  
Hosur Main Road  
Bangalore - 560027

### BOARD COMMITTEES \*

#### Audit Committee

Mr. Harish Hassan Visweswara - Chairperson  
Mr. Nagendra Venkaswamy - Member  
Mr. Ravi Bosco Rebello - Member

#### Nomination and Remuneration Committee

Mr. Harish Hassan Visweswara - Chairperson  
Mr. Nagendra Venkaswamy - Member  
Ms. Vijaya Latha Reddy - Member  
Mr. Ravi Bosco Rebello - Member

#### Stakeholders Relationship Committee

Mr. Nagendra Venkaswamy - Chairperson  
Mr. J.N. Mylraiah - Member  
Ms. Vijaya Latha Reddy - Member  
Mr. Harish Hassan Visweswara - Member

#### Risk Management Committee

Mr. Nagendra Venkaswamy - Chairperson  
Ms. Vijaya Latha Reddy - Member  
Mr. Harish Hassan Visweswara - Member  
Mr. Ravi Bosco Rebello - Member  
Ms. Yaman Roy - Member  
Mr. Rakesh Kishore Bhanushali - Member

#### CSR Committee

Ms. Vijaya Latha Reddy - Chairperson  
Mr. J.N. Mylraiah - Member  
Mr. Nagendra Venkaswamy - Member  
Mr. Harish Hassan Visweswara - Member

### BANKERS

Bank of America

### REGISTERED OFFICE

No.10C, 2nd Phase, 1st Main  
Peenya Industrial Area, Bangalore – 560 058  
Tel: +91 80 28396102/28396291  
Email: support@adckcl.com

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. KFin Technologies Limited  
Selenium Tower B, Plot No. 31 & 32  
Financial District, Nanakramguda  
Serilingampally, Hyderabad- 500 032  
Phone: +91 40 6716 2222  
Toll Free No.:1800 309 4001  
Email: einward.ris@kfintech.com

\* The Composition of the Board of Directors and Board Committees is as on the date of this Report.

## BOARD OF DIRECTORS



**Nagendra Venkaswamy \***  
Chairman and Independent Director  
(From February 10, 2024)



**J.N. Mylaraiah**  
Managing Director



**S. Devarajan #**  
Chairman and Independent Director  
(Upto March 31, 2024)



**Revathy Ashok §**  
Independent Director  
(Upto March 31, 2024)



**Vijaya Latha Reddy**  
Independent Director



**Harish Hassan Visweswara**  
Independent Director  
(From March 15, 2024)



**Ravi Bosco Rebello**  
Non-Executive Director



**Yaman Roy**  
Non-Executive Director



**Rakesh Kishore Bhanushali**  
Non-Executive Director  
(From June 17, 2023)

\* Appointed as Chairman of the Board and the Company w.e.f. from April 1, 2024.

# Ceased to be the Chairman and Independent Director w.e.f. close of business hours on March 31, 2024, upon completion of his term of appointment.

§ Ceased to be the Independent Director of the Company w.e.f. close of business hours on March 31, 2024, upon completion of her term of appointment.

## KEY MANAGERIAL PERSONNEL



**J.N. Mylaraiah**  
Managing Director



**Anandu Vithal Nayak**  
Chief Financial Officer



**R. Ganesh**  
Company Secretary

## BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting the 36th Annual Report and the Audited Financial Statements for the financial year ended March 31, 2024.

### FINANCIAL SUMMARY

(Amounts in INR Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	17,874.04	14,291.25
Other Income	193.45	109.99
Total Income	18,067.49	14,401.24
Profit before Depreciation and Tax	2,795.96	1,125.90
Depreciation	21.30	20.99
Profit before Tax	2,774.66	1,104.91
Tax Expense	706.13	287.42
Profit after Tax	2,068.53	817.49
Other Comprehensive Income	3.20	0.34
Total Comprehensive Income	2,071.73	817.83

### PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

Your Company had another year of strong operational and financial performance. Overall revenue from operations was INR 17,874 lakhs, higher by 25% over the previous year's revenue of INR 14,291 lakhs. During the year, the Telecommunication business grew by 647% and IT-Networking (Enterprise network) business grew by 9.6% over that of the previous year. For the full year, the Company's profit before tax was INR 2,774.66 lakhs as compared to INR 1,104.91 lakhs in the previous year. Profit after tax for the financial year was INR 2,068.53 lakhs as compared to INR 817.49 lakhs in the previous year. The growth in revenue in the Telecommunication business was on account of exports and growth in revenue in the IT-Networking business was on account of volume and product mix. In the financial year, the Company had recorded an additional provision of INR 726.36 lakhs towards outstanding dues from one of its large customers who is undergoing stressful liquidity conditions. National Company Law Tribunal (NCLT) has admitted this customer to the Corporate Insolvency Resolution

Process under the Insolvency and Bankruptcy Code, 2016 pursuant to a claim filed by one of its financial creditors. The Company has submitted its claim to the Insolvency Professional appointed by the NCLT in this matter.

### DIVIDEND

The Board of Directors, at its meeting held on May 29, 2024, has recommended a dividend of INR 5/- (50%) per equity share and one-time special dividend of INR 25/- (250%) per equity share of face value of INR 10/- each for the financial year ended March 31, 2024. The payment of the dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company. The dividend, if approved by the shareholders, would involve a cash outflow of INR.1,380.00 lakhs.

As per the Income Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make payment of the dividend after deduction of tax at source.

### TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve for the financial year ended March 31, 2024.

### SHARE CAPITAL

The paid-up share capital of the Company as on March 31, 2024, is INR 46,000,000 divided into 4,600,000 Equity Shares of INR 10 each fully paid up. During the year, there was no change in share capital of the Company.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or provided any guarantee or made investment within the meaning of section 186 of the Companies Act, 2013 ('the Act') during the year under review.

### BUSINESS AND OPERATIONS

During the year, your Company emerged strongly with economic activity showing positive signs. ADC team demonstrated exceptional resilience in dealing with times, where your Company delivered highest revenue & growth.

Our Strong performance is on the back of meticulous

execution over the years, as reflected in the combination of growth and profitability, which has led to building a strong debt-free & liquid balance sheet. Our key focus continues to ensure a sustainable & profitable financial position as our stake holders expect us to deliver long-term growth riding on a solid strategy and prudent business decisions with a steady backup plan.

With uncertainties in the world, it is not something that any of us would claim to predict the lingering impact of global economic scenarios with supply chain disruptions, rising interest rates accompanied with increase in costs of commodities & volatility is a real confrontation with complexity & challenges in front of your Company. At the same time, tremendous Opportunities lies before your Company with growth in Data Centre business & Broadband connectivity requirements which gives great optimism about the future that holds for your company by responding strategically by being a more valuable partner to our clients than ever before. Your company Board and Risk Management Committee has always looked at worst case scenarios of challenging times and built a portion of the strong financials by making the right decision which is sustainable and consistent over years.

Infrastructure Sector is a crucial pillar of economy, by supporting the functioning of almost all other economic sectors and hence strengthening of a Country's infrastructure framework has a multiplier effect on the economy advancement. Rapid economic development requires the best of the communication connectivity platform, where your company supports the Structured Cabling Platform solution with its best of the products. A Digital Nation needs digital infrastructure. As India moves towards 5 trillion-dollar economy, connectivity would play an important and critical role. The investments committed both by Government & Private Players towards infrastructure growth would improve the overall business sentiment and investments in next few Quarters/years. Market is expected to improve driven by investments in Infrastructure projects, Data Centre's requirement, Pharma, Healthcare, Education, Banking & Finance, Defense sector, E-commerce, Manufacturing, where your Company will be able to favorably participate in the areas of its strength within each opportunity as the market evolves.

With all Opportunities that exists; your Company do see inflationary pressure accelerating with steep increase in prices across commodities and raw materials like copper, stainless steel, plastics and many more items; towards which your company has been adjusting prices consistently across certain

products and/or product lines. While the demand outlook is strong, your Company remain vigilant in order to be agile and evolve proper approach with the changing dynamics, with continued focus on growing revenues and profitability with new products introduction and by realigning cost structure by looking at ways of cost reduction to be competitive in the marketplace.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Management Discussion and Analysis for the year under review is set out in a separate section and forms an integral part of this Annual Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act, Ms. Yaman Roy (DIN:07341809) retires by rotation at the 36th Annual General Meeting of the Company, and being eligible, offers herself for re-appointment. A brief profile of Ms. Yaman Roy as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings is provided in the Notice convening the 36th Annual General Meeting of the Company.

Following are the changes in composition of the Board of Directors and Key Managerial Personnel of the Company during the year:

- The Board of Directors at their meeting held on June 16, 2023, based on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Rakesh Kishore Bhanushali (DIN:07220290) as an Additional and Non-Executive and Non-Independent Director of the Company with effect from June 17, 2023.
- The Board of Directors at their meeting held on February 10, 2024, based on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Nagendra Venkaswamy (DIN:02404533) as an Additional and Independent Director of the Company for a period of five years with effect from February 10, 2024.
- The Board of Directors at their meeting held on February 10, 2024, based on the recommendations of the Nomination and Remuneration Committee, approved the re-appointment of Mr. J.N. Mylraiah (DIN:06675260) as the Managing Director of the

Company for a further period of five years with effect from April 01, 2024.

- The Board of Directors at their meeting held on March 15, 2024, based on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Harish Hassan Visweswara (DIN:08742808) as an Additional and Independent Director of the Company for a period of five years with effect from March 15, 2024.

The brief profiles of Mr. Rakesh Kishore Bhanushali, Mr. Nagendra Venkaswamy and Mr. Harish Hassan Visweswara is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/investorrelations/board-of-directors.htm>.

The appointment of Mr. Rakesh Kishore Bhanushali as a Non-Executive and Non-Independent Director of the Company was subsequently approved by the shareholders of the Company at the 35th Annual General Meeting of the Company held on July 31, 2023.

The appointment of Mr. Nagendra Venkaswamy and Mr. Harish Hassan Visweswara as the Independent Directors of the Company and the re-appointment of Mr. J.N. Mylraiah as the Managing Director of the Company for the term as mentioned above was subsequently approved by the shareholders of the Company with the requisite majority by way of postal ballot via remote e-voting on April 23, 2024.

- Mr. S. Devarajan (DIN:00878956) ceased to be an Independent Director of the Company with effect from the close of business hours on March 31, 2024, upon completion of his second term of appointment as an Independent Director. He was the Chairman of the Board and the Company.
- Ms. Revathy Ashok (DIN:00057539) ceased to be an Independent Director of the Company with effect from the close of business hours on March 31, 2024, upon completion of her second term of appointment as an Independent Director.

The Board places on record its appreciation for the guidance, support and advice given by Mr. S. Devarajan and Ms. Revathy Ashok during their tenure as Independent Directors on the Board of the Company

Mr. Rakesh Kishore Bhanushali resigned as the Chief Financial Officer of the Company with effect from the close of business hours on June 16, 2023.

The Board of Directors at their meeting held on June 16, 2023, based on the recommendations of the Audit Committee and the Nomination and Remuneration Committee, approved the appointment Mr. Anandu

Vithal Nayak as the Chief Financial Officer of the Company with effect from June 17, 2023.

The Board of Directors at their meeting held on March 15, 2024, appointed Mr. Nagendra Venkaswamy (DIN:02404533), Independent Director, as the Chairman of the Board and the Company with effect from April 1, 2024, in place of Mr. S. Devarajan (DIN:00878956) who ceased to be the Independent Director and the Chairman of the Board and the Company with effect from the close of business hours on March 31, 2024, upon completion of his term.

Mr. J.N. Mylraiah, Managing Director; Mr. Anandu Vithal Nayak, Chief Financial Officer and Mr. R. Ganesh, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

During the financial year, none of the Directors and Key Managerial Personnel of the Company had any pecuniary relationship or transactions with the Company.

#### **INDEPENDENT DIRECTORS**

All the Independent Directors of the company have submitted the requisite declarations stating that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances affecting their status as Independent Directors of the Company. The Board reviewed and assessed the veracity of the aforesaid declarations, as required under Regulation 25(9) of the SEBI Listing Regulations. In the opinion of the Board, all the Independent Directors fulfill the said conditions as mentioned in Section 149(6) of the Act and the SEBI Listing Regulations and are independent of the Management. All the Independent Directors have confirmed compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to registration of their name in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. In the opinion of the Board, the Independent Directors possess the necessary integrity, experience and expertise required to fulfill their duties as Independent Directors.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the year under review, 6 (six) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2023-24 are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between any two Board



meetings did not exceed 120 days, as prescribed under the Act and SEBI Listing Regulations.

### **COMMITTEES OF BOARD**

As on March 31, 2024, the Board of Directors has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

The details of the Committees of the Board along with their terms of reference, composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report forming part of this Annual Report.

During the year under review, all recommendations of the Committees of the Board have been accepted by the Board of Directors.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Sections 134(3) and 134(5) of the Act, the Board of Directors, based on the information and explanations obtained by them, to the best of their knowledge and belief confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;
- b. they have 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 as on March 31, 2024, and of the profits of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Considering the requirements of the skill sets on the Board, persons having professional expertise in their individual capacity as independent professionals and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The Non-Executive Independent Directors appointed to the Board are paid sitting fees for attending the Board and Committee Meetings. No other remuneration or commission is paid to the Non-Executive Independent Directors. Non-Executive Non-Independent Directors are neither paid any sitting fees nor paid any commission. The remuneration paid to the Managing Director is governed by the relevant provisions of the Act and Members approval. Executive Compensation Policy Guidelines is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

### **BOARD EVALUATION**

The Company's Policy and Process on evaluation of the Board lays down a structured questionnaire to be used in the performance evaluation of the Board, its committees and Directors. This Policy is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors using the structured questionnaire.

The criteria for performance evaluation of the Board included aspects relevant to the functioning of the Board such as Board composition and structure, setting business strategy and annual business plan, effectiveness of Board processes, information, functioning etc. The criteria for performance evaluation of the Board Committees included aspects such as composition and structure of Committees, effectiveness of Committee meetings, functioning of Committees etc. The performance of individual Directors was evaluated based on parameters such as participation, commitment, knowledge etc. In the evaluation of the Directors, the director being evaluated did not participate.

The results of the performance evaluation of the Board and its Committees and individual directors indicated a high degree of satisfaction among the Directors.

## **CORPORATE GOVERNANCE REPORT AND CERTIFICATE**

As required under Regulation 34 (3) read with Schedule V (C) of the SEBI Listing Regulations, a report on Corporate Governance and the certificate as required under Schedule V (E) of the SEBI Listing Regulations from the Statutory Auditors of the Company, regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

### **VIGIL MECHANISM**

The Company has established a Vigil Mechanism for Directors and Employees pursuant to section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations, to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The mechanism provides adequate safeguards against victimization of Director(s) and Employee(s) who avail themselves of the mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. The Vigil Mechanism Policy is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

### **POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance towards any form of sexual harassment at the workplace. 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. As per the requirement of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and Rules framed thereunder, the Company has in place a policy on Prevention of Sexual Harassment at Workplace (POSH). The Company is committed to providing a safe and conducive work environment for all its employees. An internal committee has also been set up to redress complaints received regarding sexual harassment. The policy is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>. During the financial year under review, the Company did not receive any complaint of alleged sexual harassment.

### **RISK MANAGEMENT FRAMEWORK**

The Company has put in place a Risk Mitigation Processes to identify, assess and mitigate the risks to Company's business. The Company has a Risk Management Committee. The constitution and terms of reference of this Committee are provided in the report on Corporate Governance. The Risk

Management Committee at its meeting held on March 15, 2024, discussed and reviewed the risk mitigation processes adopted by the Management to address various risks to the Company's business.

### **RELATED PARTY TRANSACTIONS**

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions. This Policy is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

As a part of the Company's annual budget process, before the beginning of a financial year, details of all the transactions proposed to be executed with related parties, including the nature of transactions, estimated amount of transactions to be executed etc. are presented to the Audit Committee for its consideration and approval. Omnibus approval is also taken from the Audit Committee for related party transactions proposed to be entered into by the Company. The details of said transactions are also placed before the Board of Directors for their approval. Further approval is sought during the year for any new transaction/modification to the previously approved limits. In terms of Regulation 23(4) of the SEBI Listing Regulations, approval of the shareholders is taken for all material related party transactions.

All related party transactions are placed before the Audit Committee for its review and approval on a quarterly basis.

There are no materially significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel of the Company which may have potential conflict with the interest of the Company at large.

All transactions entered by the Company with related parties during the year under review were in the ordinary course of the business and on an arm's length basis in terms of the provisions of the Act. Further, the Company did not enter into any contracts, arrangements or transactions during the year under review that fall under the scope of Section 188(1) of the Act.

The details of the related party transactions as per Ind AS-24 on Related Party Disclosures are set out in Note No.34 to the financial statements of the Company.

Pursuant to the provisions of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the prescribed Form AOC-2 is appended as Annexure A to the Board's Report.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has in place adequate internal financial controls commensurate with the size and scale of the Company's operations. 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.

The 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.

## **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, SRBC & CO LLP, Chartered Accountants (Firm Registration Number 324982E/E300003) were appointed as Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of 34th Annual General Meeting of the Company i.e., from the conclusion of 34th Annual General Meeting held on July 29, 2022 until the conclusion of 39th Annual General Meeting to be held in 2027.

The Auditor's Report for the financial year 2023-24 does not contain any qualification, reservation, adverse remark or disclaimer. The Auditor's Report is enclosed with the Financial Statements in this Annual Report.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed V Sreedharan and Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2024. The Secretarial Audit Report for the financial year ended March 31, 2024, as required under Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations is appended as Annexure B to the Boards' Report.

The Secretarial Audit Report for the financial year ended March 31, 2024 does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance Report for the financial year ended March 31, 2024 shall be submitted to BSE Limited, where the shares of the Company are listed, within the stipulated time.

## **REPORTING OF FRAUD BY AUDITORS**

During the year under review, the Statutory Auditors and the Secretarial Auditors have not reported any instances of fraud committed in the company by its Officers or Employees to the Audit Committee and/or Board of Directors under section 143(12) of the Act.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. A brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is appended as Annexure C to the Boards' Report in the format prescribed in the Companies (Corporate Social Responsibility) Rules, 2014.

The Company's strategic focus areas for its CSR activities are Education and Health. The Company implements the CSR projects through implementing partners.

In terms of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has during the financial year, spent INR 24.00 lakhs towards CSR projects.

The Composition and the terms of reference of the CSR Committee are provided in the Report on Corporate Governance. The CSR Policy is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

The Company is committed towards conservation of energy. Towards this, the conventional light fittings have been replaced by the LED fittings

in the factory, resulting in reduction in power consumption by about 10%.

