



ADC/2024-25/AGM/Transcript

August 13, 2024

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

Dear Sir/Madam

**Sub: Transcript of the 36<sup>th</sup> Annual General Meeting**

**Ref: Scrip Code: 523411**

Please find enclosed the transcript of the 36<sup>th</sup> Annual General Meeting of the Company held on Friday, August 9, 2024. This will also be displayed on the Company's website, 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 LIMITED**

**Mr R Ganesh-** Good morning, everyone. Before we start the proceedings of the meeting, I'll brief the members regarding the arrangements made for the 36th annual general meeting and share the general instructions regarding participation in this meeting. This annual general meeting is being held through video conferencing in accordance with the applicable provisions of the Companies Act 2013 and circulars issued by the Ministry of Corporate affairs and Securities and Exchange Board of India. The video conferencing and E voting facility has been provided by the company's registrar and share transfer agent, K fin Technologies Limited facility for attending this meeting through video conference or other audiovisual means is made available for the members. Adequate video conferencing facility and live webcast of the proceedings of this annual general meeting has been provided by the company. The rest of directors and key manager personnel maintained under section 170 of the company's Act 2013 and the Register of Contracts or arrangements in which directors are interested, maintained under section 189 of the Company's Act 2013, are available for inspection by members electronically. Members seeking to inspect such documents can send their request to support@adckcl.com since there is no physical attendance of the members and the AGM is being conducted through video conference, the facility for appointment of proxies by the members was not available. Hence, the proxy register is not available for inspection. Pursuant to the provisions of the Companies Act 2013 and Sebi Lo -- 2015, the Company provided all the members who were holding shares of the Company as on the cutoff date of the 2 August 2024. The facility to cast their vote by electronic means both through remote E voting and E voting at the AGM on all items of business set forth in the notice of the 36 AGM. Remote E voting was open for four days from 09:00 AM. on the 5 August 2024 to 05:00 PM. on the 8 August 2024, members who are participating in this AGM and who have not cast their votes through remote E voting will have an opportunity to cast their vote at the meeting. Such members can click on vote tab appearing on the video conference scheme to cause their vote. When this facility is enabled. Upon the instruction of the chairman, members may note there will be no voting. By show of hands, the board of directors of the company has appointed Mr Pradeep B. Kulkarni, failing in Mr V. Sreedharan, partners of V Sreedharan and associates practicing company secretaries as the scrutinizer to scrutinize the remote E voting process and E voting at the AGM in a fair and transparent manner. A few members have registered as speakers at the meeting. The floor will be open for these members to ask questions or express their views. Once the chairman commences the question-and-answer session, members are requested to refer to the instruction provided in the notice for seamless participation through video conference. For any technical support, members may call the LPI numbers. Members may also kindly note that the proceedings of this AGM are being recorded. Thank you. And I now hand over to the chairman to start the AGM proceedings.

**Moderator-** Chairman. Sir. Sir, you're not audible. We request you to kindly check your audio. Thank you.

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**Mr Nagendra Venkaswamy-** Okay

**Moderator-** now you are Audible sir, we are losing your voice sir.

**Mr Nagendra Venkaswamy-** 2024. I have joined the board with effect from 10th February 2024 as a nonexecutive independent director.

**Moderator-** Chairman. Sir, we request you to re login please. Because your Internet connection seems to be a little.

**Mr Nagendra Venkaswamy-** Now where was I?

**Mr JN Mylraiah-** We can hear you now.

**Moderator-** now you are Audible sir, we request you to start from the beginning, please.

---Your Internet connection is not working, sir, so you're not audible.

**Mr Nagendra Venkaswamy-** Oh my. Okay, just a moment.

**Mr JN Mylraiah-** We can hear you now. Why don't you start from the beginning?

**Mr Nagendra Venkaswamy-** Hello. Am I visible?

**Mr JN Mylraiah-** Yes.

**Mr Nagendra Venkaswamy-** One minute Again, there's some. Some problem.

**Mr JN Mylraiah-** We can hear you.

**Mr Nagendra Venkaswamy-** Yeah. Is that fine?

**Mr JN Mylraiah-** Yes. Actually, start off. Yeah.

**Mr Nagendra Venkaswamy-** Okay. I'm truly sorry. So good morning. I thank all members for taking time. It gives me great pleasure to welcome you all to the 36th annual general meeting of ADC India Communications Limited. Mr S. Devarajan and Mrs. Revathi Ashok. Independent directors retired from the board of the company with effect from close of business hours on the 31 March 2024 upon completion of their second term of appointment. Consequently, Mr Devarajan ceased to be the chairman of the board and the company with effect from close of business hours of the 31 March 2024. I have joined the board with effect from the 10 February 2024 as a nonexecutive independent director and as per the decision taken by the board of directors, I have taken charge as the chairman of the board and the company with effect from the 1 April 2024. Before we start the main proceedings of the meeting, let me introduce my colleagues on the board of the company who have joined the meeting through video conference from different locations. Mr JN Mylraiah, our managing Director, Mrs Vijaya Latha Reddy, nonexecutive, independent director. Mr Harish Visweswara, nonexecutive, independent director who joined the board on the 15 March 2024. Mr Ravi Bosco Rebello nonexecutive, non independent director. Mr Rakesh Bhanushali, nonexecutive, non independent director who joined the board on June 17, 2023 and Mrs. Yaman Roy, nonexecutive, non independent director. Mr Anandu Nayak joined the company as chief financial officer with effect from the 17 June 2023. He is also present at the meeting. Representatives of Mrs SRBC and Co. LLP statutory auditors and Mr V Sreedharan and associates secretarial auditors have also joined the meeting. We have the requisite quorum to conduct the proceedings of this meeting. Participation of members through video conferencing is being reckoned for the purpose of quorum as per section 103 of the Companies Act 2015, the requisite quorum being present, I call this meeting to order. The company has taken all feasible and requisite steps under the current circumstances to

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ensure that the members are provided an opportunity to participate in the annual general meeting and the vote on the items of business being considered at this annual general meeting. The notice of the 36th Annual General Meeting and the annual report for the financial year 2023- 24 has already been circulated through electronic mode to those members of the company whose email addresses have been registered with the company oblique registrar and share transfer agents and depository participants. These documents have also been made available on the company's website with the consent of the members. I shall take them as Read your company exhibited an excellent performance last financial year with revenues growing by 25% and profit before tax by 151% in comparison with the previous financial year. We are humbled by the support and patience that you have shown for your company in the past so many years and recognizing our performance, we are pleased to recommend a final dividend of Rs 5 per share and a one-time special dividend of Rs 25 per share for the period 2023- 24. Overall, it has been a good year for ADC on many fronts where we exhibited growth across all sub regions in the country despite volatility and continuously changing market demand. With geopolitical uncertainties changing market demand, supply chain disruptions, rising interest rates accompanied with increase in costs of commodities, volatility is a real issue and a challenge for our company. Regardless of all the challenges, your company emerged stronger than ever before by realigning cost structures needed and sharpened overall productivity. By being more valuable partner to our clients than ever before. Your company's board and risk management committees have always looked at the worst-case scenario and built-up strong financials for the company by making the right decisions which are sustainable and consistent over the years with the market scenario being more stable. Added to the opportunities that lie before us in the growth of data centres, business and broadband connectivity requirements give us great optimism about the future that holds for your company where we are well positioned to capitalize on this in the medium and long term. Reflecting on this, your company is focused on introducing new products in Fiber optic and copper solutions which help customers in critical connectivity requirements. As a part of our corporate social responsibility, your company worked on areas of education and healthcare and key projects worked on these areas are solar power digital education kits, smart class facility to rural school palliative care project hope provision of bone marrow bio aspiration needles for children from economically weaker sections suffering from Leukemia on behalf of the Board of Directors, I express my deep appreciation for the support and cooperation received from our shareholders, our vendors, distributors, channel partners, auditors and bankers during the year. I would be- if I did not place on record the board's appreciation for the hard work and contributions put in by the employees and management of the company during the year. I would like to invite Mylaraiah, managing director of your company to make a short presentation to you on the year that went by. Over to you Mylaraiah.