## B. Sustainability

The Company embraces sustainability as a fundamental business value and is building a foundation for a more sustainable future. The Company is building the processes and systems that will be necessary to ensure that the Company can meet not only regulatory requirements but the goals of its customers. ADC India manufacturing facility are certified to ISO 14001:2015 for environmental management systems and ISO 45001:2018 for health and safety management systems.

The Company is also committed to the communities at large and is involved in many education programs to combat the digital divide and extending learning opportunities to people.

Delivering various sustainability actions and advancing network technology is not only critical for the Company's business, but also for the society in which we inhabit.

## C. Development Activities

During the year, the following developmental activities were carried out by the Company:

- Introduced Wire Mesh Basket System for Data Centre requirements.
- Introduced new design fiber cable, high density panels and Fiber armored Cable assemblies to suit customer applications.
- Successfully transferred copper lines for Telecommunication - Voice Modules, from Czech Republic, which has added a great value to our Export business.

## D. Foreign exchange earnings and outgo

Foreign exchange earned comprises export revenue on an actual basis. Foreign exchange outgo comprises import of goods and dividend payment on an actual basis.

Total foreign exchanged earned and outgo are as follows:

(Amounts in INR Lakhs)

	2023-24	2022-23
a. Foreign Exchange earned in terms of actual inflows	2,400.33	80.18
b. Foreign Exchange outgo in terms of actual outflows	3,490.60	1,545.27

## PARTICULARS OF EMPLOYEES

The statement containing particulars in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended herewith as Annexure D to the Boards' Report.

The statement containing particulars in terms of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Boards' Report. However, considering the first proviso to section 136(1) of the Act, the Report, excluding the aforesaid statement, is being sent to the Members of the Company. In terms of Section 136 of the Act, the said statement is open for inspection upon specific request made in writing to the Company by the Members. Any Member interested in obtaining a copy of the same may write to the Company Secretary at support@adckcl.com.

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary companies.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124(5) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the declared dividends which remains unpaid or unclaimed for a period of 7 (seven years) from the date of their transfer to the Unpaid Dividend Account of the Company are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124(6) of the Act read with the IEPF Rules, the shares on which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred to the IEPF Authority.

During the year ended March 31, 2024, the Company has transferred unpaid and unclaimed dividends of INR. 112,438 for the financial year 2015-16 and 1741 corresponding equity shares on which dividends remained unclaimed for 7 (seven) consecutive years to the IEPF Authority as per the requirement of the Act and the IEPF Rules.

## ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Annual Return of the Company is available on the website of the Company at <https://>

[www.adckcl.com/in/en/aboutus/investorrelations/annual-reports-and-returns.htm](http://www.adckcl.com/in/en/aboutus/investorrelations/annual-reports-and-returns.htm)

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT**

There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

**DEPOSITS**

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

**COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable to the business activities carried out by the Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

**PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

There were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016.

**OTHER DISCLOSURES**

No disclosure or reporting is made with respect to the following matters, as there were no transactions / events on these items during the financial year:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c. Raising funds through preferential allotment or qualified institutions placement.
- d. There has been no change in the nature of business of the Company.
- e. There was no instance of one-time settlement with any Bank or Financial Institution.

**ACKNOWLEDGEMENTS**

The Directors thank the Company's parent company, customers, business partners, members, vendors, bankers and employees at all levels for their support and co-operation to the Company and look forward to continuance of their support and Co-operation.

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

**Nagendra Venkaswamy**  
Chairman  
DIN:02404533

**J.N.Mylaraiah**  
Managing Director  
DIN:06675260

Place: Bangalore  
Date : May 29, 2024

## ANNEXURE A TO THE BOARD'S REPORT

### PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2024, which were not at arm's length basis.

#### 2. Details of material contracts or arrangements or transactions at arm's length basis:

Details of material contracts or arrangements or transactions at arm's length basis entered into during the financial year ended March 31, 2024 are given below:

Name of the Related Party and Nature of Relationship	CommScope India Private Limited - Fellow Subsidiary
Nature of Contracts / arrangements / transactions	Purchase of Goods, Sale of Goods and Payment of Sales commission for an amount not exceeding in aggregate INR 7,200.00 lakhs in the financial year
Duration of Contracts / arrangements / transactions	April 2023 - March 2024
Salient terms of the contracts or arrangements or transactions including the value, if any	The Related Party Transactions entered during the financial year were in the ordinary course of business and on arm's length basis. The total value of the transactions in the financial year was INR 6,900.82 Lakhs
Date(s) of approval by the Board, if any	Since these Related Party Transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, necessary approvals were granted by the Audit Committee from time to time.  The shareholders accorded their approval in the 35th Annual General Meeting of the Company held on July 31, 2023, for these Material Related Party Transactions
Amount paid as advances, if any	Nil

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

Place : Bangalore  
Date : May 29, 2024

**Nagendra Venkaswamy**  
Chairman  
DIN:02404533

**J.N.Mylaraiah**  
Managing Director  
DIN:06675260

## ANNEXURE B TO THE BOARD'S REPORT

### Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To  
The Members  
**ADC INDIA COMMUNICATIONS LIMITED**  
CIN:L32209KA1988PLC009313  
No. 10C, 2nd Phase, 1st Main  
Peenya Industrial Area  
Bengaluru - 560058

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADC INDIA COMMUNICATIONS LIMITED** having CIN: **L32209KA1988PLC009313** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 (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, 2018; (Not Applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Audit Period);
  - e. 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;
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period);
  - g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period); and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other Laws Applicable Specifically to the Company namely:
  - 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.

We further report that based on the review of the compliance mechanism adopted by the Company for providing adequate presentations by the concerned departments' heads at the Board Meetings, regarding compliance with the applicable laws and its adherence, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in *point no. vi*.

We have also examined the compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with BSE Limited.

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

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. There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, including 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

The following events/actions were having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period:

1. Mr. Rakesh Kishore Bhanushali tendered resignation from the position of Chief Financial Officer of the Company with effect from June 16, 2023, and appointment of Mr. Anandu Vithal Nayak as Chief Financial Officer of the Company with effect from June 17, 2023.
2. Re-appointment of Mr. Mylaraiah Nagabhushana Jambur (DIN: 06675260) as Managing Director of the Company for the period of five years with effect from April 01, 2024.
3. Mr. Nagendra Venkaswamy and Mr. Harish Hassan Visweswara were appointed as an Independent Director of the Company with effect from February 10, 2024 and March 15, 2024 respectively.
4. Mr. S Devarajan and Ms. Revathy Ashok has retired from the position of Independent Director with effect from March 31, 2024

**For V SREEDHARAN & ASSOCIATES**

**Devika Sathyanarayana**

Partner

FCS:11323; CP No.17024

UDIN: F011323F000237098

Peer Review Certificate No.: 5543/2024

Place : Bengaluru

Date : April 25, 2024

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed herewith as Annexure 1 and forms an integral part of this Report.

**'Annexure -1'**

To

The Members

**ADC INDIA COMMUNICATIONS LIMITED**

No. 10C, 2nd Phase, 1st Main

Peenya Industrial Area

Bengaluru - 560058

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.



2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For V SREEDHARAN & ASSOCIATES**

**Devika Sathyanarayana**

Partner

FCS:11323; CP No.17024

UDIN: F011323F000237098

Peer Review Certificate No.: 5543/2024

Place : Bengaluru

Date : April 25, 2024

## ANNEXURE C TO THE BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company:

The focus areas for the CSR programs/projects to be undertaken by the Company under this policy shall be in the following areas:

- i. Environment: To undertake activities in relation to increasing accountability through investments in energy and the environment, ensuring environmental sustainability, ecological balance, conservation of natural resources etc.
- ii. Health and Wellness: To promote healthcare including preventive health care and sanitation and to undertake other activities in relation to health and wellness.
- iii. Education: Fostering innovation through investment in education, vocation skills among children, women and elderly persons emphasizing on science, technology, engineering and mathematics.
- iv. Technology: To contribute to technology incubators located within academic institutions approved by the Central Government.
- v. Disaster Relief: To contribute to disaster relief efforts in compliance with legal guidelines.

#### 2. Composition of CSR Committee

Sl.No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Revathy Ashok*	Chairperson, Independent Director	1	1
2	Mr. S.Devarajans	Member, Independent Director	1	1
3	Mr. J.N.Mylaraiah	Member, Managing Director	1	1
4	Ms. Vijaya Latha Reddy	Member, Independent Director	1	1

\* Ms. Revathy Ashok Ceased to be a member and Chairperson of the Committee with effect from close of business hours on March 31, 2024, upon completion of her tenure as an Independent Director.

§ Mr. S. Devarajan Ceased to be a member of the Committee with effect from close of business hours on March 31, 2024, upon completion of his tenure as an Independent Director.

Mr. Nagendra Venkaswamy, Independent Director and Mr. Harish Hassan Visweswara, Independent Director, have been appointed as a member of the Committee with effect from April 1, 2024.

Ms. Vijaya Latha Reddy has been appointed as the Chairperson of the Committee with effect from April 1, 2024.

#### 3. Web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

Composition of CSR Committee:

<https://www.adckcl.com/in/en/aboutus/investorrelations/board-of-directors.htm>

CSR Policy

<https://www.adckcl.com/in/en/aboutus/policies.html>

CSR Projects

<https://www.adckcl.com/in/en/aboutus/investorrelations/other-info.htm>

#### 4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.

## Thirty Sixth Annual Report

5. a. Average net profit of the Company as per sub-section (5) of Section 135: **INR 1,158.17 Lakhs.**  
 b. Two percent of average net profit of the Company as per sub-section (5) of Section 135: **INR 23.16 Lakhs.**  
 c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Nil.**  
 d. Amount required to be set-off for the financial year, if any: **Nil.**  
 e. Total CSR obligation for the financial year [(b)+(c)-(d)]: **INR 23.16 Lakhs.**
6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 24.00 Lakhs.**  
 b. Amount spent in Administrative Overheads: **Nil.**  
 c. Amount spent on Impact Assessment, if applicable: **Nil.**  
 d. Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 24.00 Lakhs.**

### e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (INR in Lakhs)	Amount Unspent (in INR Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
<b>24.00</b>	<b>Not Applicable</b>				

### f. Excess amount for set-off, if any:

Sl.No.	Particular	Amount (INR in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	23.16
(ii)	Total spent for the Financial Year	24.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.84
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil*

\* The Company will not carry forward any excess amount spent during the year 2023-24.

### 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (INR in Lakhs)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (INR in Lakhs)	Amount Spent in the Financial Year (INR in Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135, if any	Amount remaining to be spent in succeeding Financial Year (INR in Lakhs)	Deficiency, If any
<b>NIL</b>							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No.**

If yes, enter the number of Capital assets created/acquired: **Not Applicable.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of property or assets(s) [including complete address and location of property]	Pin code of the property or asset(s)	Date of Creation	Amount of CSR Spent (INR in Lakhs)	Details of Company/Authority/beneficiary of the Registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, If Applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): **Not Applicable.**

**For and on behalf of CSR Committee**

Place : Bangalore  
Date : May 29, 2024

**Vijaya Latha Reddy**  
Chairperson of CSR Committee  
DIN:00057539

**J.N.Mylaraiah**  
Managing Director  
DIN:06675260

## CSR ACTIVITIES



## ANNEXURE D TO THE BOARD'S REPORT

### STATEMENT OF DISCLOSURE OF REMUNERATION

**Pursuant to Section 197(12) of the Companies Act, 2013 and 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 all the employees of the Company for the financial year.

Name of Director	Designation	Ratio of Remuneration of each Director to median remuneration of employees
Mr. J.N.Mylaraiah	Managing Director	7.44

Independent Directors of the Company are entitled for sitting fees for attending Board/Committee meetings as approved by the Board of Directors of the Company. They are not paid any commission or any other remuneration. Non-executive Non-Independent Directors are not entitled to any remuneration or sitting fees for attending the meetings. The required details for these Directors are, therefore, not applicable.

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year.

Name of Employee	Designation	Percentage increase in Remuneration
Mr. J.N.Mylaraiah	Managing Director	Nil
Mr. Anandu Vithal Nayak*	Chief Financial Officer	Nil
Mr. R. Ganesh	Company Secretary	5

Independent Directors of the Company are entitled for sitting fees for attending Board/Committee meetings as approved by the Board of Directors of the Company. They are not paid any commission or any other remuneration. Non-executive Non-Independent Directors are not entitled to any remuneration or sitting fees for attending the meetings. The required details for these Directors are, therefore, not applicable.

\* Appointed as Chief Financial Officer with effect from June 17, 2023.

- iii) Percentage increase/decrease in the median remuneration of employees in the financial year: No increment was given to any of the employees during the financial year 2023-24.
- iv) Number of permanent employees on rolls of the company as on March 31, 2024: 22
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year was Nil as compared to Nil increase in the managerial remuneration.
- vi) Affirmation that the remuneration is as per the remuneration policy of the Company: It is hereby affirmed that the remuneration paid to Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

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

Place : Bangalore  
Date : May 29, 2024

**Nagendra Venkaswamy**  
Chairman  
DIN:02404533

**J.N.Mylaraiah**  
Managing Director  
DIN:06675260

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Telecommunication

In the dynamic landscape of the telecom industry, several key trends are shaping the future and presenting new opportunities and challenges for companies. From the rapid advancements in technology to evolving consumer demands and regulatory changes, telecom companies are navigating these trends to stay competitive and meet the ever-changing needs of their customers to ensure they stay ahead of the curve.

Currently, India is the world's second-largest telecommunications market and has registered strong growth from year on year, in the past decade. As per the latest report, India continued to be one of the largest countries in terms of internet subscribers, which holds the world's highest data usage per smartphone, with the availability of affordable smart phones and lower rates of data is expected to drive the growth.

Indian Mobile Industry is expected to create a higher economic value with increase in growth drivers such as Production Linked Incentive schemes for manufacturing of telecom and networking products, growing demand with increasing internet users, make in India policy for Phased Manufacturing Program (PMP) to promote domestic production of mobile handsets and the basic foundation where Optical fiber cables laid over gram panchayats.

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

As mobile network operators spread the reach and look forward to introducing new and faster technologies with extensive deployment of optical fiber in the existing network as well as for residences in coming years to support new broadband services to meet the upcoming bandwidth requirements.

In these times, the strength and reliability of telecom networks are critically important in keeping

people connected while they are physically apart. Connectivity is a lifeline for our first responders and healthcare professionals, our educators, and our Governments, being at the epicenter of growth & innovation. Under the Digital India initiative, the Government is aiming to supply internet access throughout the country, connecting rural citizens to bridge the digital gap between cities and villages through fiber optics network, which plays an important and critical role in realizing the dream of Digital India program under which all the sectors such as healthcare, retail, etc will be connected through internet. Mobile devices continue to be embedded with structural interventions to leverage in the fabric of society today and are key in driving the momentum such as video streaming, Internet of Things (IoT), Artificial Intelligence (AI), Data Science, Generative AI and Mobile Payments. From analyzing speech and intent detection to smart resolution of incidents, AI tools drive these capabilities, where AI-based self-healing tools and services to improve service resilience.

To drive its long-term sustainability vision, service providers are looking at opportunities to incorporate sustainability at the core. Such efforts will only accelerate macro level progress towards achieving net-zero targets and contribute to the wider climate action efforts, where India has been at the forefront of mobilizing activity on the green transition agenda, and mitigating climate change. A holistic green growth model can catalyze new industries, create new jobs and drive trillions of dollars of economic value. Achieving this transformative agenda requires strong collaborations between the government and private sector.

#### Enterprise

With Post Pandemic changes, we did see last financial year has started with hopes of moderation. With Global economic condition remains uncertain, volatility & business reliance will co-exist in this sector as many others, which would result in delayed decision making.

For Enterprise, digital transformation remains the core strategic priority, cost takeout & optimization requirement are also in demand given the macro environment. Cybersecurity, cloud, AI and analytics continue to be the main focus with more integrated use cases & higher value realization. Hyper automation & virtual experiences are new themes,

driving optimization & new business growth. Overall, the Enterprise IT Industry continues to be a net hirer, strengthening its position as Digital Talent Nation.

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

Whereas in Data Centre portion, your Company has seen major changes as expected in the last decade where traditional Enterprise Data Centre moving to Multi-Tenant Data Centre's or colocation DC which provides space and networking equipment to connect an organization to service providers at a minimal cost by offering high scalability, flexibility, modularity with stringent service level agreements which is need of the hour.

With Economic activities on upward with growth coming from many sectors across the industry, where Government Sector fared better with Infrastructure projects investment & the Office Network especially from IT Consultancy & software industry got affected more and whereas on the other hand Data Centre segment performed better. Your Company do see continues growth in Fiber Business over copper due to multifold increase in Bandwidth requirements, with denser wireless & deeper fiber deployments across infrastructure projects including Data Centre expansions where the Data Centre market has been having growth faster than expected & stood as a bright spot.

Added to this, your Company do see inflationary pressure accelerating with steep increase in prices across commodities and raw materials like copper, stainless steel, plastics and many more items; towards which your company has been adjusting prices consistently across certain products and/or product lines.

With massive investments committed both by Government & Private Players towards infrastructure growth would improve the overall business sentiment and investments in next few Quarters. Market is expected to improve driven by investments in Infrastructure projects, Data Centers, Pharma, Healthcare, Education, Banking & Finance, Defense sector, E-commerce, Manufacturing, Digital India initiatives where your Company will be able to favorably participate in the areas of its strength within each opportunity in the market.

## REVIEW OF OPERATING PERFORMANCE

The financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards), Rules, 2015, as amended. 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:

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	17,874.04	14,291.25
Operating Costs	15,268.82	13,266.62
Profit before Interest, Depreciation and Tax (EBIDT)	2,605.22	1,024.63
Depreciation	21.30	20.99
Profit before Interest and Tax (EBIT)	2,583.92	1,003.64
Other Income (net of finance cost)	190.74	101.27
Profit before Tax (PBT)	2,774.66	1,104.91
Tax Expense	706.13	287.42
Profit for the year	2,068.53	817.49
Other Comprehensive Income	3.20	0.34
Total Comprehensive Income for the year	2,071.73	817.83
Total Assets	10,370.57	7,846.05
Earnings per share (Basic EPS in Rupees)	44.97	17.77

Your Company had another year of strong operational and financial performance. The overall revenue grew by 25% over that of the previous year. During the year, the Telecommunication business grew by 647% and IT-Networking (Enterprise network) business grew



by 9.6% over that of the previous year. For the full year, the Company's profit before tax stood at INR 2,774.66 lakhs compared to INR 1,104.91 lakhs for the previous year. Profit after tax for the financial year was INR 2,068.53 lakhs as compared to INR 817.49 lakhs for the previous year. The growth in revenue in the Telecommunication business is on account of exports and growth in revenue in IT-Networking business is on account of volume and product mix.