**Mr JN Mylaraiah-** Thanks. Good morning to all the members, the board of directors and the management team. During the financial year 23- 24 your company had an excellent performance where revenue grew by 25% compared to the previous financial year in absolute numbers from 142.91 crores to 178.74 crores where your company delivered

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overall the highest revenue in its history. Revenue from the IT networking business grew by 9.6% whereas the telecommunication business grew by 647% or that of the previous year which has been on account of growth on its export business. Profit before tax went up by 151% where we did close at 27.75 crores compact 11.05 crores during the last financial year despite the provision of Rs 7.26 crores towards the outstanding dues from one of our distributors who went through stressful liquidity condition where the company is taking necessary steps and has submitted its claim to the insolvency professional appointed by NCLT. In this matter including our inventories, your company generated a net operational cash flow of 19.43 crores in the financial year 23- 24. As a result, we do have a healthy cash balance of Rs 44.59 crores by the end of financial year 23- 24. Our days of sales outstanding is at 49 days compared to 51 during the last financial year and the days on hand with respect to the inventory went up from 56 to 61 days. Our earning per share is of rupees 44.97 annualized versus compared to the last year which was at 17.77. All this has been a result of phenomenal operational performance during the financial year that went by, our efficiency and growth focused solutions with the fantastic resilient team at EDC allowed us to navigate uncertainties and respond quickly and pertinently to the market developments with extreme speed and incredible dedication which has to meet the new normal requirements with primary focus as an organization being safety of our employees first, the delivery of our products and services to our clients which exhibits truly extraordinary customer experience and financial wellbeing of the organization during the year your company emerged strongly after we tested by difficult environment last financial year which reminds me of each new day brings new inputs and new events which sometimes derail the carefully crafted models we have constructed around us. The outstanding dues from one of our distributors, the inflation, rising interest rates or the geopolitical issues, demand volatility, supply chain dislocations and all stirring quickly and without any warnings is what's before us and will be the way forward to deal with. Regardless of all this, your company emerges stronger than ever before where we realign by realigning the cost structures as needed and sharpening our overall productivity so that we be a more valuable partner to our clients than ever before. As your chairman said, your company board and risk management committee has always looked at worst case scenarios of the times that could come across and build a portion of the strong financials by making the right decisions which is sustainable and consistent over the years. I firmly believe that the way we behave in any crisis or challenges is in many ways more reflective of who we are as an organization and how capable are we to move forward in this volatile environment that could come in at any point of time. Your company do see opportunities with growth in the data centre business and broadband connectivity requirements, which gives a great optimism about the future that holds for your company with continuous growth in Fiber optic business compared to that of the copper because of the Multifold, increase in the bandwidth requirements and with denser wireless and deeper Fiber deployments across each of the upcoming infrastructure projects as we go through 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. I firmly believe a digital nation needs digital infrastructure where connectivity would play an important and a critical role. The

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investments committed both by the government and by the private players towards the infrastructure growth would improve the overall business sentiments and investments in the coming quarters and years market is expected to improve driven by investments in infra projects, data centre whether it's healthcare, pharmaceutical, education, banking and finance sectors, e commerce as where your company will be able to favourably participate in each of these areas of its strength within each opportunity. As the market evolves. While the demand outlook is strong, your company remains vigilant in order to be agile and evolve proper approach with the changing market dynamics. At the same time, with continued focus on growing revenues with profitability and new products introduction and by realigning the cost structures, looking at ways of cost reduction so that we are competitive within the marketplace. Moving across to from the business to the technology trend rise in mobile phone penetration is expected to create opportunities for new businesses, especially in today's environment where Internet is of everything, artificial intelligence, data science, generative AI will play a vital role here with consumers continue to display appetite for mobile data with data heavy applications in their daily lives as your company expect this trend to continue as we kick off to a more connected future with lasting connections, consumers are going to continue to hear changes and also at the same time the benefits it's going to offer to them. Whereas the operators is going to be busy in rolling out, densifying and powering the network in varieties of bands while working and driving the standards and the technology within the industry, the outcomes of the adoption of the newer and more mature technologies will start to shape in the data centre sectors as well. Specifically, we will see demand for edge computing. Artificial intelligence is going to heighten the deployment of new services that are expected within the marketplace. Connecting people is just one small part of the network. The vision of IOT connecting smart devices, sensors, monitors create billions of connections at the edge. These connections will drive even more demand for bandwidth where all this would lead to the growth in technology and optics to meet the bandwidth requirement. And your company can play a vital role in providing connectivity solutions from a cabling perspective to meet the upcoming customer demands. I personally believe we are in a great position to capitalize on these trends where our operational performance continues to improve with strong cash flow, which would give us the flexibility to take decisions and to take the organization forward with good returns to the shareholders. With this, I express my deep appreciation for the support and cooperation received from our shareholders, our vendors, our distributors, our channel partners, our auditors and bankers during the financial year who played a critical part in our success, and not the least to our customers who continue to play as their trust in our technology. This performance has been because of the hard work of great many people for which I would like to say thank you so much to all my colleagues at ADC India. Last but not the least, the board of directors who has been a pivotal guiding force, and my sincere gratitude to each one of them for their sterling contribution. Thank you so much to each one of you. I'll hand it over back to the chairman Thank you.

**Mr Nagendra Venkaswamy-** Thank you, Mylaraiah. We will now take up the following items of ordinary business as set out in the notice of the AGM dated the 29 May, 2024. The floor



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for the question-and-answer sessions will be opened after all items of business are tabled. Item number one, consideration and adoption of the audited financial statements of the company for the financial year ended the 31 March 2024 and the reports of the board of directors and auditors thereon. The audited financial statements of the company for the financial year ended March 31, 2024 and the reports of the board of directors and the auditors thereon have already been provided to the members. Item number two declaration of dividend. The Board of Directors has recommended a dividend of Rs 5 per equity share and a one-time special dividend of Rs 25 per equity share of face value Rs 10 each for the financial year ended March 31, 2024. Item number three reappointment of Mrs Yaman Roy as director liable to retire by rotation. Mrs Yaman Roy retires by rotation and being eligible, offers herself for reappointment. The text of the resolution for each of the items is provided in the notice of the AGM. I now request Mr Ganesh, company secretary, to provide a summary of the statutory auditor's report and secretarial auditor's report for the financial year 2023- 24. Over to you, Ganesh.

**Moderator-** Sir, we request. You to kindly unmute yourself. Thank you.

**Mr R Ganesh-** The statutory auditors, SRBC and Co. LLP have expressed an unqualified opinion in the report for the financial year March 31, 2024. The auditor's report does not contain any qualification, observation or adverse remark on the financial statements or matters which have any adverse effect on the functioning of the company. The statutory auditor's report is available on page numbers 47 to 57 of the annual report. The secondary audit report for the financial ended March 31, 2024 does not contain any qualification, reservation or adverse remark and is available on page numbers 13 to 15 of the annual report. Before I hand over back to the chairman, I wish to mention that some of the shareholders have sent their question directly to the company. These questions will be answered by the management team after answers are provided to the question raised by the registered speakers. Thank you. And back to the chairman.

**Mr Nagendra Venkaswamy-** Thank you, Ganesh. The E voting facility will now be activated for members who are participating in this meeting and who have not voted through remote E voting may cast their vote. Before we commence the question-and-answer sessions. Members who have requested, who have registered as speakers may note the following points. The Q and A session will be anchored by the moderator. Moderator will invite speakers by name, one by one. In the case of issues in connecting any speaker, the next speaker will be invited. Such speaker will be invited again if available, with better connectivity later. Upon invitation, the speaker must unmute his or her audio. If the speaker wishes to appear on the video, he or she should switch on the video webcam. Before asking any questions or expressing views, speakers should mention their name, folio number, DP id, client id number, and the location from where they have joined. Speakers are requested to keep their questions brief and specific. I now request the moderator to commence the question-and-answer session.

**Moderator-** Thank you, sir. I request our first speaker, Mr Shlok Dave, to kindly unmute your audio switch on your video and proceed with your question.

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**Mr Shlok Dave** - Am I audible?