**KEY FINANCIAL RATIOS & RETURN ON NET WORTH**

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the key financial ratios are given below

Ratios	Year ended March 31, 2024	Year ended March 31, 2023	Variance (%)
Debtors Turnover Ratio	7.46	7.15	4%
Inventory Turnover Ratio	5.99	6.56	9%
Current Ratio	2.98	2.68	11%
Operating Profit Margin	0.15	0.08	99%
Net Profit Margin	0.12	0.06	102%
Return on Net Worth	0.39	0.21	83%

**Explanation for significant change (i.e. 25% or more over previous year) in Key Financial Ratios**

**Operating Profit Margin / Net Profit Margin / Return on Network**

Increase in Profit in current year on account of higher margins from manufacturing operations commenced in the current year. Additional profit on account of claim of duty drawback and RODTEP due to significant increase in export turnover.

**OPPORTUNITIES**

**Telecommunication**

For any nation, a robust telecommunications infrastructure with higher speeds is a need of the hour for a country's economic progress. Hence, establishing a strong wireless technology ecosystem will become the basic need and enabler to government's vision of Digital India. Transforming India into a knowledge economy requires new infrastructure development to enable pan-India connectivity connecting rural citizens to bridge the digital gap between cities and villages

through fiber optics network, which plays a critical role in realizing the dream of Digital India.

Indian Mobile Industry is expected to create a higher economic value with increase in growth drivers such as Production Linked Incentive schemes for manufacturing of telecom and networking products, growing demand with increasing internet users, make in India policy for Phased Manufacturing Program (PMP) to promote domestic production of mobile handsets and the basic foundation where Optical fiber cables laid over gram panchayats.

Rise in mobile-phone penetration is expected to create opportunities for new businesses; especially where Internet of everything, Artificial Intelligence (AI), Data Science, Generative AI will play a vital role. With Consumers continue to display appetite for mobile data with data-heavy applications in their daily lives and your Company expect this trend to continue. With 5G India is expected to be the second largest market for 5G Services in next 5 years assures greater opportunities in this new world where the future of Telecom industry in India is said to have several opportunities towards creating new revenue streams in the next decade by offering several benefits to consumers. Carriers will continue to focus on providing data and voice services that are high quality, reliable, and affordable to drive the industry pace and growth, which will create more and more localized /Edge based Content delivery networks to support faster response, reduce on latency, quick access to data due with localized cache.

**Enterprise**

Growth in Data Centre business & broadband connectivity requirements with massive investments committed both by Government & Private Players towards Infrastructure growth would improve the overall business sentiment and investments in the coming Years. Market is expected to improve driven by investments in Infrastructure projects, Pharma, Healthcare, Education, Banking & Finance, Defense sector, E-commerce, Manufacturing and Digital India initiatives where your Company will be able to favorably participate in the areas of its strength within each opportunity as the market activities picks up.

With Cloud Computing Aiding Businesses (Large and SMB's) either creating on private cloud infrastructure by way of consolidation and migration of existing computer storage, and networks. In addition, businesses are parallely looking to subscribe for public or private hosting services. With this, the Multi-Tenant Data Centre or Colo players in India are offering enterprises choice of better and on demand infrastructure, reliability in terms of power and availability of network and faster time to market. The Data Centre market has been having growth faster than expected & stood as a bright spot.

## RISKS AND CONCERNS

Prominent risks in business are associated with impact of global economic scenarios with supply chain disruptions, rising interest rates accompanied with increase in costs of commodities & volatility is a real confrontation with complexity & challenges in front of your Company.

Although the Company has been primarily serving most of its customers through two-tier Distribution network to reach wider base and monitor business risks with appropriate risk management framework and conservative financial profile backed by prudent business practices. The Company is well positioned to manage the risks given its track record

The markets your Company serve continue to undergo disruptions where the Company must adapt to new market realities thoughtfully, to ensure our continued growth and success; such as post-pandemic economy which presented us with new circumstances that demand adaptability and resilience as we respond to stay ahead of the market condition as we could see an impact on the Enterprise Network copper business with an increase in work from home adoption growing with office space expansion requirements coming down / going slow in the short term, despite growth in other sectors, which kept us well balanced as an Organization.

With these new normal and challenges, your company is constantly determining what the mid to long term implications of each of the challenges are and how your company should respond strategically. Regardless of all the challenges, your company works on to be better every single day than yesterday by realigning cost structure and sharpening overall productivity by being a more valuable partner to our clients than ever before. Your company Board and Risk Management Committee has always looked at worst case scenarios of times like these & built a portion of the strong financials by making right decisions which are sustainable and consistent over years.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

### Ethics / Governance Policies

The Company strives to conduct business and strengthen relationships in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company has adopted various policies to carry out its duties in an ethical manner.

### Management initiatives for Internal Controls

The Company has adequate internal control systems including internal financial controls with reference to financial statements, commensurate with its nature of

business which meets the following objectives:

- providing assurance regarding the effectiveness and efficiency of operations.
- efficient use and safeguarding of resources.
- compliance with policies, procedures and applicable laws and regulations; and
- transactions being accurately recorded and promptly reported.

Periodical internal audits by M/s Gnanoba & Bhat, Chartered Accountants are being conducted for all functions and activities to ensure that systems and processes are followed across all areas. The Audit Committee of the Board of Directors of the Company regularly reviews the adequacy of internal control systems through such audits. The Company also has a budgetary control system to monitor expenditure against approved budgets on an ongoing basis. These provide the foundations that enable optimal use and protection of assets, facilitate the accurate and timely compilation of financial statements and management reports.

With high importance of Data Security in today's digital economy as businesses advance to grow, your Company moved the Data storage to Cloud Based with redundant link established from both primary & secondary Data Centre of the service provider to avoid any risk. With this the IT infrastructure was also strengthened against ransomware and loss of data.

## MANUFACTURING OPERATIONS

The Company continued to look at ways of cost reduction and be cost competitive in this highly volatile & dynamic market, which has yielded better results as expected and would continue the same in the years to follow with focused approach, which will help the Company to favorably participate in the market activities.

The company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and afforded equal treatment. Keeping in mind the welfare of the employees' safety first at work, various Safety measures including an Emergency Response Plan have been implemented in the factory.

During the year, major focus has been on development of new design of Fiber Cable, armored Fiber Cords, Wire Mesh Basket System for Data Centre requirements and successful transfer of copper lines for Telecommunication - Voice Modules, from Czech Republic, which has added a great value to our Export business.

## HUMAN RESOURCES

As on March 31, 2024, the company had 22 permanent employees on the rolls of the company.

As part of Learning and Development, training with respect to Ethics & Compliance, High Density Module testing, ISO internal audit, E waste & Hazardous waste management, Prevention of Electric Short Circuit, Safe operation of Material handling equipment and Fire Fighting were conducted during the financial year. The Employee Engagement Committee comprising representatives from the Workmen and the Management conducted several employee related programmes during the year. The Company continued to adopt various health related processes and Policies to ensure welfare of the employees of the Company. The industrial relation throughout the year was harmonious and cordial.

**Cautionary Statement:**

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

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE 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 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 compliance with the requirements as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to corporate governance.

### 2. BOARD OF DIRECTORS

#### Composition

The Board of Directors ("Board") currently comprises of seven members, including three Independent Directors and four Non-independent Directors. Among the Directors, one independent Director and one Non-independent Director are women. The Non-independent Directors include the Managing Director and three Non-Executive-Non-Independent Directors. All the Non-Executive Non-Independent Directors are liable to retire by rotation. The Chairman of the Board is an Independent Director. The Board has the appropriate mix of skills, experience and knowledge that are required to discharge its responsibilities effectively.

Detailed profile of all the Board members is available on the Company's website at <https://www.adckcl.com/in/en/aboutus/investorrelations/board-of-directors.htm>.

The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Sections 149 and 152 of the Companies Act, 2013 ("the Act").

There is no relationship between the Directors inter-se.

In compliance with Regulation 17A of the SEBI

Listing Regulations, none of the Directors serve as Independent Directors in more than 7 listed companies. The Managing Director does not serve as an Independent Director in any listed company.

All Directors on the Board comply with the requirements stated in Regulation 26(1) of SEBI Listing Regulations. They are not members of more than ten Committees or Chairpersons of more than five Committees across all public companies in which they hold Director positions. Necessary disclosures regarding committee positions in other public companies as on March 31, 2024, have been made by the Directors.

The Directors of the Company do not hold any shares in the Company. The Company has not issued any convertible instruments.

The Independent Directors of the Company possess extensive experience and expert knowledge in their respective fields, which are valuable to the Company's business. In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with impartiality and without any external influence. They have submitted the requisite declarations stating that they meet the criteria of independence as prescribed in section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations. Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that all the Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Act and the SEBI Listing Regulations and are independent of the Management of the Company. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during FY 2023-24.

## Changes in the Directorate

### a. Appointment of Directors

During the year, the following Directors were appointed:

- i. Mr. Rakesh Kishore Bhanushali (DIN:07220290) was appointed as a Non-Executive and Non-Independent Director of the Company with effect from June 17, 2023.
- ii. Mr. Nagendra Venkaswamy (DIN:02404533) was appointed as an Independent Director of the Company for a term of five years w.e.f. February 10, 2024.
- iii. Mr. Harish Hassan Visweswara (DIN:08742808) was appointed as an Independent Director of the Company for a term of five years w.e.f. March 15, 2024.

### b. Retirement of Independent Directors

During the year, the following Independent Directors retired:

- i. Mr. S. Devarajan (DIN:00878956) ceased to be an Independent Director and Chairman of the Board and the Company with effect from close of business hours on March 31, 2024, upon completion of his tenure as an Independent Director.
- ii. Ms. Revathy Ashok (DIN:00057539) ceased to be an Independent Director of the Company with effect from close of business hours on March 31, 2024 upon completion of her tenure as an Independent Director.

### c. Appointment of Chairman

The Board of Directors at their meeting held on March 15, 2024, appointed Mr. Nagendra Venkaswamy (DIN:02404533), Independent Director, as the Chairman of the Board and the Company with effect from April 1, 2024.

### Board Meetings

During the financial Year 2023-24, six Board meetings were held on May 26, 2023; June 16, 2023; August 08, 2023; November 07, 2023; February 10, 2024 and March 15, 2024.

The gap between two meetings did not exceed one hundred and twenty days and the Meetings were conducted in compliance with all applicable laws and in adherence to the Secretarial Standard on Meetings of the Board of Directors prescribed by the Institute of Company Secretaries of India. The necessary quorum was present for all the Board Meetings.

A detailed agenda, setting out the business to be transacted at the Board / Committee meetings supported by detailed notes and documents is provided to each Director/Committee Member at least seven days before the date of the Board Meetings and of the Committee Meetings to enable the Board/Committees to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to provide the relevant information/documents as part of the agenda papers, the same are tabled at the meeting and/or presentations made by the concerned officials to the Board/Committees.

Information as mentioned in Part A of Schedule II of the SEBI Listing Regulations is made available to the Board, whenever applicable, for discussion and consideration.

The Board periodically reviews compliance of all laws applicable to the Company.

### Composition / Category of Directors / Attendance at Meeting / Directorships and Committee Memberships in other Public Limited Companies as on March 31, 2024

The names and category of the Directors on the Board, their attendance at the Board Meetings held during FY 2023-24 and at the last Annual General Meeting, number of the Directorship and Committee Membership / Chairmanship held by them in other public limited companies, name of other listed companies in which the Director hold Director positions as on March 31, 2024, are given herein below:

For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director and Director Identification Number (DIN)	Category	Number of Board Meetings attended during the year	Number of Directorship in other Public Companies	Whether attended last AGM held on July 31, 2023	Number of Committee positions held in other Public Companies	
					Member	Chairman
Mr. S. Devarajan (00878956) * Chairman	Non-executive and Independent Director	6	4	Yes	2	2
Mr. J.N. Mylariaiah (06675260)	Managing Director	6	Nil	Yes	Nil	Nil
Ms. Revathy Ashok (00057539) @	Non-executive and Independent Director	6	10	Yes	4	3
Mr. Ravi Bosco Rebello (07868872)	Non-Executive Director	6	Nil	Yes	Nil	Nil
Ms. Vijaya Latha Reddy (06778078)	Non-executive and Independent Director	4	Nil	Yes	Nil	Nil
Ms. Yaman Roy (07341809)	Non-Executive Director	4	Nil	Yes	Nil	Nil
Mr. Rakesh Kishore Bhanushali & (07220290)	Non-Executive Director	4	Nil	Yes	Nil	Nil
Mr. Nagendra Venkaswamy (02404533)\$ Chairman	Non-executive and Independent Director	1	Nil	NA	Nil	Nil
Mr. Harish Hassan Visweswara (08742808) #	Non-executive and Independent Director	0	4	NA	3	1

\* Mr. S. Devarajan ceased to be an Independent Director and Chairman of the Board and the Company with effect from close of business hours on March 31, 2024, upon completion of his tenure as an Independent Director.

@ Ms. Revathy Ashok ceased to be an Independent Director of the Company with effect from close of business hours on March 31, 2024 upon completion of her tenure as an Independent Director.

& Mr. Rakesh Kishore Bhanushali appointed as a Non-Executive and Non-Independent Director with effect from June 17, 2023.

\$ Mr. Nagendra Venkaswamy was appointed as an Independent Director of the Company for a term of five years w.e.f. February 10, 2024. He has also been appointed as the Chairman of the Board and the Company with effect from April 1, 2024.

# Mr. Harish Hassan Visweswara was appointed as an Independent Director of the Company for a term of five years w.e.f. March 15, 2024

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

Name of Director	Name of Listed Entity	Category of Directorship
Mr. Harish Hassan Visweswara	Suprajit Engineering Limited Shetron Limited Karnataka Bank	Independent Director Independent Director Independent Director

Mr. Harish Hassan Visweswara has resigned from the Board of Shetron Limited with effect from May 27, 2024.

### BOARD'S CORE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD

In terms of requirements of the SEBI Listing Regulations, the Board has identified the following skills/expertise/competencies in the context of the Company's business for the Board to function effectively.

Area of Skills, Expertise and Competencies	Description
Industry Knowledge	Full knowledge and understanding of the industries and sectors in which the company operates.
Business Acumen	Clear understanding of the business of the company, understand market trends and provide advice on strategy. Ability to identify key issues and opportunities for the Company within the Telecommunication industry and Enterprise business and develop appropriate strategy to address these issues and opportunities.
Finance	Qualifications and experience in accounting and/or finance and the ability to understand and analyze key financial statements & financial reports, critically assess financial viability and performance, contribute to strategic financial planning and ability to review and analyze budgets with strategic goals and priorities.

Strategic thinking & planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities.
Sales and Marketing	Sales and Marketing Experience to facilitate the organization growth in the right direction and contributing expertise in developing strategies to grow sales and market share within the Telecommunication Industry and Enterprise Business.
Risk Management	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, monitor risks and effectively address these risks.
HR & Talent Management	Qualification and experience in human resource management including workforce planning and employee & industrial relations.
Corporate Governance	Knowledge of good corporate practices. Knowledge of laws, rules and regulations applicable to the company and its compliance.
Information Technology	Knowledge and experience in the strategic use of information technology within the organization and knowledge of applications such as POE, 5G, IOT, Artificial Intelligence, Block Chain, AR/VR etc. to strategize the Company's future.

The skills/expertise/competencies of the current Directors are provided in the below table:

Area of Skills, Expertise and Competencies	Nagendra Venkaswamy	Mylaraiah	Ravi Bosco Rebello	Vijaya Latha Reddy	Yaman Roy	Rakesh Kishore Bhanushali	Harish Hassan Viswewara
Industry Knowledge	√	√	√	√	√	√	√
Business Acumen	√	√	√	√	√	√	√
Finance	√	√	-	√	-	√	√
Strategic Thinking & Planning	√	√	√	√	√	√	√
Sales and Marketing	√	√	-	-	-	-	√
Risk Management	√	√	√	√	√	√	√
HR & Talent Management	√	√	√	-	-	-	√
Corporate Governance	√	√	√	√	√	√	√
Information Technology	√	√	√	√	√	√	√

### 3. AUDIT COMMITTEE

#### Terms of Reference

The role and terms of reference of the Audit Committee covers the areas as contemplated under section 177 of the Act and Regulation 18 of the SEBI Listing Regulations, as applicable, besides other terms as referred by the Board of Directors

The terms of reference of the Audit Committee are briefly described below:

i. Oversight of the Company's financial reporting

process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.

ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.

iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

iv. Reviewing, with the management, the annual

financial statements 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.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- vii. Approval or any subsequent modification of transactions of the company with related parties.
- viii. Scrutiny of inter-corporate loans and investments.
- ix. Valuation of undertakings or assets of the company, wherever it is necessary.
- x. Evaluation of internal financial controls and risk management systems.
- xi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- xii. 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.
- xiii. Discussion with internal auditors of any significant findings and follow up there-on.
- xiv. 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.

- xv. 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.
- xvi. 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.
- xvii. To review the functioning of the Whistle Blower mechanism.
- xviii. To review guidelines for investing surplus funds of the Company.
- xix. To review investment proposals before submission to the Board.
- xx. 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.
- xxi. Carrying out such other functions as may be delegated by the Board from time to time.
- xxii. Review the following information:
  - a. Management discussion and analysis of financial condition and results of operations.
  - b. Management letters / letters of internal control weaknesses issued by the statutory auditors.
  - c. Internal audit reports relating to internal control weaknesses.
  - d. Appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is vested with the necessary powers to achieve its objectives.

The Chairman of the Audit Committee was present at the 35th Annual General Meeting of the Company held on July 31, 2023.

#### **Composition and Meetings**

The Audit Committee presently comprises of two Independent Directors and a Non-Executive Director. The Chairperson of the Audit Committee is an Independent Director.

During the Financial Year 2023-24, Six Audit



Committee meetings were held on May 26, 2023, June 16, 2023, August 08, 2023, November 07, 2023, February 10, 2024 and March 15, 2024. The gap between any two Audit Committee Meetings did not exceed 120 days.

The composition of the Audit Committee as on March 31, 2024 and the attendance of the members of the Committee at the aforementioned Meetings is detailed below:

Name of Directors	Category	Position	Number of meetings Attended
Ms. Revathy Ashok	Independent Director	Chairperson	6
Mr. S.Devarajan	Independent Director	Member	6
Mr. Ravi Bosco Rebello	Non-Executive Non-Independent Director	Member	6

Ms. Revathy Ashok and Mr. S. Devarajan ceased to be members of the Audit Committee with effect from close of business hours on March 31, 2024 upon completion of their term as Independent Directors.

Mr. Harish Hassan Visweswara and Mr. Nagendra Venkaswamy have been appointed as members of the Audit Committee with effect from April 1, 2024. Mr. Harish Hassan Visweswara has also been appointed as the Chairperson of the Audit Committee with effect from April 1, 2024.

The Managing Director and Chief Financial Officer of the Company are permanent invitees to the meetings of the Audit Committee. The concerned Partners/representative of Internal Auditors and Statutory Auditors are invited to the meetings of the Audit Committee.

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

#### 4. NOMINATION & REMUNERATION COMMITTEE

##### Terms of Reference

The role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, besides other terms as referred by the Board of Directors.

The terms of reference of the Nomination and Remuneration Committee are briefly described below:

- a. 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.
- b. Formulation of criteria for performance evaluation of Independent Directors and the Board of Directors.
- c. Devising a policy on diversity of Board of Directors.
- d. Identifying persons who are qualified to become Directors and who may be appointed in senior management position in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- e. Whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors.
- f. Recommend to the Board all remuneration, in whatever form, payable to senior management.

#### Composition and Meetings

The Nomination and Remuneration Committee, presently comprises of three Independent Directors and a Non-Executive Director. The Chairperson of the Nomination and Remuneration Committee is an Independent Director.

During the Financial Year 2023-24, four Nomination and Remuneration Committee meetings were held on May 26, 2023, June 16, 2023, February 10, 2024 and March 15, 2024.

The composition of the Nomination and Remuneration Committee as on March 31, 2024 and the attendance of the members of the Committee at the aforementioned Meetings is detailed below:

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

##### Terms of Reference

The role and terms of reference of the Stakeholders Relationship Committee cover the areas as contemplated under section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Name of Directors	Category	Position	Number of Meetings Attended
Ms. Revathy Ashok	Independent Director	Chairperson	4
Mr. S.Devarajan	Independent Director	Member	4
Mr. Ravi Bosco Rebello	Non-Executive Non-Independent Director	Member	4
Ms. Vijaya Latha Reddy	Independent Director	Member	3

Ms. Revathy Ashok and Mr. S. Devarajan ceased to be members of the Nomination and Remuneration Committee with effect from close of business hours on March 31, 2024 upon completion of their term as Independent Directors.

Mr. Harish Hassan Visweswara and Mr. Nagendra Venkaswamy have been appointed as members of the Nomination and Remuneration Committee with effect from April 1, 2024. Mr. Harish Hassan Visweswara has also been appointed as the Chairperson of the Nomination and Remuneration Committee with effect from April 1, 2024.

#### Remuneration Policy

Remuneration of the Managing Director comprises of a fixed component and a variable component. The remuneration is determined based on the industry standard and the requirement and profile of his office and further governed by the resolutions passed by the Shareholders.

Independent Directors are paid sitting fees, as decided by the Board of Directors, for attending each meeting of the Board of Directors, Audit Committee and Stakeholders Relationship Committee. No other remuneration or commission is paid to the Independent Directors. The other Non-Executive Directors are not paid any remuneration.

#### Service Agreement/Notice Period/Severance Fees/Stock Option

- The service agreement entered into by the Company with Mr. J.N. Mylaraiah, Managing Director, is for a period of 5 years with effect from April 01, 2019. Mr. J.N. Mylaraiah has been re-appointed as the Managing Director of the Company for a further period of five (5) years with effect from April 01, 2024.
- The Company and the Managing Director shall be entitled to terminate the agreement by

- giving 60 days' notice in writing on either side.
- No severance fee is payable by the Company to the Managing Director on termination of the agreement.
- The Company does not have a stock option scheme for the Directors and employees of the Company.
- None of the Directors hold any equity shares in the Company.
- None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.

#### Details of remuneration paid to Directors during the Financial Year 2023-24

(Amount in INR Lakhs)

Name of Directors	Salary, Benefits, Fees Allowances & Incentive	Sitting	Total
Mr. S.Devarajan	-	13.00	13.00
Mr. J.N.Mylaraiah	70.19	-	70.19
Ms. Revathi Ashok	-	12.70	12.70
Ms. Vijaya Latha Reddy	-	4.60	4.60
Mr. Nagendra Venkaswamy	-	1.00	1.00

The terms of reference of the Stakeholders Relationship committee are briefly described below:

- Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### Composition and Meetings

The Stakeholders Relationship Committee presently comprises of three Independent Directors

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and the Managing Directors. The Chairperson of the Stakeholders Relationship Committee is an Independent Director.

During the Financial Year 2023-24, four Stakeholders Relationship Committee meetings were held on May 26, 2023, August 08, 2023, November 07, 2023 and February 10, 2024.

The composition of the Stakeholders Relationship Committee as on March 31, 2024 and attendance of the members of the Committee at the aforementioned meetings is detailed below:

Name of Directors	Category	Position	Number of meetings Attended
Mr. S.Devarajan	Independent Director	Chairperson	4
Mr. J.N Mylaraiah	Managing Director	Member	4
Ms. Revathy Ashok	Independent Director	Member	4
Ms. Vijaya Latha Reddy	Independent Director	Member	3

Mr. S. Devarajan and Ms. Revathy Ashok ceased to be members of the Stakeholders Relationship Committee with effect from close of business hours on March 31, 2024 upon completion of their term as Independent Directors.

Mr. Nagendra Venkaswamy and Mr. Harish Hassan Visweswara have been appointed as members of the Stakeholders Relationship Committee with effect from April 1, 2024. Mr. Nagendra Venkaswamy has also been appointed as the Chairperson of the Stakeholders Relationship Committee with effect from April 1, 2024.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee and is the "Compliance Officer" pursuant to the requirement of SEBI Listing Regulations.

### Details of Investors' Complaints

The Company and KFin Technologies Limited, Registrar and Share Transfer Agent (RTA) of the Company, attend to all grievances of the investors. The Company/RTA did not receive any complaints from the investors during the Financial Year 2023-24.

## 6. RISK MANAGEMENT COMMITTEE

The Company has laid down Risk Mitigation

Processes to address the risks associated with the Company's business and keep Board Members informed about risk assessment and mitigation procedures. The Company has constituted a Risk Management Committee.

### Terms of Reference

The terms of reference of the Risk Management Committee are as under:

- To frame, implement and monitor the risk management plan of the Company.
- To ensure that appropriate methodology/processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

### Composition and Meetings

The Risk Management Committee presently comprises of three Independent Directors and two Non-Executive Directors. The Chairman of the Risk Management Committee is an Independent Director.

During the Financial Year 2023-24, One Risk Management Committee meeting was held on March 15, 2024.

The composition of the Risk Management Committee as on March 31, 2024 and the attendance of the members of the Committee at the aforementioned meeting is detailed below:

Name of Directors	Category	Position	Number of Meetings Attended
Mr. S.Devarajan	Independent Director	Chairperson	1
Ms. Revathy Ashok	Independent Director	Member	1
Mr. Ravi Bosco Rebello	Non-Executive Director	Member	1
Ms. Vijaya Latha Reddy	Independent Director	Member	1
Ms. Yaman Roy	Non-Executive Director	Member	1

Mr. S. Devarajan and Ms. Revathy Ashok ceased to be members of the Risk Management Committee with effect from close of business hours on March 31, 2024 upon completion of their term as Independent Directors.

Mr. Nagendra Venkaswamy, Mr. Harish Hassan Visweswara and Mr. Rakesh Kishore Bhanushali

have been appointed as members of the Risk Management Committee with effect from April 1, 2024. Mr. Nagendra Venkaswamy has also been appointed as the Chairperson of the Risk Management Committee with effect from April 1, 2024.

The Company Secretary acts as the Secretary to the Risk Management Committee.

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to provisions of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted. The Company has formulated a CSR Policy and the same is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

### Terms of Reference

The role and terms of reference of the Corporate Social Responsibility Committee covers the areas as contemplated under section 135 of the Companies Act, 2013 besides other terms as referred to by the Board.

Briefly, the terms of reference of the CSR Committee are as under:

- 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 by the Company in each financial year on CSR activities.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

### Composition and Meetings

The Corporate Social Responsibility Committee (CSR) presently comprises of three Independent Directors and the Managing Director. The Chairperson of the Corporate Social Responsibility Committee is an Independent Director.

During the Financial Year 2023-24, one CSR Committee meeting was held on February 10, 2024.

The composition of the CSR Committee as on March 31, 2024 and the attendance of the members at the Committee in aforementioned meeting is detailed below:

Name of Directors	Category	Position	Number of meetings Attended
Ms. Revathy Ashok	Independent Director	Chairperson	1
Mr. J.N Mylariaiah	Managing Director	Member	1
Mr. S.Devarajan	Independent Director	Member	1
Ms. Vijaya Latha Reddy	Independent Director	Member	1

Ms. Revathy Ashok and Mr. S. Devarajan ceased to be members of the CSR Committee with effect from close of business hours on March 31, 2024 upon completion of their term as Independent Directors.

Mr. Nagendra Venkaswamy and Mr. Harish Hassan Visweswara have been appointed as members of the CSR Committee with effect from April 1, 2024. Ms. Vijaya Latha Reddy has been appointed as the Chairperson of the CSR Committee with effect from April 1, 2024.

## 8. MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors of the Company met on March 15, 2024, without the presence of other Directors or management representatives. In this meeting, the Independent Directors, inter alia, discussed and reviewed the performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to perform its duties effectively and reasonably. The meeting was attended by all the Independent Directors.

## 9. FAMILIARIZATION PROGRAMME FOR DIRECTORS

The Company has a familiarization programme for its Independent Directors and Non-Executive Directors. The programme aims to help the Directors to get an insight into the Company's business model and understand in depth various business operations and contribute significantly to the Company.

In the Board and Board Committee meetings, the Managing Director and Senior management personnel of the Company, makes presentations to Board and Committee Members on a quarterly

basis, briefing them on the overall performance and functioning of the Company, market trends, business scenario, plans & strategy, manufacturing, risk management process and new initiatives undertaken by the Company. Such presentations provide an opportunity for the Directors to understand the Company's strategy, business model, operations, product offerings, markets, organization structure, finance, human resources, technology, risk management process etc. The Directors are also updated on relevant regulatory changes and important statutory amendments.

The details of the familiarization program imparted to the Independent Directors of the Company during the financial year 2023-24 is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/investorrelations/other-info.htm>.

## 10. GENERAL BODY MEETINGS

Financial Year	Meeting & Venue	Date	Time
2020-21	33rd AGM held through Video conferencing / Other Audio-Visual Means	July 30, 2021	11.00 a.m. (IST)
2021-22	34th AGM held through Video conferencing / Other Audio-Visual Means	July 29, 2022	11.00 a.m. (IST)
2022-23	35th AGM held through Video conferencing / Other Audio-Visual Means	July 31, 2023	11.00 a.m. (IST)

No Special Resolution was passed in the above three Annual General Meetings.

### Postal Ballot

No Resolution was passed through Postal Ballot during the financial year ended March 31, 2024.

The Board, based on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Nagendra Venkaswamy (DIN:02404533) as an Independent Director of the Company for a period of five years from February 10, 2024 to

February 9, 2029. The Board has also based on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Harish Hassan Visweswara (DIN:08742808) as an Independent Director of the Company for a period of five years from March 15, 2024 to March 14, 2029. Pursuant to the provisions of the SEBI Listing Regulations, the approval of shareholders for appointment of the Director is required to be taken at the next general meeting or within a period of three months from the date of appointment, whichever is earlier. It was, therefore, proposed to seek shareholder's approval by way of postal ballot. In consideration of the above, the Board of Directors has, in its meeting held on Friday March 15, 2024, gave the approval to conduct Postal Ballot through remote e-voting for obtaining shareholders' approval by Special Resolution for the appointment of Mr. Nagendra Venkaswamy and Mr. Harish Hassan Visweswara as Independent Directors of the Company. The Postal Ballot Notice was issued to the shareholders of the Company on March 20, 2024. The remote e-voting commenced on March 25, 2024 and ended on Tuesday, April 23, 2024. These appointments have been approved by the shareholders with requisite majority.

## 11. MEANS OF COMMUNICATION

### Publication of Financial Results

Quarterly, half-yearly and annual financial results of the Company are published in leading English and Kannada newspapers, viz., Business Standard and Sanjevani. These results are also displayed on the websites of the Company and BSE Limited.

### Website

In compliance with Regulation 46 of the SEBI Listing Regulations, all important information relating to the Company such as the Board of Directors and its Committees, annual reports, financial results, shareholding pattern, corporate governance report, Company policies of the Company, investor complaints, stock exchange disclosures and compliances, and other material information which is relevant to the shareholders are regularly posted under a separate section "Investor Relations" on the website of the Company.

### Stock Exchange

The Company has a Policy for determination of Materiality of Events/Information for the purpose of making disclosure to the Stock Exchanges. The Managing Director, Chief Financial Officer and

Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosure to the Stock Exchanges.

The Company makes timely disclosures of necessary information to BSE Limited (BSE), where the shares of the Company are listed, in terms of SEBI Listing Regulations and other applicable rules and regulations issued by SEBI. All periodical compliance filings and other disclosures under SEBI Listing Regulations are filed electronically on BSE Listing Centre.

The Policy for determination of Materiality of Events/Information is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

## **12. MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

The MD and CFO certification on the Financial Statements, Cash Flow Statement and internal control systems for financial reporting has been obtained from Mr. J.N. Mylraiah, Managing Director and Mr. Anandu Vithal Nayak, Chief Financial Officer, in accordance with Regulations 17 read with Part B of Schedule II of the SEBI Listing Regulations. This certification forms part of this Report.

## **13. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

As required under SEBI Listing Regulations, the Company has formulated a Code of Business Conduct and Ethics for Directors and Senior Management Personnel of the Company. This Code is available on the Company's website at <https://www.adckcl.com/in/en/aboutus/policies.html>. All the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2024. A declaration to this effect from the Managing Director of the Company forms part of this report.

## **14. VIGIL MECHANISM**

The Company has established the necessary vigil mechanism for Directors and Employees to report 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 who avail the mechanism and allows direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Chairperson of the Audit Committee. The Company did not receive any complaints during the financial year 2023-24.

The Vigil Mechanism/Whistle Blower policy is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

## **15. RELATED PARTY TRANSACTIONS**

There was no materially significant related party transaction during the year having potential conflict with the interests of the Company at large. Details of transactions with related parties, as per the requirements of IND AS 24, are disclosed in the notes to accounts annexed to the financial statements. Further the Company has not entered into any transaction of a material nature with the Promoters, Directors or their relatives etc. that may have potential conflict with the interests of the Company.

All the transactions with related parties were in the ordinary course of business and on an arm's length basis. In terms of Regulation 23 of SEBI Listing Regulations, the Company obtains prior approval of the Audit Committee for entering into transaction with related parties. The Audit Committee has granted omnibus approval for the Related Party Transactions which are of repetitive nature and/or entered into in the ordinary course of business and are at arm's length. The Audit Committee further reviews the Related Party Transactions on a quarterly basis.

In line with the requirements of the Act and SEBI Listing Regulations, the Company has formulated a policy on Related Party Transactions. The said Policy is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

## **16. DETAILS OF NON-COMPLIANCE BY THE COMPANY**

The Company has complied with all the applicable Regulations of capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

## **17. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has a Code of Conduct to Regulate, Monitor and Report trading by Insiders and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information. A PAN based report is provided by the Registrar and Share Transfer

Agent of the Company on a weekly basis, for monitoring dealing in the Company's securities by the Designated Persons.

A structured Digital Data Base software is maintained by the Company internally for recording the communication of Unpublished Price Sensitive Information (UPSI). An auto generated mail is sent to all the parties with whom the UPSI is shared.

The Audit Committee of the Company in compliance with Regulation 9A (4) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, review compliance with the provisions of SEBI (Prevention of Insider Trading) Regulations, 2015, at least once in a financial year and verify that the systems of internal control are adequate and are operating effectively.

The Code of conduct to Regulate, Monitor and Report trading by Insiders and Code for Fair disclosure of UPSI is available on the website of the Company at <https://www.adckcl.com/in/en/aboutus/policies.html>.

#### 18. SUBSIDIARY COMPANIES

The Company does not have any subsidiaries. Hence, the Company has not formulated a specific policy for determining material subsidiaries.

#### 19. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Commodity price risk - The Company imports copper cables for business purposes. The purchase price depends on LME prices for copper.

Foreign Exchange risk – The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuation arises. The carrying amounts of the Company's foreign currency denominated monetary liabilities (Trade payables) were INR 359.44 Lakhs and Assets (Trade Receivable) were INR 390.00 Lakhs as at March 31, 2024. The Company does not have any hedging policy or undertake any hedging activities.

#### 20. FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT/QIP

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations.

#### 21. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

As required under Regulations 34(3) read with Schedule V of the SEBI Listing Regulations, the Company has obtained a certificate from M/s. V Sreedharan and Associates, Practicing Company Secretaries confirming that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs or any such statutory authority. The said certificate forms part of this Report.

#### 22. RECOMMENDATIONS OF THE BOARD COMMITTEES

The Board has accepted all the recommendations of its committees, as applicable.

#### 23. FEES PAID TO STATUTORY AUDITORS

Total fees paid by the Company to S R B C & CO LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003), Statutory Auditors, for the financial Year 2023-24 are as follows:

Particulars	Amount in INR Lakhs
Statutory Audit Fees (including fees for limited reviews)	22.66
Reimbursement of expenses	1.68
<b>TOTAL</b>	<b>24.34</b>

#### 24. COMPLAINTS PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company did not receive any complaint of alleged sexual harassment during the year under review.

#### 25. LOANS AND ADVANCES

The Company has not given any loans or advances to firms/companies in which directors are interested.

#### 26. ACCOUNTING STANDARDS

In the preparation of financial statements for the year ended March 31, 2024, there is no deviation from the prescribed Accounting Standards.

#### 27. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from the Statutory Auditors of the Company regarding compliance of conditions

of corporate governance stipulated in the SEBI Listing Regulations during the year ended March 31, 2024, forms part of this Report.

## 28. CORPORATE GOVERNANCE REQUIREMENTS

### Compliance with Mandatory requirements:

The Company has complied with the requirements stipulated under Regulations 17 to 27 read with schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, as applicable, with regard to corporate governance.

### Compliance with Discretionary requirements:

#### The Board

The Company does not maintain a separate office for the Non-executive Chairman.

#### Shareholders' Rights

The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders. Financial results are

also available on the website of the Company and BSE Limited.

### Audit Qualification

The Auditors have expressed an unmodified opinion on the Financial Statements.