**Moderator**- You are audible. Kindly proceed with your question.

**Mr Shlok Dave** - Thank you. Thank you very much. Sir, my name is Shlok Dave. I am calling from Bombay and I have a very long DPID which I don't remember sir. I'll send it to you on an email. Sir, congratulations on a great year. I have a lot of things on which I should congratulate you, but I also have one point of contention where I must raise a complaint. Sir, your annual report is fantastic. The granularity with which you report your numbers is also amazing. I have no complaints there, but my complaint is the lack of qualitative commentary by the management either at the end of quarterly results or in the annual report, specifically with respect to the nature of the numbers that we share in the P & L and the balance sheet and the cash flow. So, for example, one of my questions today is going to be the provisions that we have made on one of our customers. I assume, and I believe the managing director touched upon the matter in his remarks. So, over the last two years, we have written off or provided for around 15 crores because of one doubtful or multiple doubtful accounts. That is a substantial amount considering our EBITDA for the two years and our pat for the two years. So, I would request you as my first question to provide some greater details on what exactly happened here and how long are these provisions expected to continue. Will we see something this year as well? That is my first question. Second question, sir. And okay, so an accompanying request is if you can add some sort of management committee at the end of every quarter where you just provide some, some rough idea as to what happened during the quarter, that would be of great help. Sir, I would really appreciate it. I'm pretty sure all the shareholders will do the same. So, my second question is on the telecom segment, we saw amazing growth this year. What drove this? You mentioned that this was basically because of exports, but which exact products were these? All new products that we introduced in the market. What is the expected growth for this year? I believe there is some sort of a slowdown in 5g rollouts across the world. But other parts of telecom networks are actually doing fairly well in terms of capex that private sector and government is doing in US. From what I understand, with interacting with different companies, they are expecting some sort of pickup post the presidential elections later in the year. So, your commentary on the same. On the telecom side, how do you see this panning out? Will we see another triple digit growth this year? What is the full potential of this vertical for us in terms of our capabilities as well as capacities? For example, can this become a 100 crores business in two years? This is just a hypothetical question number. I would just love to, if you could elaborate similarly, sir, on the, we saw on the gross margins that we saw in the telecom, they were also pretty nice. We did six and a half percent. So, can we sustain margins? Can we improve them? That's the next question. Similarly, sir, on the networking side, the revenue growth was 10%, I believe. So how do you see that panning out, especially with the, in light of what is happening with BSNL And I mean, do we cater to BSNL's capex requirements or private sector capex requirements or where do we see this networking piece going up? Do we have any stakes in the data centre business? Will this, in this networking revenues and networking segment, how do you see growth panning out here? Again, here there is a question on margin. Can we sustain such margins that we are seeing this year? Next, sir, I have a question



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on the employee expenses. There was a degrowth this year. So given that we are doing so well on the revenue side, I understand you are very consciously controlling costs. But seeing a degrowth in employee expenses when the CPA inflation is so high, I was just wondering whether that is sustainable. We should not be too tough on our employees. I would require some commentary from the management on this side. So, what kind of capex can we expect this year will be Do we need to invest something on the fixed asset side to sustain or expand our business going forward? And again, I asked, the first question that I asked, I just repeated the doubtful debt and provisions and write offs that we have made of. Any commentary on that? Yeah, that's about it. Sir, I don't think there is any. I mean, if you would like to give some commentary on the working capital side, it seems very much under control. You guys are doing exceptionally well there because telecom ancillary companies struggle with the working capital requirements. But you guys have an amazing track record of having a fairly tight handle on the working capital. So if there is any aberration or any fluctuation that we should expect this year, if you can touch upon it. Otherwise, there is no particular question on working capital. These are the questions from my side, sir. And I would once again congratulate you for running the company so efficiently and so successfully. I wish you all the best for the coming year. And with the request sir, that if you can, please. Because the chairman's speech and the managing director comments are always worth listening to during the AGMs but that happens only once a year. I would request if that can be replicated after every quarter, if you can just write a one paragraph commentary, I would really appreciate it sir. Other than that, again sir, congratulations for a great year and all the best for the coming years. Thank you very much for giving me the opportunity, sir. All the best. I'm done sir.

**Moderator**-Thank you. Mr Dave. I request our next speaker, Mr Satya Prakash Mittal. We request you to kindly unmute your audio switch on your video and proceed with your question.

**Mr Satya Prakash Mittal** - Hi, good afternoon, everyone. Am I audible?

**Moderator**-You are audible. Kindly proceed. Thank you.

**Mr Satya Prakash Mittal** - So my name is Satya Prakash Mittal and my DP ID is 1201320000272601 and I am speaking from Lucknow and I have already emailed the questions so if you can answer it point by point. Can you confirm you have received the questions from us?

**Mr R Ganesh**- Yes Mittal.

**Mr Satya Prakash Mittal** - Okay. And so. Okay. So just want to add two more questions to it. The first question is regarding the related party transactions. So, what are we exactly purchasing? And also, what are we manufacturing if we are like purchasing so much? And the second question is on the update on parent company Comsco as it is not doing so good. So there seems to be a lot of inventory at the customer end. Also, parent company seems to have some good tech with them. So how are we using that? These are the questions.