### Separate posts of Chairperson and Managing Director

The Chairman of the Board is a Non-Executive Independent Director and his position is separate from that of the Managing Director. Further, the Chairman of the Company is not related to the Managing Director.

### Reporting of Internal Auditor

The Company has outsourced the Internal Audit function to M/s. Gnanoba & Bhat, Chartered Accountants. The Internal audit plan is approved by the Audit Committee and the Internal Auditors directly present their report on a quarterly basis to the Audit Committee for consideration.

## 29. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

**Day, Date & Time:** Friday, August 9, 2024 at 11.00 a.m. (IST)

**Venue:** 36th Annual General Meeting will be conducted through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The venue of the AGM shall be deemed to be the Registered Office of the Company. For details, please refer to the Notice of this Annual General Meeting.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Director seeking re-appointment at this AGM are given in the Annexure to the Notice of this Annual General Meeting.

### ii. Financial Year/Calendar

The Company follows the period of 1st April to 31st March as the Financial Year.

For the Financial Year 2024-25, Financial Results will be announced as per the following tentative schedule:

First Quarter Financial Results	Second week of August 2024
Second Quarter Financial Results	Second week of November 2024
Third Quarter Financial Results	Second week of February 2025
Fourth Quarter and Year End Financial Results	Fourth week of May 2025



**iii. Dates of Book Closure**

The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 3, 2024 to Friday, August 9, 2024 (both days inclusive) for the purpose of Dividend and Annual General Meeting.

**iv. Dividend Payment Date**

The dividend, as recommended by the Board of Directors, if declared at the 36th Annual General Meeting will be paid from on or after August 20, 2024 to those Members whose names appears in the Register of Members of the Company and whose names appears in the list of Beneficial Owners furnished by National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on Friday, August 2, 2024 being the record date.

**v. Listing on Stock Exchanges**

The Equity Shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.

The Company has paid the listing fees for the Financial Year 2023-24 to BSE Limited.

**vi. Stock Code**

BSE Scrip Code - 523411

International Securities Identification Number (ISIN) - INE833A01016

**vii. Corporate Identity Number**

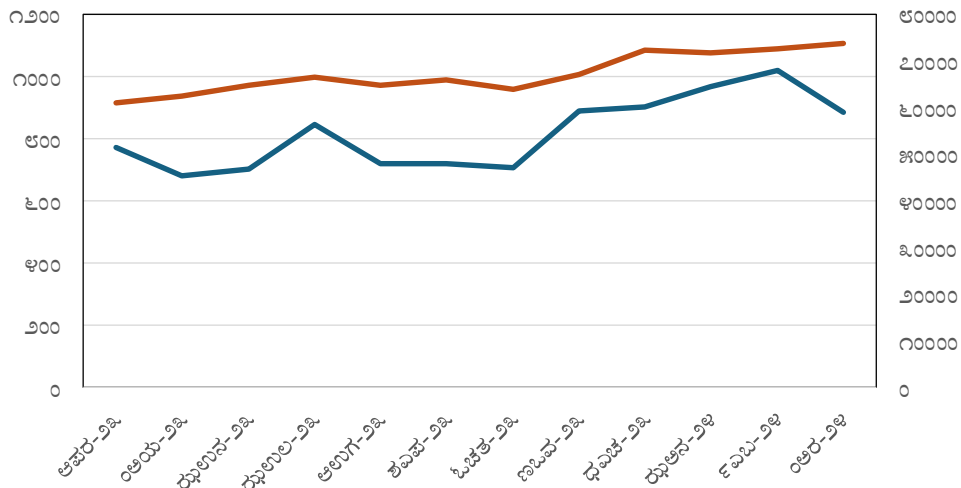
The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L32209KA1988PLC009313.

**viii. Market Price Data**

The market price of the Company’s Equity Shares traded on BSE and the BSE Sensex during each month of the Financial Year 2023-24 were as follows:

Months	ADC Share price		BSE Sensex		ADC Share price Movement %		BSE Sensex Movement %	
	High	Low	High	Low	High	Low	High	Low
April-23	885	575	61,209	58,793				
May-23	889	663	63,036	61,002	0%	15%	3%	4%
June-23	800	660	64,769	62,359	-10%	0%	3%	2%
July-23	1,000	695	67,619	64,836	25%	5%	4%	4%
August-23	864	680	66,658	64,724	-14%	-2%	-1%	0%
September-23	736	677	67,927	64,818	-15%	0%	2%	0%
October-23	818	685	66,592	63,093	11%	1%	-2%	-3%
November-23	1,027	700	67,070	63,550	26%	2%	1%	1%
December-23	976	849	72,484	67,149	-5%	21%	8%	6%
January-24	1,040	900	73,428	70,002	7%	6%	1%	4%
February-24	1,125	969	73,414	70,810	8%	8%	0%	1%
March-24	1,100	810	74,245	71,674	-2%	-16%	1%	1%

### ix. Performance of the share price of the Company in comparison to the BSE Sensex



### x. Registrar and Share Transfer Agent (RTA)

KFin Technologies Limited  
Selenium Building, Tower B  
Plot No. 31 & 32, Financial District  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Telangana  
Tel: +91 40 67162222  
Toll Free Number – 1800 309 4001  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com

### xi. Online Dispute Resolution Portal

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 has established a Common Online Dispute Resolution Portal (“ODR portal”) for resolution of disputes arising in the Indian Securities Market. Members may kindly note that in accordance with SEBI Circular the Company has registered on the SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Post exhausting the option to resolve their grievances with the Company and RTA directly and through the existing SCORES platform, Members can initiate dispute resolution through the ODR Portal. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company and the RTA.

The aforesaid circular issued by SEBI can be accessed on the Company’s website at <https://www.adckcl.com/in/en/aboutus/investorrelations/investor-grievance-redressal-relations-contacts.htm>.

### xii. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, with effect from April 1, 2019, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Accordingly, the shares held in physical form will not be transferred unless they are converted into dematerialized form.

Further SEBI has mandated the listed companies to issue securities in dematerialized form only, while processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which

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the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation. Members who are still holding shares in physical form are advised to convert their shareholding to dematerialized form.

In terms of Regulation 40(9) of the SEBI Listing Regulations, the Company obtains an annual compliance certificate, from a Company Secretary in Practice with respect to due compliance of share transfer formalities by the Company and the copy of the compliance certificate is submitted to BSE Limited.

### xiii. Distribution of Shareholding as on March 31, 2024:

Number of shares	Number of Shareholders	Number of shares held	% of total shares
1 to 500	4,753	404,085	8.78
501 to 1000	150	115,173	2.50
1001 to 2000	85	126,234	2.74
2001 to 3000	17	42,461	0.92
3001 to 4000	18	64,054	1.39
4001 to 5000	10	47,193	1.03
5001 to 10000	22	164,659	3.58
10001 and above	18	3,636,141	79.06
<b>Total</b>	<b>5,073</b>	<b>4,600,000</b>	<b>100.00</b>

### xiv. Shareholding Pattern as on March 31, 2024:

Category of Shareholder	Number of Shares held	% of Shareholding
Promoter & Promoter Group	3,313,037	72.02
Public	1,144,775	24.89
Bodies Corporate	81,641	1.77
PFIE	28,844	0.63
Non-Resident Indians	31,633	0.69
Mutual Fund/Banks	70	0.00
<b>Total</b>	<b>4,600,000</b>	<b>100.00</b>

### xv. Top Ten Shareholders as on March 31, 2024

Sl.No.	Name of the Shareholder	Category	Total Shares	% of Shareholding
1	CommScope Connectivity LLC	Promoter	3,104,360	67.49
2	CommScope Technologies LLC	Promoter Group	208,677	4.54
3	Niranjana Jitendra Shah	PUB	34,200	0.74
4	Jitendra Lalbhai Shah	PUB	33,504	0.73
5	Investor Education Protection Fund	IEP	28,844	0.63
6	Bimla Devi Maghan	PUB	28,425	0.62
7	Aditya Rashmikant Dharia	PUB	25,046	0.54
8	Jignesh Madhukant Mehta	PUB	23,000	0.50
9	Tanvi Jignesh Mehta	PUB	20,068	0.44
10	Amit Mehra	PUB	20,000	0.43

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**xvi. Dematerialization of Shares and Liquidity**

The Company's equity shares are compulsorily traded in dematerialized form and are available for trading with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any Depository Participant registered with the Depositories.

As on March 31, 2024, out of 4,600,000 equity shares of the Company, 4,562,391 equity shares have been dematerialized representing 99.18% of the Company's equity share capital.

The Company's shares are liquid and actively traded on BSE. There was no instance of suspension of trading in Company's shares during the financial year 2023-24.

Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest as this will be more advantageous to deal in securities. Shareholders are advised to contact KFin Technologies Limited, Company's Registrar and Share Transfer Agent for any clarifications and/or assistance.

**xvii. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2024, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**xviii. Commodity Price Risk / Foreign Exchange Risk and Commodity Hedging activities**

The disclosure on Commodity Price Risk / Foreign Exchange Currency Risk and Commodity Hedging activities undertaken by the Company is reported under "Corporate Governance Report" forming part of this Annual Report.

**xix. Plant Locations**

The Company's plant is located in Bangalore at the following address:

No.10C, 2nd Phase, 1st Main,

Peenya Industrial Area

Bangalore -560 058.

Tel: +91 80 28396102/28396291

Email: support@adckcl.com

**xx. Address for correspondence**

ADC India Communications Limited

No.10C, 2nd Phase, 1st Main

Peenya Industrial Area

Bangalore – 560 058

Tel: +91 80 28396102 / 28396291

Email: support@adckcl.com

Website: www.adckcl.com

**xxi. Credit Rating**

The Company does not have any debt instruments, fixed deposit program or any scheme or proposal for mobilization of funds. Hence, the Company has not obtained any credit ratings during the financial year for these purposes.

## MD AND CFO CERTIFICATE

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**The Board of Directors  
ADC India Communications Limited  
Bangalore**

We, J.N. Mylraiah, Managing Director and Anandu Vithal Nayak, Chief Financial Officer of ADC India Communications Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in internal control over financial reporting during the year;
  - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial Statements; and
  - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Bangalore  
Date : May 29, 2024

**J.N.Mylraiah**  
Managing Director  
DIN:06675260

**Anandu Vithal Nayak**  
Chief Financial Officer

### DECLARATION BY THE MANAGING DIRECTOR UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the code of Business Conduct and Ethics for Directors and Senior Management of the Company, as applicable to them, for the Financial Year ended March 31, 2024.

Place: Bangalore  
Date: May 29, 2024

J.N. Mylraiah  
Managing Director  
DIN: 066752560

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To

The Members of  
ADC INDIA COMMUNICATIONS LIMITED  
No. 10C, 2nd Phase, 1st Main  
Peenya Industrial Area  
Bengaluru - 560058

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ADC INDIA COMMUNICATIONS LIMITED**, having CIN L32209KA1988PLC009313 and having registered office at No. 10C, 2nd Phase, 1st Main, Peenya Industrial Area, Bengaluru - 560058 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

**Details of Directors as on 31.03.2024:**

Sl.No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Mylaraiah Nagabhushana Jambur	06675260	06/09/2013
2	Mr. Ravi Bosco Rebello	07868872	04/08/2017
3	Ms. Vijayalatha Reddy	06778078	16/09/2020
4	Ms. Yaman Roy	07341809	16/09/2020
5	Mr. Rakesh Kishore Bhanushali	07220290	17/06/2023
6	Mr. Harish Hassan Visweswara	08742808	15/03/2024
7	Mr. Nagendra Venkaswamy	02404533	10/02/2024

**Note:**

Mrs. Ashok Revathy (DIN: 00057539) and Mr. Devarajan Samu (DIN: 00878956) has retired from the position of Independent Director with effect from March 31, 2024.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For V SREEDHARAN & ASSOCIATES**

**Devika Sathyanarayana**

Partner

FCS:11323; CP No.17024

UDIN: F011323F000237219

Peer Review Certificate No. 5543/2024

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

### The Members of ADC India Communications Limited

1. The Corporate Governance Report prepared by ADC India Communication Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) [and (t)] of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2024 as required by the Company for annual submission to the Stock exchange.

### Managements' Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports

or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2024 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2023 to March 31, 2024:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Risk Management Committee;
    - (g) Corporate Social Responsibility
  - v. Obtained necessary declarations from the directors of the Company.

- vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 4 above.

#### **Other matters and Restriction on Use**

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per **Suresh Yadav**

Partner

Membership Number: 119878

UDIN: 24119878BKEKVA7777

Place : Bangalore

Date : May 29, 2024



**INDEPENDENT AUDITORS' REPORT**

To

**The Members of ADC India Communications Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of ADC India Communications Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in

accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Recoverability of Trade Receivables (as described in Note 10 to the financial statements)</b>	
<p>As at 31 March 2024, the Company has total outstanding trade receivables of INR 2,806.84 Lakhs. The Company has determined the allowance for the expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.</p> <p>Timing of collection of dues from customers may differ from the contractual credit period. Significant judgment is involved in management estimates of the amounts unlikely to be ultimately collected.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>We tested the design, implementation and operative effectiveness of management's key internal controls relating to the monitoring of trade receivables and determination of expected credit loss.</li> <li>We have obtained the ageing analysis of trade receivables. We have tested on a sample basis, the ageing of trade receivables at year end and discussed with management the reasons of any overdue balances to assess the appropriateness of provision recognised, if any.</li> </ul>

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

Further, the Company during the year has written off receivables amounting to INR 1,501.70 lakhs pertaining to one of the Customer considering the recovery of such dues to be remote, for which provision of INR 775.34 lakhs was already recorded in previous year. The management has performed an assessment of recoverability and accordingly recorded the write-off.

Considering the judgments / estimates as discussed above, it has been determined as a key audit matter.

- Tested management's assumptions used in determining the expected credit loss, through analysis of ageing of trade receivables, assessment of material overdue individual trade receivables and past trends of impairment loss.
- Performed audit procedures on existence of trade receivables, which included reading and comparing direct confirmations with books of account, testing of reconciling items, testing subsequent receipts and testing sales transactions on a sample basis.
- In respect of balances disclosed in Note 10, we examined the Company's with correspondence the customer and other underlying documents and management's assessment of recovery.
- Read and assessed the disclosures made in the financial statements for assessing compliance with disclosure requirements.

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

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

### Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles

generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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.

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

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

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

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

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

- those books, except the back-up of books of account was not kept in servers physically located in India on a daily basis from April 1, 2023 to March 17, 2024 as stated in Note 42 to the financial statements and matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3) (b) and paragraph (i) (vi) below on reporting under Rule 11(g);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the 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.
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.  
As stated in note 41 to the financial statements,

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As more fully described in note 43 to the financial statements, based on our examination which included test checks, the Company, has used an accounting software which is operated by a third-party software service provider, for maintaining its books of account. In the absence of information about audit trail in the Service Organisation Controls report, we are unable to comment on whether audit trail feature of the said software was enabled and operated

throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with, in respect of the accounting software.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per **Suresh Yadav**

Partner

Membership Number: 119878

UDIN: 24119878BKEKUZ7591

Place : Bangalore

Date : May 29, 2024

## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

(Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date)

**Re: ADC India Communications Limited (“the Company”)**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties as disclosed in note 5 to the financial statements included in property, plant and equipment are held in the name of the Company except immovable properties as indicated in the below mentioned cases:

(INR in Lakhs)

Description of Property	Gross Carrying Value	Held in Name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Freehold Land	172.98	Krone Communications Limited	No	January 2000	Name Change not registered in the name of Company

- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification and have been properly dealt with in the books of account.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

**ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT**

- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to (f) of the Order are not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company..
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount	Period	Forum
Income Tax Act 1961	Income Tax	129.42*	AY 2011-12	High Court Assistant Commissioner of Income Tax
		10.57	AY 2014-15	
		11.49	AY 2015-16	
		1.18	AY 2020-21	
		1.94	AY 2020-21	
Finance Act 1994	Sales Tax (including) Interest till date of Assessment	214.73^	October 2013 to March 2017	Commissioner (Appeals)

\* Demand appearing as per the Income tax portal. Refer Note 35-(ii) of the financial statements for detailed case update.

^ During the previous years, the Company has deposited Rs. 21.47 Lakhs under protest in connection with a dispute with Service Tax authorities for the year 2013 to 2017.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix) (c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



## Thirty Sixth Annual Report

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- (xix) On the basis of the financial ratios disclosed in note 39 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 37 to the financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per **Suresh Yadav**

Partner

Membership Number: 119878

UDIN: 24119878BKEKUZ7591

Place : Mumbai

Date : May 29, 2024

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADC INDIA COMMUNICATIONS LIMITED

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

We have audited the internal financial controls with reference to financial statements of ADC India Communications Limited ("the Company") as of March 31, 2024 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 ("ICAI"). 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 the 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 with reference to these financial statements 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") and the Standards on Auditing as specified under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements

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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 with reference to these financial statements.

### **Meaning of Internal Financial Controls With Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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.

### **Inherent Limitations of Internal Financial Controls With Reference to Financial Statements**

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADC INDIA COMMUNICATIONS LIMITED**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March

31, 2024, 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 issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

per **Suresh Yadav**

Partner

Membership Number: 119878

UDIN: 24119878BKEKUZ7591

Place : Bangalore

Date : May 29, 2024

## BALANCE SHEET AS AT MARCH 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	278.76	299.89
(b) Financial assets			
(i) Other financial assets	6	12.45	10.80
(c) Deferred tax assets (net)	7	55.56	223.58
(d) Other non-current assets	8	372.01	362.74
<b>Total non-current assets</b>		<b>718.78</b>	<b>897.01</b>
<b>Current assets</b>			
(a) Inventories	9	2,179.73	2,262.43
(b) Financial assets			
(i) Trade receivables	10	2,806.84	1,983.44
(ii) Cash and Cash equivalents	11	4,458.98	2,557.62
(iii) Other bank balances	12	18.48	18.83
(iv) Other financial assets	6	21.92	17.58
(c) Other current assets	8	165.84	109.13
<b>Total current assets</b>		<b>9,651.79</b>	<b>6,949.04</b>
<b>Total assets</b>		<b>10,370.57</b>	<b>7,846.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	460.00	460.00
(b) Other equity	14	6,625.43	4,737.70
<b>Total equity</b>		<b>7,085.43</b>	<b>5,197.70</b>
<b>Non-current liabilities</b>			
(a) Provisions	16	43.30	59.22
<b>Total non-current liabilities</b>		<b>43.30</b>	<b>59.22</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	17		
(a) Total outstanding dues of micro enterprises and small enterprises		99.49	79.07
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,905.83	2,264.26
(ii) Other financial liabilities	15	201.86	118.66
(b) Provisions	16	26.17	25.41
(c) Current tax liability (Net)	18	-	79.86
(d) Other current liabilities	19	8.49	21.87
<b>Total current liabilities</b>		<b>3,241.84</b>	<b>2,589.13</b>
<b>Total liabilities</b>		<b>3,285.14</b>	<b>2,648.35</b>
<b>Total equity and liabilities</b>		<b>10,370.57</b>	<b>7,846.05</b>

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**Suresh Yadav**

Partner

Membership No.119878

Place : Bangalore

Date : May 29, 2024

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

of ADC India Communications Limited

CIN: L32209KA1988PLC009313

**Nagendra Venkaswamy**

Chairman and Director

DIN: 02404533

Place : Bangalore

Date : May 29, 2024

**Mylaraiah J.N**

Managing Director

DIN: 06675260

**Anandu Vithal Nayak**

Chief Financial Officer

**R. Ganesh**

Company Secretary

Membership No. A2630

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	20	17,874.04	14,291.25
Other income	21	193.45	109.99
<b>Total income</b>		<b>18,067.49</b>	<b>14,401.24</b>
<b>Expenses</b>			
Cost of materials consumed	22	1,760.97	458.54
Purchase of stock-in-trade	23	11,416.05	11,616.10
Decrease / (Increase) in inventories of finished goods, work-in-progress and stock-in-trade	24	117.10	(684.03)
Employee benefits expense	25	421.10	428.70
Finance cost	26	2.71	8.72
Depreciation and amortization expense	27	21.30	20.99
Other expenses	28	1,553.60	1,447.31
<b>Total expenses</b>		<b>15,292.83</b>	<b>13,296.33</b>
<b>Profit before tax</b>		<b>2,774.66</b>	<b>1,104.91</b>
<b>Tax expense</b>			
Current tax	29	539.00	478.90
Taxes of earlier years	29	0.19	3.23
Deferred tax	29	166.94	(194.71)
<b>Total tax expense</b>		<b>706.13</b>	<b>287.42</b>
<b>Profit for the year</b>		<b>2,068.53</b>	<b>817.49</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		4.28	0.45
(ii) Deferred Tax relating to items that will not be reclassified to profit or loss		(1.08)	(0.11)
<b>Total other comprehensive income</b>		<b>3.20</b>	<b>0.34</b>
<b>Total comprehensive income for the year</b>		<b>2,071.73</b>	<b>817.83</b>
Earnings per equity share (nominal value of share INR 10 each)			
<b>Basic / Diluted EPS</b>	31	44.97	17.77

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

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

of ADC India Communications Limited

CIN: L32209KA1988PLC009313

**Suresh Yadav**

Partner

Membership No.119878

**Nagendra Venkaswamy**

Chairman and Director

DIN: 02404533

**Mylaraiah J.N**

Managing Director

DIN: 06675260

**R. Ganesh**

Company Secretary

Membership No. A2630

Place : Bangalore

Date : May 29, 2024

Place : Bangalore

Date : May 29, 2024

**Anandu Vithal Nayak**

Chief Financial Officer

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	2,774.66	1,104.90
<b>Add / (Less)</b>		
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization expense	21.30	20.99
(Profit) /Loss on sale of property, plant and equipment	(0.10)	0.40
Provision/(reversal) for doubtful trade receivables & advances	(776.77)	772.25
Bad trade debts written off	1,505.94	1.67
Unrealized foreign exchange (gain) (net)	(2.48)	(0.68)
Interest expense	2.71	8.72
Interest income	(145.34)	(103.33)
Provision for slow moving / obsolete Inventory	127.51	19.59
<b>Operating profit before working capital changes</b>	<b>3,507.43</b>	<b>1,824.51</b>
<b>Movements in working capital:</b>		
Increase in trade payables	663.16	45.71
Increase / (Decrease) in other financial liabilities	83.54	(31.89)
(Decrease) / Increase in provisions	(10.87)	0.62
(Decrease) in other current liabilities	(13.39)	(1.52)
(Increase) in inventories	(44.81)	(1,073.37)
(Increase) in trade receivables	(1,552.55)	(742.73)
(Increase) in financial and other assets	(60.88)	(24.86)
<b>Cash generated from / (used in) operations</b>	<b>2,571.63</b>	<b>(3.53)</b>
Direct taxes paid (net of refunds)	(628.16)	(420.60)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>1,943.47</b>	<b>(424.13)</b>
<b>Cash flows from investing activities</b>		
Purchase of assets, including capital advances	(0.18)	(18.20)
Proceeds from sale of property, plant and equipment	0.10	-
Interest received	140.99	89.29
<b>Net cash flow from investing activities (B)</b>	<b>140.91</b>	<b>71.09</b>
<b>Cash flows from financing activities</b>		
Dividends paid on equity shares	(182.74)	(640.38)
Finance cost	(0.28)	(0.16)
<b>Net cash flow used in financing activities (C)</b>	<b>(183.02)</b>	<b>(640.54)</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net increase / (Decrease) in cash and cash equivalents (A + B + C)	1,901.36	(993.57)
Cash and cash equivalents at the beginning of the year	2,557.62	3,551.18
<b>Cash and cash equivalents at the end of the year</b>	<b>4,458.98</b>	<b>2,557.62</b>
<b>Components of cash and cash equivalents (Refer Note 11)</b>		
Balances in Banks:		
- in current accounts	308.98	7.62
- in deposit accounts	4,150.00	2,550.00
<b>Total cash and cash equivalents</b>	<b>4,458.98</b>	<b>2,557.62</b>

**Notes:**

1) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard ( Ind AS ) 7 Statement of Cash flow.

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date.

**For S R B C & CO LLP**

Chartered Accountants  
ICAI Firm Registration No: 324982E/E300003

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

of ADC India Communications Limited  
CIN: L32209KA1988PLC009313

**Suresh Yadav**

Partner  
Membership No.119878

**Nagendra Venkaswamy**

Chairman and Director  
DIN: 02404533

**Mylaraiah J.N**

Managing Director  
DIN: 06675260

**R. Ganesh**

Company Secretary  
Membership No. A2630

Place : Bangalore  
Date : May 29, 2024

Place : Bangalore  
Date : May 29, 2024

**Anandu Vithal Nayak**  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

### a. Equity share capital

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	Amount
<b>As at March 31, 2022</b>	460.00
Movement during the year	-
<b>As at March 31, 2023</b>	460.00
Movement during the year	-
<b>As at March 31, 2024</b>	<b>460.00</b>

### b. Other Equity

Particulars	Reserves and Surplus		
	General Reserve	Retained Earnings	Total Other Equity
<b>Opening Balance as at 1 April, 2022</b>	776.39	3,787.49	4,563.88
Profit for the year	-	817.49	817.49
Other comprehensive income for the year net of income tax	-	0.34	0.34
Dividend	-	(644.00)	(644.00)
<b>Closing Balance as at 31 March, 2023</b>	776.39	3,961.31	4,737.70
Profit for the year	-	2,068.53	2,068.53
Other comprehensive income for the year net of income tax	-	3.20	3.20
Dividend	-	(184.00)	(184.00)
<b>Closing Balance as at 31 March, 2024</b>	<b>776.39</b>	<b>5,849.04</b>	<b>6,625.43</b>

The accompanying notes are an integral part of the Ind AS financial statements.  
As per our report of even date.

#### For S R B C & CO LLP

Chartered Accountants  
ICAI Firm Registration No: 324982E/E300003

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

of ADC India Communications Limited  
CIN: L32209KA1988PLC009313

#### Suresh Yadav

Partner  
Membership No.119878

#### Nagendra Venkaswamy

Chairman and Director  
DIN: 02404533

#### Mylaraiah J.N

Managing Director  
DIN: 06675260

#### R. Ganesh

Company Secretary  
Membership No. A2630

Place : Bangalore  
Date : May 29, 2024

Place : Bangalore  
Date : May 29, 2024

**Anandu Vithal Nayak**  
Chief Financial Officer



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 1. GENERAL INFORMATION

ADC India Communications Limited (“the Company”) (CIN: L32209KA1988PLC009313 ) 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.

ADC India Communications Limited is a public limited company incorporated in India on 26 July, 1988 under the Companies Act, 1956. Its shares are listed on BSE (formerly known as Bombay Stock Exchange). The registered office of the company is at No. 10C, 2nd Phase, 1st Main, P.B. No. 5812, Peenya Industrial Area, Bangalore - 560058.

### 2. MATERIAL ACCOUNTING POLICIES

#### I. Statement of Compliance

The Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III).

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as “financial statements”)

The Company has prepared the Financial Statements on the basis that it will continue to operate as a going concern.

These financial statements are approved for issue by the Board of Directors on May 29, 2024.

#### II. Basis of preparation and presentation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, fair value of plan assets within scope of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

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

The Financial Statement is presented in INR and all values are rounded to the nearest lakhs except when otherwise stated.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. It is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current only.

### III. Revenue Recognition

#### A Revenue from contract with customers

The Company recognises revenue when control over the promised goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer.

The Company pays turnover discounts to its national distributors, regional distributors and group company determined based on the revenue generated through such parties. The rate of commission along with other variable factors are mentioned in the agreed term sheet/ communication done by the Company along with the distributors/ group entity. Such discounts is reduced from the revenue generated from contracts from its customers.

#### Contract Balances

##### i) Trade Receivables

A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**B. Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**IV. Foreign Currencies**

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transactions recognised at the Central Board of Indirect Taxes and Customs (CBIC) exchange rates. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the bank rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss in the year in which they arise.

**V. Employee Benefits**

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the year of a plan amendment or when the company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### VI. Taxes

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

#### Current Tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

#### Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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 taxes relate to the same taxable entity and the same taxation authority.

#### Current and Deferred Tax

Current and deferred tax are recognised in profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### VII. Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule III to the Companies Act, 2013.

The useful life used for the categories of assets are as follows:

<b>Class of Assets</b>	<b>Years</b>
Building	30 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Computers	3 years

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

**VIII. Impairment of non-financial assets**

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

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

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

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

**IX. Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and traded goods include cost of purchase and other costs incurred in bringing

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

the inventories to their present location and condition. Cost of semi-finished /finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### X. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### XI. Financial Instruments

#### Financial assets and financial liabilities

Financial assets except for trade receivables and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

#### A. Financial Assets

##### a) Recognition and initial measurement

A financial asset is initially recognised at fair value adjusted for transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

##### b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

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

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

### c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### d) Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life- time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses. When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information. The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### B. Financial Liabilities and Equity Instruments

#### a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### c) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'at amortized cost'.

##### Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method

### **Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### **XII. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

### **XIII. Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above.

### **XIV. Earnings per share**

Basic earnings per share is computed by dividing the profit and loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### **3. KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

#### **i) Useful life of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### ii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

### iii) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

### iv) Taxes

In accordance with IND AS 12 - Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### v) Impairment of Trade receivables

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

## 4. NEW AND AMENDMENT STANDARDS

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

### Standards Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no standards that have been issued but not yet effective applicable from April 1, 2024.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**5. Property, Plant and Equipment**

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	Land*#	Building*	Plant & Machinery	Furniture & Fixtures	Office Equipment	Computers	Total
<b>Cost or deemed cost</b>							
As at April 1, 2022	172.98	157.40	48.36	1.31	22.02	63.94	466.01
Additions	-	-	14.99	0.12	3.08	-	18.19
Disposals	-	-	-	-	1.97	-	1.97
<b>As at March 31, 2023</b>	<b>172.98</b>	<b>157.40</b>	<b>63.35</b>	<b>1.43</b>	<b>23.13</b>	<b>63.94</b>	<b>482.23</b>
Additions	-	-	-	0.18	-	-	0.18
Disposals	-	-	0.52	-	-	-	0.52
<b>As at March 31, 2024</b>	<b>172.98</b>	<b>157.40</b>	<b>62.83</b>	<b>1.61</b>	<b>23.13</b>	<b>63.94</b>	<b>481.89</b>
<b>Accumulated depreciation</b>							
As at April 1, 2022	-	55.99	35.92	1.13	13.79	56.09	162.92
Depreciation	-	12.58	1.70	0.03	3.34	3.34	20.99
Disposals	-	-	-	-	1.57	-	1.57
<b>As at March 31, 2023</b>	<b>-</b>	<b>68.57</b>	<b>37.62</b>	<b>1.16</b>	<b>15.56</b>	<b>59.43</b>	<b>182.34</b>
Depreciation	-	12.82	2.28	0.05	3.52	2.63	21.30
Disposals	-	-	0.51	-	-	-	0.51
<b>As at March 31, 2024</b>	<b>-</b>	<b>81.39</b>	<b>39.39</b>	<b>1.21</b>	<b>19.08</b>	<b>62.06</b>	<b>203.13</b>
<b>Net Book Value</b>							
<b>As at March 31, 2024</b>	<b>172.98</b>	<b>76.01</b>	<b>23.44</b>	<b>0.40</b>	<b>4.05</b>	<b>1.88</b>	<b>278.76</b>
<b>As at March 31, 2023</b>	<b>172.98</b>	<b>88.83</b>	<b>25.73</b>	<b>0.27</b>	<b>7.57</b>	<b>4.51</b>	<b>299.89</b>

\* The Board of Directors of the Company have granted its in-principle approval in FY 2020-21 for sale of land and building and accorded its consent to the Management to take necessary steps including scouting of buyers towards the sale of land and building. The matter is currently in an exploration stage with no buyer having been identified so far and the said land and building is currently being used for the business of the Company.

Accordingly, the same has been classified as property, plant and equipment.

**# Status of title deeds of immovable property**

Description of Property	Gross carrying Value	Whether held in the name promoter, director or their relative or employee	Period Held	Held in the Name of	Reason for not being held in the name of Company
Freehold Land*	172.98	No	19-01-2000	Krone Communications Limited (Erstwhile Name of the Company)	The Company had changed its name in 2010. However, such name change is not updated in the land ownership records.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
<b>6</b>	<b>Other Financial Assets</b>		
	<b>Non-current, at amortised cost</b>		
	Security deposits	12.45	10.80
	<b>Total</b>	<b>12.45</b>	<b>10.80</b>
	<b>Current</b>		
	Interest accrued on fixed deposits	21.92	17.58
	<b>Total</b>	<b>21.92</b>	<b>17.58</b>
		As at March 31, 2024	As at March 31, 2023
<b>7</b>	<b>Deferred tax asset (net)</b>		
	<b>Deferred tax asset on</b>		
	Difference between book balance and tax balance of property, plant & equipment	1.64	1.11
	Provision for doubtful trade receivables / advances	3.52	199.02
	Provision for compensated absences, gratuity and other employee benefits	19.99	23.45
	Disallowance u/s 40(a)(ia)	9.12	-
	Disallowance u/s 43B(h)	21.29	-
	<b>Total</b>	<b>55.56</b>	<b>223.58</b>
		As at March 31, 2024	As at March 31, 2023
<b>8</b>	<b>Other Assets</b>		
	<b>Non-current</b>		
	<b>Others</b>		
	Advance income-tax (Refer note below)	339.38	331.40
	Balances with statutory / government authorities (Considered good)	32.63	31.34
	Balances with statutory / government authorities (Considered doubtful)	12.17	12.17
	Less: Provision for doubtful advances	(12.17)	(12.17)
	<b>Total</b>	<b>372.01</b>	<b>362.74</b>
	<b>Current</b>		
	Advances other than capital advances	0.10	1.28
	<b>Other Current Assets</b>		
	Prepaid expenses	16.31	22.14
	Income accrued on Duty draw back and RODTEP	11.79	-
	Balances with statutory / government authorities (Considered good)	137.64	85.71
	<b>Total</b>	<b>165.84</b>	<b>109.13</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>Note:</b>		
Advance tax and TDS	1,717.55	1,169.47
Less: Provision for tax	(1,378.17)	(838.07)
<b>Total</b>	<b>339.38</b>	<b>331.40</b>

	As at March 31, 2024	As at March 31, 2023
<b>9 Inventories (valued at lower of cost and net realizable value)</b>		
Raw materials, consumables and packing materials [Includes in-transit INR 203.72 lakhs (PY: INR 312.45 lakhs)]	591.84	557.44
Work-in-progress	-	1.94
Finished goods	137.07	113.18
Stock-in-trade [Includes in-transit INR 308.14 lakhs (PY: 7.85 lakhs)]	1,450.82	1,589.87
<b>Total</b>	<b>2,179.73</b>	<b>2,262.43</b>

Value of inventories above is stated after write down of net realizable value of INR 2.12 lakhs (PY: INR 2.26 lakhs). These were recognized as an expense during one year and included in changes in inventories of finished goods, work in progress and stock in trade.

	As at March 31, 2024	As at March 31, 2023
<b>10 Trade receivables</b>		
Trade receivables Considered good - Unsecured	2,806.84	1,160.26
Trade Receivable which have significant increase in Credit Risk	1.82	1,601.77
Less: Allowance for doubtful debts	(1.82)	(778.59)
<b>Total</b>	<b>2,806.84</b>	<b>1,983.44</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

During the year ended March 31, 2024, the Company had recorded an additional provision of INR 726.36 lakhs (total provision of INR 1,501.70 lakhs), thereby fully providing outstanding dues from one of its largest customers who were undergoing stressful liquidity conditions. Subsequently, prior to the year end, National Company Law Tribunal (NCLT) has admitted the customer under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 pursuant to a claim filed by one of its financial creditors.

While there is a possibility of recovery from the proceedings adopted and claims filed by the Company against the customer, it is considered remote, and hence the Company has written off the entire balance of INR 1,501.70 lakhs.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Ageing as at 31 March 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	Not yet due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables - considered good	2,191.22	615.62	-	-	-	-	2,806.84
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	1.82	-	-	-	-	1.82
Less: Allowance for doubtful debts	-	(1.82)	-	-	-	-	(1.82)
<b>Total</b>	<b>2,191.22</b>	<b>615.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,806.84</b>

### Ageing as at 31 March 2023

Particulars	Not yet due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables - considered good	1,067.50	90.04	0.47	-	2.26	-	1,160.26
Undisputed trade receivables - which have significant increase in credit risk	425.28	1,173.96	0.10	1.17	-	1.25	1,601.77
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for doubtful debts	(194.56)	(581.56)	(0.05)	(1.17)	-	(1.25)	(778.59)
<b>Total</b>	<b>1,298.22</b>	<b>682.45</b>	<b>0.52</b>	<b>-</b>	<b>2.26</b>	<b>-</b>	<b>1,983.44</b>

Note: Ageing is computed from net due date as per normal credit terms provided to the customers.