**Moderator**-Thank you Mr Mittel, I request our next speaker, Mr Hardhik Indramal Jain to kindly unmute your audio. So, join your video and proceed with your questions. Mr Hardhik,

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we request you to kindly proceed with your caution. Mr Hardhik, we request you to kindly proceed with your question. No response received. I request our next speaker, Mrs Shwetha Jain to kindly unmute your audio switch on your video and proceed. Proceed with your question. No feedback received. I request Mr Chandulal Kiran to kindly unmute your audio switch on your video and proceed with your question.

**Mr Chandulal Kiran-** Hi. Am I audible?

**Moderator-**You are audible. Kindly proceed with your question. Thank you.

**Mr Chandulal Kiran-** Hi, thanks for the opportunity. I had sent my questions by email and I'll just quickly read them through. Could you please share the profile of the customers, both in the telecom and the IT networking? The reason I'm asking is trying to understand if are we catering to system integrators or are we just supplying? I mean, what is our role? And what is our customer? And the people or the parties to whom we supply, what is their role? As per the annual report, the top two customers account for 72% of the revenues. And isn't this significant risk considering that we have still been dealing with a bad debt provisioning from one of our customers in the past? Also, these two customers, which account for 72% of our revenues, what is their profile? If you can share that third, going by the gross block and the cost structure in the P & L, it appears that we are largely trading into products. Could you share what is our value addition in the business or what is our offering in this whole piece? Who are our principal suppliers? Both for imports as well as in the domestic sourcing. The last three years annual report talks about many new product categories in cables and products catering to segments like data centre. Any of these new products you think can be significant for us in the next two three years? Could you share what is the current order book position in both the segments telecom and the it networking. What is the growth outlook for the current year? And also, if you can give some medium-term outlook depending on the plans of the strategy the company has in place. And lastly, the margins that we reported in the fourth quarter was the highest in the past. Is this sustainable? And what is the steady state margin for both our segments? Just a request. I mean, this is the only time that we get to hear the management. And hence, if you can be very specific and answer every question will be helpful here. Thank you very much.

**Moderator-**Thank you. Mr Kiran. I request our next speaker, Mr Abhishek Jain, to kindly unmute your audio switch on your video and proceed with your question.

**Mr Abhishek Jain-** Sir, can you hear me? Am I audible Sir?

**Moderator-**you're audible.

**Mr Abhishek Jain-** Can you enable the camera also? Camera is not enabled on the part of the moderator. Yeah, I am sharing the camera also sir, first of all, I congratulate the management on the Eva of 36th annual general body meeting. Sir, trust all is well, with you and your family in this challenging situation, a company deserves much more respect than the current market cap. After completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brands in respective segments, sir, I saw great. How many employees are there in the company, sir? What are the steps being taken by the management to reduce the other expenses, legal, professional

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charges and the audit fee? I would like to know from you sir. So, I would request the management to. Maintain. And we will be glad to extend our services as well. We are supposed to update the instruction of documents like-- unfortunately it is not a big example so that the members can very well insert these documents online etc, and they may need not reach out to you and let us say - for all these documents. So then finally the request from other shareholders also because of the digital transition to social platform to kindly consider hybrid AGMs in the years to come because most of senior researchers are not able to join, --that would be helpful for the management to empower in future. So I try to consider hybrid ideas. To consider fairly trying to consider hybrid idea. Nothing much to ask sir. Then one of our running an NGO, I will share his credential. So just see if he is eligible. Kindly dedicate some funds towards the CSR sir. Then one more speaker shareholder Mr AV Mani Sundaran who is also registered speaker, he's not able to join in this platform some technical issues. Can we allow him to join from the same device? Just a second

**Mr AV Mani Sundaran-** Good morning, everybody sir, I am shareholder AV Mani Sundaran ADC India Communication Limited 36th annual general body meeting. I had to attend this meeting by means of video conference and also what is the future plan expanding? Are you given a good transparent accounts and balance sheet? Good CSR also we always support all the resolution favour to the board. Please consider hospitality who have attended the meeting by means of video conference, sender switchbox or break rules. Please do the needful and thank you. Thanks a lot. Please consider next year. Thank you. Thanks a lot.

**Moderator-**Thank you Mr Abhishek I request our next speaker Mr Dinesh Gopal Das Bhatia to kindly unmute your audio switch on your video and proceed with your question. No response received. I request our next speaker Mr P Jai Chand to kindly unmute your audio switch on your video and proceed with your question. So, no response received. With this we complete the Q and A session from the speaker sir. Thank you. Over to you Chairman sir,

**Mr JN Mylraiah-** can you. Go back to the first speaker who was not available at that time? Just check if they're not available or they Can.