		As at March 31, 2024	As at March 31, 2023
<b>11</b>	<b>Cash and Bank equivalents</b>		
	Balances with banks:		
	– In Current Accounts	126.75	7.62
	– In EEFC accounts	182.23	-
	– In Term deposit accounts with maturity less than 3 months	4,150.00	2,550.00
	<b>Total</b>	<b>4,458.98</b>	<b>2,557.62</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>12 Bank balance other than cash and cash equivalents</b>		
Earmarked balances in current accounts – Current Accounts	18.48	18.83
<b>Total</b>	<b>18.48</b>	<b>18.83</b>

Earmarked bank balances are restricted in use and it relate to unclaimed dividend

	As at March 31, 2024	As at March 31, 2023
<b>13 EQUITY SHARE CAPITAL</b>		
<b>Authorised</b> 10,000,000 (March 31, 2023: 10,000,000) equity shares of INR 10 each	1,000.00	1,000.00
<b>Issued, subscribed and fully paid-up</b> 4,600,000 (March 31, 2023: 4,600,000) equity shares of INR 10 each fully paid	460.00	460.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>460.00</b>	<b>460.00</b>

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The 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.

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

	March 31, 2024		March 31, 2023	
	No.	INR Lakhs	No.	INR Lakhs
At the beginning of the year	4,600,000	460.00	4,600,000	460.00
Outstanding at the end of the year	4,600,000	460.00	4,600,000	460.00

**(b) 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, 2024	March 31, 2023
<b>CommScope Connectivity LLC</b> 3,104,360 (March 31, 2023: 3,104,360) equity shares of INR 10 each fully paid up	310.44	310.44

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

<b>CommScope Technologies LLC</b> 208,677 (March 31, 2023: 208,677) equity shares of INR 10 each fully paid up	20.87	20.87

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

	March 31, 2024		March 31, 2023	
	No.	% holding	No.	% holding
<b>Equity shares of INR 10 each fully paid</b> CommScope Connectivity LLC	3,104,360	67.49%	3,104,360	67.49%

### (d) Shareholding of Promoter

Promoter Name	Shares held as at March 31, 2024		Shares held as at March 31, 2023		Percentage change during the year
	No.	% holding	No.	% holding	
CommScope Connectivity LLC	3,104,360	67.49%	3,104,360	67.49%	-
CommScope Technologies LLC	208,677	4.54%	208,677	4.54%	-

		As at March 31, 2024	As at March 31, 2023
<b>14</b>	<b>Other equity</b>		
	General reserve	776.39	776.39
	Retained Earnings	5,849.04	3,961.31
	<b>Total</b>	<b><u>6,625.43</u></b>	<b><u>4,737.70</u></b>

### Nature and purpose of reserve

#### General Reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

#### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
<b>15</b>	<b>Other financial liabilities</b>		
	<b>Current</b>		
	Unpaid dividends	18.48	18.83
	Employee Benefit Liabilities	11.19	9.79
	Turnover Discount Payable (Refer Note 20)	172.19	90.04
	<b>Total</b>	<b>201.86</b>	<b>118.66</b>

		As at March 31, 2024	As at March 31, 2023
<b>16</b>	<b>Provisions</b>		
	<b>Non-current</b>		
	Provision for Gratuity (Refer Note 32)	43.30	59.22
	<b>Total</b>	<b>43.30</b>	<b>59.22</b>
	<b>Current</b>		
	Provision for Compensated Absences	26.17	25.41
	<b>Total</b>	<b>26.17</b>	<b>25.41</b>

		As at March 31, 2024	As a March 31, 2023
<b>17</b>	<b>Trade payables</b>		
	(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	99.49	79.07
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,905.83	2,264.26
	<b>Total</b>	<b>3,005.32</b>	<b>2,343.33</b>

Trade Payables are normally settled within 15-90 days. Details of trade payables from related parties have been disclosed under note 34

**At March 31, 2024**

Particulars	Unbilled Dues*	Not Yet Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	98.62	0.87	-	-	-	99.49
Others	601.41	2,005.80	298.6	-	-	-	2,905.83
Disputed Dues-MSME	-	-	-	-	-	-	-
Disputes Dues-Others	-	-	-	-	-	-	-
<b>Total</b>	<b>601.41</b>	<b>2,104.42</b>	<b>299.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,005.32</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

At March 31, 2023

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	Unbilled Dues*	Not Yet Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	76.99	2.08	-	-	-	79.07
Others	383.34	1,255.42	625.50	-	-	-	2,264.26
Disputed Dues-MSME	-	-	-	-	-	-	-
Disputes Dues-Others	-	-	-	-	-	-	-
<b>Total</b>	<b>383.34</b>	<b>1,332.41</b>	<b>627.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,343.33</b>

\*includes liabilities towards stock in transit

		As at March 31, 2024	As at March 31, 2023
<b>18</b>	<b>Current tax liability (Net)</b>		
	Current tax payable	-	486.35
	Less: Advance tax and TDS	-	(406.49)
	<b>Total</b>	<b>-</b>	<b>79.86</b>

		As at March 31, 2024	As at March 31, 2023
<b>19</b>	<b>Other current liabilities</b>		
	Advance from customers	0.49	0.66
	Statutory liabilities	8.00	21.21
	<b>Total</b>	<b>8.49</b>	<b>21.87</b>

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>20</b>	<b>Revenue from operations</b>		
	<b>Sale of products</b>		
	Finished Goods	2,513.43	671.71
	Traded Goods	15,300.72	13,618.32
	<b>Revenue from Contract with Customers</b>	<b>17,814.15</b>	<b>14,290.03</b>
	<b>Other operating revenue</b>		
	Scrap Sales	6.38	0.41
	Duty draw back & Rodtep Income	53.47	-
	Freight Recovered	0.04	0.81
	<b>Revenue from operations</b>	<b>17,874.04</b>	<b>14,291.25</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Detail of products sold</b>		
<b>Finished goods sold</b>		
Telecom products/connectors, accessories	2,453.87	484.43
Tools	10.95	3.06
Patch cords	48.61	184.22
	<b>2,513.43</b>	<b>671.71</b>
<b>Traded goods sold</b>		
Cables	9,908.41	8,584.43
Connector and patch cords	3,542.92	3,348.19
Others	1,849.39	1,685.70
	<b>15,300.72</b>	<b>13,618.32</b>

**Ind AS 115 Revenue from Contracts with Customers**

The Company recognises revenue when control over the promised goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 30):

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers		
- Sale of products	17,814.15	14,290.03
Other Operating income	59.89	1.22
<b>Total revenue from operations</b>	<b>17,874.04</b>	<b>14,291.25</b>
India	15,129.54	14,096.85
Outside India	2,744.50	194.40
<b>Total revenue from operations</b>	<b>17,874.04</b>	<b>14,291.25</b>
Timing of revenue recognition		
At a point in time	17,874.04	14,291.25
<b>Total revenue from operations</b>	<b>17,874.04</b>	<b>14,291.25</b>

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Contract Balances</b>		
Trade Receivable	2,806.84	1,983.44
<b>Total</b>	<b>2,806.84</b>	<b>1,983.44</b>

The credit period on sales of goods ranges from 30 to 90 days with or without security. As at March 31, 2024, the Company is carrying a provision INR 1.82 lakhs (PY INR 778.59 lakhs) towards allowance for doubtful debts on trade receivables.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

		For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue as per contracted price	18,389.78	14,812.99
	Adjustments:		
	Turnover Discount	(575.63)	(522.96)
	Revenue from Contract with Customers	<u>17,814.15</u>	<u>14,290.03</u>

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>21</b>	<b>Other income</b>		
	Interest income:		
	- On bank deposits	145.34	99.99
	- On Income tax refund	-	3.34
	Other Non- Operating income	48.11	6.66
	<b>Total</b>	<u>193.45</u>	<u>109.99</u>

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>22</b>	<b>Cost of materials consumed</b>		
	Inventory at the beginning of the year	557.44	187.69
	Add: Purchases	1,795.37	828.29
		<u>2,352.81</u>	<u>1,015.98</u>
	Less: inventory at the end of the year	591.84	557.44
	<b>Total</b>	<u>1,760.97</u>	<u>458.54</u>

		For the year ended March 31, 2024	For the year ended March 31, 2023
	<b>Details of Inventory consumed</b>		
	PCB Assy-CAT6	52.70	178.61
	Special Alloy	35.68	9.09
	Contacts	502.65	40.13
	UTP Info Outlets	40.95	40.85
	Plastics	378.43	14.01
	Others	750.56	175.85
	<b>Total</b>	<u>1,760.97</u>	<u>458.54</u>

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>23</b>	<b>Details of purchase of traded goods</b>		
	Cables	7,685.51	8,061.08
	Connector and Patch Cords	1,243.03	1,345.96
	Others	2,487.51	2,209.06
	<b>Total</b>	<u>11,416.05</u>	<u>11,616.10</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>24</b>	<b>Decrease / (Increase) in inventories of finished goods, work-in-progress and traded goods</b>		
	Inventories at the end of the year		
	Traded goods	1,450.82	1,589.87
	Work-in-progress	-	1.94
	Finished goods	137.07	113.18
		<u>1,587.89</u>	<u>1,704.99</u>
	Inventories at the beginning of the year		
	Traded goods	1,589.87	836.52
	Work-in-progress	1.94	3.71
	Finished goods	113.18	180.73
		<u>1,704.99</u>	<u>1,020.96</u>
	<b>Total</b>	<u>117.10</u>	<u>(684.03)</u>

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>25</b>	<b>Employee benefit expense</b>		
	Salaries, wages and bonus	373.32	382.65
	Contribution to provident and other funds (Refer note 32)	37.25	36.45
	Staff welfare expenses	10.53	9.60
	<b>Total</b>	<u>421.10</u>	<u>428.70</u>

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 3rd May 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>26</b>	<b>Finance cost</b>		
	Interest expense on		
	- Income tax	1.13	7.46
	- Others	1.58	1.26
	<b>Total</b>	<u>2.71</u>	<u>8.72</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>27</b>	<b>Depreciation and amortization expense</b>		
	Depreciation of property, plant and equipment (Refer note 5)	21.30	20.99
	<b>Total</b>	<u><b>21.30</b></u>	<u><b>20.99</b></u>

		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>28</b>	<b>Other expenses</b>		
	Power and fuel	17.87	14.61
	Repairs and maintenance		
	Plant and machinery	22.52	11.27
	Buildings	16.69	5.07
	Others	56.64	47.36
	Rates and taxes	14.71	4.48
	Insurance	20.27	17.79
	Professional and consultancy charges	113.65	103.51
	Expenditure on Corporate Social Responsibility (Refer Note 37)	24.00	15.00
	Remuneration to auditors (refer details below)	24.34	19.57
	Telephone and communication	7.20	7.12
	Advertisement and sales promotion	137.75	134.01
	Travelling and conveyance	8.53	8.78
	Foreign exchange loss (net)	-	15.21
	Freight outwards	201.63	192.49
	Net bad debts written off (refer details below)	727.35	1.67
	Provision for doubtful trade receivables	1.82	772.25
	Loss on property, plant and equipment sold/discarded (net)	-	0.40
	Director Sitting Fees	31.30	26.85
	Security Services	23.14	20.89
	Subcontractor charges	79.17	-
	Miscellaneous expenses	25.02	28.98
	<b>Total</b>	<u><b>1,553.60</b></u>	<u><b>1,447.31</b></u>

		For the year ended March 31, 2024	For the year ended March 31, 2023
	<b>Remuneration to auditors</b>		
	For Audit (including fees for limited reviews)	22.66	19.00
	Reimbursement of expenses	1.68	0.57
	<b>Total</b>	<u><b>24.34</b></u>	<u><b>19.57</b></u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Net bad debts written off</b>		
Bad debts written off	1,505.94	1.67
Reversal of provision for doubtful debt recorded in previous year	(778.59)	-
<b>Total</b>	<u>727.35</u>	<u>1.67</u>

**29. Current Tax and Deferred Tax**

**Income Tax recognised in Statement of profit and loss**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current Tax:</b>		
In respect of current year	539.00	478.90
In respect of prior years	0.19	3.23
<b>Deferred Tax:</b>		
In respect of current year	166.94	(194.71)
<b>Total income tax expense recognised in the Statement of profit and loss</b>	<u>706.13</u>	<u>287.42</u>

**Movement in deferred tax balances**

(INR in Lakhs)

Particulars	For the year ended March 31, 2024			
	Opening Balance	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
<u>Tax effect of items constituting deferred tax assets</u>				
Property, Plant and Equipment	1.11	0.53	-	1.64
Provision for bad and Doubtful debts & advances	199.01	(195.50)	-	3.51
Disallowances u/s 43B	23.46	(2.38)	(1.08)	20.00
Disallowances u/s 40a(ia)	-	9.12	-	9.12
Disallowances u/s 43B(h)	-	21.29	-	21.29
	<b>223.58</b>	<b>(166.94)</b>	<b>(1.08)</b>	<b>55.56</b>
<b>Net deferred tax assets</b>	<b>223.58</b>	<b>(166.94)</b>	<b>(1.08)</b>	<b>55.56</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023			
	Opening Balance	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
<u>Tax effect of items constituting deferred tax assets</u>				
Property, Plant and Equipment	1.30	(0.19)	-	1.11
Provision for bad and Doubtful debts & advances	4.66	194.35		199.01
Employee Benefits and other provisions	23.02	0.55	(0.11)	23.46
	28.98	194.71	(0.11)	223.58
<b>Net Deferred Tax Asset</b>	<b>28.98</b>	<b>194.71</b>	<b>(0.11)</b>	<b>223.58</b>

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Profit before tax</b>	2,774.66	1,104.91
Enacted income tax rate in India	25.2%	25.2%
Computed expected tax expense	698.33	278.08
Effect on account of non-deductible expenses under income tax	-	5.39
Tax related to earlier years	0.19	3.23
Others	7.61	0.72
<b>Income tax expense recognised in Statement of profit and loss</b>	<b>706.13</b>	<b>287.42</b>

### 30. Segment Information

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

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

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

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

Telecommunication: Manufacturing and trading of Telecom products.

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

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



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**(ii) Segment revenues and results**

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

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Telecommunication	IT - Networking	Unallocable	Total	Telecommunication	IT - Networking	Unallocable	Total
Inter-Segmental revenue	-	-	-	-	-	-	-	-
Revenue from external customers	2,586.06	15,287.98	-	17,874.04	346.02	13,945.23	-	14,291.25
<b>Total segment revenue</b>	<b>2,586.06</b>	<b>15,287.98</b>	<b>-</b>	<b>17,874.04</b>	<b>346.02</b>	<b>13,945.23</b>	<b>-</b>	<b>14,291.25</b>
	<b>For the year ended March 31, 2024</b>				<b>For the year ended March 31, 2023</b>			
<b>Particulars</b>	<b>Telecommunication</b>	<b>IT - Networking</b>	<b>Unallocable</b>	<b>Total</b>	<b>Telecommunication</b>	<b>IT - Networking</b>	<b>Unallocable</b>	<b>Total</b>
Revenue from Contracts with Customers	2,586.06	15,287.98	-	17,874.04	346.02	13,945.23	-	14,291.25
Other Income	6.99	41.10	145.36	193.45	1.33	5.33	103.33	109.99
<b>Total Income</b>	<b>2,593.05</b>	<b>15,329.08</b>	<b>145.36</b>	<b>18,067.49</b>	<b>347.35</b>	<b>13,950.56</b>	<b>103.33</b>	<b>14,401.24</b>
Cost of Goods Sold	1,721.59	11,572.53	-	13,294.12	256.29	11,134.33	-	11,390.62
Employee Benefit Expenses	59.71	361.39	-	421.10	10.38	418.32	-	428.70
Other expenses	278.65	1,226.61	48.34	1,553.60	25.60	1,387.14	34.57	1,447.31
<b>Total Expenses</b>	<b>2,059.95</b>	<b>13,160.53</b>	<b>48.34</b>	<b>15,268.82</b>	<b>292.27</b>	<b>12,939.80</b>	<b>34.57</b>	<b>13,266.63</b>
Segment results-EBITDA (Earnings before interest, taxes, depreciation and amortization)	533.10	2,168.55	97.02	2,798.67	55.07	1,010.78	68.76	1,134.61
Finance costs	-	-	2.71	2.71	-	-	8.72	8.72
Depreciation and amortization expense	3.03	18.27	-	21.30	0.51	20.47	-	20.98
<b>Profit before income tax</b>	<b>530.07</b>	<b>2,150.28</b>	<b>94.31</b>	<b>2,774.66</b>	<b>54.56</b>	<b>990.30</b>	<b>60.04</b>	<b>1,104.90</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(iii) Segment assets and liabilities (All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Telecommunication	IT - Networking	Unallocable	Total	Telecommunication	IT - Networking	Unallocable	Total
<b>Segment assets</b>								
Segment assets	1,146.77	4,329.49	413.41	5,889.67	702.25	3,994.80	573.80	5,270.85
Unallocable assets								
Cash and bank balances	-	-	4,458.98	4,458.98	-	-	2,557.62	2,557.62
Interest accrued on fixed deposits	-	-	21.92	21.92	-	-	17.58	17.58
<b>Total assets</b>	<b>1,146.77</b>	<b>4,329.49</b>	<b>4,894.31</b>	<b>10,370.57</b>	<b>702.25</b>	<b>3,994.80</b>	<b>3,149.00</b>	<b>7,846.05</b>
<b>Segment liabilities</b>								
Segment liabilities	463.63	2,803.04	-	3,266.67	62.35	2,487.31	79.86	2,629.52
<b>Unallocable liabilities</b>								
Unpaid dividends	-	-	18.48	18.48	-	-	18.83	18.83
Current tax liability (Net)	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>463.63</b>	<b>2,803.04</b>	<b>18.48</b>	<b>3,285.15</b>	<b>62.35</b>	<b>2,487.31</b>	<b>98.69</b>	<b>2,648.35</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**(iv) Revenue from major products and services**

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Telecom products/connectors, accessories	2,453.87	484.43
Tools	10.95	3.06
Cables	9,908.41	8,584.43
Connector and patch cords	3,591.53	3,532.41

**(v) Geographical information**

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

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
From India	15,129.54	14,096.85
From Other countries	2,744.50	194.40
<b>Total</b>	<b>17,874.04</b>	<b>14,291.25</b>

Non current assets	As at March 31, 2024	As at March 31, 2023
In India	718.78	897.01
In Other countries	-	-
<b>Total</b>	<b>718.78</b>	<b>897.01</b>

**(vi) Information about major customers**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from top two customers	<b>12,940.36</b>	<b>12,009.00</b>

Two customer contributed 10% or more to Company's revenues for 2023-24.

**31. Earnings per share**

**Basic / Diluted earnings per equity share**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Nominal value of equity share (INR)	10	10
Profit for the year (INR Lakhs) - (A)	2,068.53	817.49
Weighted average number of shares outstanding (B)	46,00,000	46,00,000
Basic and Diluted earnings per share (INR) - (A/B)	44.97	17.77

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 32. Employee benefit plans

#### Defined contribution plans

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

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to Provident fund	14.01	14.11
Employer's contribution to Superannuation and NPS fund	14.88	14.39

#### Defined benefit plans

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 58 years without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

The trustees of the trust fund are responsible for the overall governance of the plan.

##### a. Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

##### b. Interest Risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's debt investments.

##### c. Longevity Risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### d. Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2024 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Disclosure of Defined Benefit Cost for the year ended March 31, 2024 and year ended March 31, 2023**

**Components of Employer Expense**

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	3.97	3.68
Past service cost and loss/(gain) on curtailments and settlement past service cost - plan amendments	-	-
<b>Service cost</b>	<b>3.97</b>	<b>3.68</b>
Net interest on net defined benefit liability / (asset)	4.38	4.29
<b>Total included in 'Employee Benefit Expense'</b>	<b>8.35</b>	<b>7.97</b>
Expenses deducted from the fund	-	-
<b>Total Charge to Statement of Profit &amp; Loss</b>	<b>8.35</b>	<b>7.97</b>

**Other Comprehensive Income ( OCI )**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Opening amount recognized in OCI outside profit and loss account</b>	<b>11.81</b>	<b>12.26</b>
Actuarial (gain)/loss due to experience adjustments	(4.85)	4.88
Actuarial (gain)/loss due to change in financial assumptions	1.75	(4.33)
Actuarial (gain)/loss due to change in demographic assumptions	-	-
Actual return on plan assets less interest on plan assets	(1.18)	(1.00)
<b>Actuarial (gain)/loss arising during period</b>	<b>(4.28)</b>	<b>(0.45)</b>
<b>Actuarial loss recognized in OCI</b>	<b>7.53</b>	<b>11.81</b>

**Net Balance Sheet position**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation (DBO)	(155.99)	(145.20)
Fair value of plan assets (FVA)	112.69	85.99
Funded status (deficit)	(43.30)	(59.21)
<b>Net defined benefit (liability)</b>	<b>(43.30)</b>	<b>(59.21)</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Reconciliation of Net Balance Sheet Position

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Opening net defined (liability)</b>	<b>(59.22)</b>	<b>(61.71)</b>
Charge to Statement of Profit & Loss	(8.35)	(7.97)
Amount recognised outside profit & loss account	4.28	0.46
	<b>(63.29)</b>	<b>(69.22)</b>
Employer contributions	19.99	10.00
<b>Net defined benefit (liability) at end of current period</b>	<b>(43.30)</b>	<b>(59.22)</b>

### Disclosure of Defined Benefit Cost for the year ended March 31, 2024 and year ended March 31, 2023 Change in Defined Benefit Obligation (DBO)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Opening of DBO</b>	<b>145.20</b>	<b>131.89</b>
Current service cost	3.97	3.67
Interest cost on the DBO	9.91	9.09
Remeasurements due to:		
Actuarial (gain)/loss due to experience adjustments	(4.85)	4.88
Actuarial (gain)/loss due to change in financial assumptions	1.76	(4.33)
<b>DBO at end of current period</b>	<b>155.99</b>	<b>145.20</b>

### Change in Fair Value of Assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	85.98	70.18
Interest income on plan assets	5.52	4.80
Employer contributions	19.99	10.00
Remeasurement due to Actual return on plan asset less interest on plan assets	1.20	1.00
Benefits paid	-	-
<b>Fair Value of assets at the end of current period</b>	<b>112.69</b>	<b>85.98</b>

### Plan Asset Information

Particulars	As at March 31, 2024	As at March 31, 2023
Insurer managed funds (Unquoted)	112.69	85.99
<b>Total</b>	<b>112.69</b>	<b>85.99</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**Current and Non Current Liability Portion**

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Asset / (Liability)	-	-
Non Current (Liability)	(43.30)	(59.22)
<b>Net (Liability)</b>	<b>(43.30)</b>	<b>(59.22)</b>

**Key Assumptions**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate (%)	7.20%	7.40%
Mortality rate	Indian assured lives mortality (2012 -14) ultimate mortality table	Indian assured lives mortality (2012 -14) ultimate mortality table
Salary escalation rate p.a. (%)	10.00%	10.00%
Disability Rate (as % of above mortality rate)	Nil	Nil
Leaving Service	Nil	Nil
<b>Normal Retirement Age (Years)</b>	<b>58 Years</b>	<b>58 Years</b>
<b>Average Age of Service (Years)</b>	<b>51 Years</b>	<b>50 Years</b>
<b>Average Future service (Years)</b>	<b>7 Years</b>	<b>8 Years</b>

**Sensitivity Analysis**

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

Discount Rate	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact of increase in 50 bps on DBO (%)	(2.76%)	(3.16%)
Impact of decrease in 50 bps on DBO (%)	2.90%	3.32%

Salary Escalation Rate	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact of increase in 50 bps on DBO (%)	1.79%	2.02%
Impact of decrease in 50 bps on DBO (%)	(1.71%)	(1.93%)

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Maturity analysis of projected benefit obligation

The expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees is as follows:

(All Amounts are in INR Lakhs, unless otherwise stated)

Projected Benefit Payable	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than a Year	35.49	22.70
Between 1 - 5 years	57.61	32.39
Over 5 Years	159.83	199.35

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (PY: 8 years).

### Other Long Term Benefits

#### Compensated absence

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. Employee are entitled to encash leave while serving in the Company at the rate of daily salary, as per current accumulation of leave days.

### 33. Financial Instruments

#### Categories of financial instruments

Financial Assets	As at March 31, 2024	As at March 31, 2023
<b>Financial asset</b>		
Measured at fair value through profit or loss (FVTPL)	-	-
Measured at fair value through Other Comprehensive Income (FVTOCI)	-	-
Measured at amortised cost		
(a) Trade Receivables	2,806.84	1,983.44
(b) Cash and cash equivalents	4,458.98	2,557.62
(c) Other Bank Balances	18.48	18.83
(d) Other Financial Assets	21.92	17.58
<b>Financial liabilities</b>		
Measured at fair value through profit or loss (FVTPL)	-	-
Measured at fair value through Other Comprehensive Income (FVTOCI)	-	-
Measured at amortised cost		
(a) Trade Payables	3,005.32	2,343.33
(b) Other financial liabilities	201.86	118.66



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****Financial risk management objectives**

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

**Foreign currency risk management**

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

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

(All Amounts are in INR Lakhs, unless otherwise stated)

Currency	Trade receivables	
	As at March 31, 2024	As at March 31, 2023
USD	390.00	11.64

Currency	Trade payables	
	As at March 31, 2024	As at March 31, 2023
USD	261.72	403.55
Euro	97.72	0.30

**Foreign currency sensitivity analysis**

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Weakning of INR by 5%	Strengthening of INR by 5%	Weakning of INR by 5%	Strengthening of INR by 5%
Impact on profit or loss for the year	1.86	(1.86)	19.59	(19.59)
Impact on total equity as at the end of the reporting	1.86	(1.86)	19.59	(19.59)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company monitors its trade receivables on case to case basis based on the ageing of the days the receivables are due. The concentration of credit risk is with two major customers constituting 66% of trade receivables. The Company does not hold any collaterals to cover its risk associated with trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### Reconciliation of loss allowances provision - Trade receivables

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	Amount
Loss allowance on March 31, 2023	778.59
Change in loss allowance	(776.77)
Loss allowance on March 31, 2024	1.82

### Liquidity risk

Liquidity risk is the risk that the company could be unable to meet its short term financial demands. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the company's surplus cash is retained as investments in Bank Deposits to fund short term requirements.

### Liquidity analysis for non derivative financial liabilities

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

#### March 31, 2024

(All Amounts are in INR Lakhs, unless otherwise stated)

Financial Liabilities	Due within (years)		Total	Carrying amount
	Less than 1 year	More than 1 year		
Trade payables	3,005.32	-	3,005.32	3,005.32
<b>Total</b>	<b>3,005.32</b>	<b>-</b>	<b>3,005.32</b>	<b>3,005.32</b>

#### March 31, 2023

Financial Liabilities	Due within (years)		Total	Carrying amount
	Less than 1 year	More than 1 year		
Trade payables	2,343.33	-	2,343.33	2,343.33
<b>Total</b>	<b>2,343.33</b>	<b>-</b>	<b>2,343.33</b>	<b>2,343.33</b>

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**34. Related Party Disclosures**

**Names of related parties and related party relationship**

**i) Key managerial personnel (KMP)**

Mr. J N Mylaraiah, Managing Director

Mr. Anandu Vithal Nayak, CFO (w.e.f. June 17, 2023)

Mr. Ganesh, Company Secretary

Mr. Nagendra Venkaswamy, Chairman & Independent Director (w. e f. February 10, 2024)

Mr, Harish Hassan Visweswara, Independent Director (w.e.f. March 15, 2024)

Ms. Vijaya Latha Reddy, Independent Director

Mr. Ravi Bosco Rebello, Non-Executive Director

Ms. Yaman Roy, Non-Executive Director

Mr. Rakesh Bhanushali, CFO (upto June 16, 2023)

Mr. Rakesh Bhanushali, Non-Executive Director (w.e f. June 17, 2023)

Mr. Devarajan, Chairman & Independent Director (upto March 31, 2024)

Ms. Revathy Ashok, Independent Director (upto March 31, 2024)

**ii) Related parties where control exists**

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

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

Fellow Subsidiaries	CommScope India Pvt Ltd. CommScope Czech Republic S R O CommScope EMEA Ltd. CommScope Japan K.K. CommScope Hong Kong Limited CommScope Telecommunications Commscope Technologies South Africa Commscope Solutions Singapore PTE LTD CommScope Technologies Australia Pty CommScope Connectivity LLC- Santa Commscope Technologies LLC CommScope Connectivity Argentina S.A
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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Transactions with related parties

(All Amounts are in INR Lakhs, unless otherwise stated)

Nature of Transactions	Fellow Subsidiaries		KMP / Relatives of KMP	
	For the year March 31,2024	For the year March 31, 2023	For the year March 31,2024	For the year March 31, 2023
<b>Sale of products</b>				
CommScope India Pvt Ltd.	290.75	200.18	-	-
CommScope EMEA Ltd.	756.81	-	-	-
CommScope Japan K.K.	1,243.34	-	-	-
CommScope Hong Kong Limited	36.14	-	-	-
CommScope Telecommunications	47.99	-	-	-
Commscope Technologies South Africa	23.87	-	-	-
Commscope Solutions Singapore PTE LTD	45.34	-	-	-
CommScope Technologies Australia Pty	7.03	-	-	-
CommScope Connectivity LLC- Santa	4.02	-	-	-
Commscope Technologies LLC	2.27	-	-	-
CommScope Connectivity Argentina S.A	1.10	-	-	-
<b>Purchase of goods / services</b>				
CommScope India Pvt Ltd.	6,350.31	5,992.05	-	-
CommScope Czech Republic S R O	177.27	333.92	-	-
CommScope EMEA Ltd.	38.51	-	-	-
<b>Advertisement and sales promotion</b>				
CommScope India Pvt Ltd.	259.76	106.33	-	-
<b>Balances written back</b>				
CommScope Technologies LLC	-	6.66	-	-
<b>Managerial Remuneration</b>				
(a) short-term employee benefits				
Mr. Mylraiah	-	-	70.19	70.19
Mr. Anandu Nayak	-	-	51.97	-
Mr. Rakesh Bhanushali	-	-	11.47	54.31
Mr. Ganesh	-	-	23.57	22.45
<b>Sitting Fees Paid</b>				
Mr. S Devarajan	-	-	13.00	10.95
Ms. Revathy Ashok	-	-	12.70	9.70
Ms. Vijaya Latha Reddy	-	-	4.60	6.20
Mr. Nagendra Venkaswamy	-	-	1.00	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024****Balances with related parties**

Particulars	Fellow Subsidiaries	
	As at March 31, 2024	As at March 31, 2023
<b>Balance of trade payables</b>		
CommScope India Pvt Ltd.	978.38	996.86
CommScope Czech Republic S R O	57.38	327.78
<b>Balance of trade receivables</b>		
CommScope India Pvt Ltd.	33.69	48.77
CommScope EMEA Ltd.	135.17	-
CommScope Japan K.K.	153.89	-
CommScope Hong Kong Limited	2.91	-
CommScope Telecommunications	21.91	-
Commscope Technologies South Africa	16.61	-
Commscope Solutions Singapore PTE LTD	11.25	-
CommScope Technologies Australia Pty	0.34	-
CommScope Connectivity LLC- Santa	0.54	-
Commscope Technologies LLC	0.45	-
CommScope Connectivity Argentina S.A	1.10	-

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The company has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2024.

Pursuant to the amendment in related party transactions definition as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended subsequently, payment of dividend is not shown as related party transaction with effect from April 01, 2022.

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

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax demands contested by the Company	43.55	76.73
Customs duty, excise duty & service tax demand contested by the Company (refer note (III) below)	236.21	236.21
<b>TOTAL</b>	<b>279.76</b>	<b>312.94</b>

- i) The company has some erroneous demands reflecting in the income tax portal for which rectification applications have been filed with the assessing officer.
- ii) For AY 2011-12, the Company has received an order from Income Tax Appellate Tribunal (ITAT). As per the ITAT order Transfer Pricing Officer is advised to recompute the TP adjustment and restrict the adjustment to the value of International transactions and not to the entire turnover as well as adopt RPM as Most Appropriate Method for trading segment. Accordingly since the demand liability for the said AY is currently not ascertainable the same has not been covered under in the above table, however the demand amounting to INR 129.43 lakhs is appearing on the income tax portal as at balance sheet date. Further, against the said ITAT order AO has filed an appeal with high Court hearing against which is still pending.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- iii) The Company had received an order for FY 2013-2017 with respect to incorrect avilment of CENVAT input credit amounting to INR 214.73 lakhs along with interest of INR 21.48 lakhs. The same pertains to avilment of input credit on proportionate basis for common services and avilment of input credit on trading activities. The Company has filed an appeal with Central Excise, Service Tax Appellate Tribunal (CESTAT).

Management believes that the position taken by it on these matter is tenable and hence, no adjustment has been made to the financial statements.

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

(All Amounts are in INR Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal amount due to micro and small enterprises: Interest due on above:	99.49 0.01	79.07 -
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	1.30	1.11
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	18.54	17.23
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### 37. Corporate Social Responsibility

The Company's CSR activities primarily focuses on environment, health and wellness, education, technology and disaster relief.

(All Amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Amount required to be spent by the Company during the year	23.16	14.03
(b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	24.00	15.00
(c) Excess spend of prior years set off during the year	-	-
(d) Shortfall at the end of the year [(d)=(a)-(b)-(c)]	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	NA	NA

### 38. Capital Management

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

### 39. Key Ratios

Particulars	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	% Variance	Reason for variance
Current ratio	Current Assets	Current Liabilities	2.98	2.68	11%	No Major Movement
Debt - Equity Ratio	Total Debt	Shareholder's Equity	NA	NA	NA	Not applicable since the company does not have any debt
Debt Service Coverage Ratio	Earnings available for Debt Services	Debt Service	NA	NA	NA	
Return on Equity	Net Profits after Taxes - Preference Dividend (if any)	Average Shareholder's Equity = Equity Share Capital & Reserves	34%	16%	111%	Increase in profit in current year on account of higher margins from manufacturing operations commenced in the current year
Inventory Turnover Ratio	Cost of goods sold or Sale	Average Inventory	5.99	6.56	(9%)	No Major Movement
Trade receivables turnover Ratio	Revenue from Operations excluding other operating revenue	Average Accounts Receivable	7.46	7.15	4%	
Trade payables turnover Ratio	Cost of goods sold	Average Trade Payables	4.94	4.68	6%	
Net capital turnover Ratio	Revenue from operations	Working Capital = Current assets - Current liabilities	2.81	3.28	(14%)	Increase in working capital on account of increase in current accounts and bank deposits
Net profit ratio	Profit after tax	Revenue from Operations	0.12	0.06	102%	Increase in profit in current year on account of higher margins from manufacturing operations commenced in the current year. Additional profit on account of claim of duty drawback and RODTEP due to significant increase in export turnover
Return on capital employed ratio	Earning before interest & taxes	Closing Capital Employed = Tangible Net worth + Total long term borrowings + Deferred Tax Liability	0.39	0.21	83%	
Return on Investment	Interest Income on FD's	Average Cash, Cash equivalents & Other marketable securities.	4.1%	3.3%	27%	Increase on account of higher balance retained in bank deposits

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 40. Additional regulatory information not disclosed elsewhere in the financial statements

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - (iii) As per section 248 of the Companies Act, 2013, there are no balances outstanding or transactions with struck off companies.
  - (iv) The Company has not traded / invested in Crypto currency or virtual currency.
  - (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
41. The Board of Directors has recommended a dividend of INR 5 (Rupees five) and a one time special dividend of INR 25 (Rupees Twenty Five) totalling to INR 30 (Rupees Thirty) per share equity share of INR 10 each for the year ended March 31, 2024 subject to the approval of the members at the ensuing Annual General Meeting.
42. Upto March 17, 2024, no backup of books of accounts and other relevant books and papers in electronic mode on the servers physically located in India on daily basis has been maintained. However, the Company has started maintaining backup of the same w.e.f. March 18, 2024.
43. For Audit Trail compliance: The Company has used an accounting software which is operated by a third-party software service provider, for maintaining its books of account. In the absence of information about audit trail in the Service Organisation Controls report, the Company is unable to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with. Further, the Company as per its policy has not granted any user access to edit or delete any records or transactions in the accounting software.

The Company during the year has obtained the Service Organisation Control report for backup and other controls which were operating effectively. Further, the Company has informed the service provider to include their auditor's comments on compliance with Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 with respect to audit trail in the service organisation control report.

### 44. Previous Year Comparatives

Previous Year figures have been re-grouped where necessary to conform to current years classification.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

However, there are no material changes in the form of regrouping to the previous year figures to conform to current year's classification.

45. The financial statements were approved for issuance by the Company's Board of Directors on May 29, 2024.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

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

of ADC India Communications Limited

CIN: L32209KA1988PLC009313

**Suresh Yadav**

Partner

Membership No.119878

**Nagendra Venkaswamy**

Chairman and Director

DIN: 02404533

**Mylaraiah J.N**

Managing Director

DIN: 06675260

**R. Ganesh**

Company Secretary

Membership No. A2630

Place : Bangalore

Date : May 29, 2024

Place : Bangalore

Date : May 29, 2024

**Anandu Vithal Nayak**

Chief Financial Officer