**Moderator-**I request. Yeah, sure. I request Mrs Shwetha Jain to kindly unmute your audio switch on your video and proceed with your questions. Thank you, sir. No response received. Thank you, over to you, chairman sir.

**Mr Nagendra Venkaswamy-** All right, Mylraiah, I think you need to take over to answer the questions.

**Mr JN Mylraiah-** I'll do that. Okay, So, I think as you made a note of it Shlok with respect to the paragraph notes quarterly. So, we will, we will positively look into it and we do fully understand the impact that it makes and the importance of it. So, coming back to the provisions of the distributor that we took across the last financial year, this was one of our distributors across who went into stressful liquidity conditions. And NCLT has admitted this customer to the corporate insolvency resolution process and under the insolvency and Bankruptcy Code of, pursuant to the claims filed by one of its financial creditors, as an organization, we have submitted all the claims, and not just the claims of receivables, but

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also the inventories that's available at the. At their warehouse, which we even had a look at it to the insolvency professionals who have been appointed by NCLT in this matter. And we are on top of it. So, going to your question back with respect to how much net days do you think or year I think I can't comment on it. As you know, these situations take its own time, which is not under our control. What we can control is the best that we are doing at this point of time. So that's from this. Otherwise, I'll come back to the segments of telecom, the enterprise businesses and the question of the employees. I'll take it as one single with all the other questions that has come otherwise. Yeah, so, I'll do that. So, the other questions, what I'll do is let me go back to all the questions one by one. And then if you look at from our telecom and the networking, I think from a telecom, from an IT networking, or we call it as an enterprise business. Now there's IT networking customers involved across verticals, because what do we serve these customers is for their local area network connectivity and who doesn't need it. I think across verticals we address this connectivity requirements to each and every organization that we have scope and solutions and the products that we could serve across. Whereas purely from a telecom, it's the communication service providers whom we address across, such as to name the Jio, the Bharti in India and so on. And also, not just the service providers, service providers connected like NOC, just to give you an example. We do hear that. As far as the question, another question that I like to combine and move forward with connecting across to explain each one of them is we do serve 72% of our revenue with two customers. I think that was the question that came in from Satya Prakash. So, it is there are national distributors who in turn they serve across hundreds and hundreds of customers. This helps us to optimize resources and use the reach of these distributors that they have to get a higher underrated businesses that they address across through each of the system integrator partners who are spread in the country. Now I do agree that we did have one of the issue last year. It's not a regular one, but we obtained many things like we are working on the corporate guarantees, we manage credit limits very tightly. We have introduced new distributors to diversify the risks. We're also exploring on our ensuring our receivables and so on. So, distribution is a very important part of our business. Who in turn connects to hundreds of customers there now connecting across. I know we did have a question with respect to cost structure in the P & L. It appears largely traded and then could you please share now if you go back as an organization, we have done better off than what we were from a manufacturing from over the years. One of the important things as an organization is we do control the complete product design, product design specifications which is where the major value addition is. As an organization is all which is the most important critical because as a complete, we don't, it's not one component fits into a solution. So, the many components which fits into a solution and we control the highly critical components in house whereas the other common standard products is being traded across such as such as could be a cable. Now we select the best of the product design and specification that we need and fit into that to make as an overall solution. The best of the solutions to the industry is which makes more business sense and has a greater focus across for us on what we need to do and where our focus needs to lie at. So, with that now there's also a question with respect to the we had in terms of new product categories coming in to meet these requirements of networking, telecom and how are these

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products catering and growing. And especially the question was specifically to data centres both from Satya Prakash as well as Shlok. So, it's a great question across and to cover many other questions related to this which was spoke which was asked by many of you. So would like to take a minute to discuss on sustain on many things rather than just answering in a very short form. If you look at. Let me go back to many aspects of this as an organization that we are involved with. One of the key things is we also look at from a sustainability product where we are highly proud on our accomplishments that we have done so far. We are actually building a great foundation for a more sustainable future by building processes systems that will be necessary to ensure we meet not only just our regulatory requirements. Could be, but also what's the goal of our customers is what do we really look into it. So, and as a, as a part of that, first, I think ADC at a manufacturing facility, we made sure that we are an ISO certified of 14,001 and 2015 from an environmental management system and also from an ISO 45,001 for health and safety management systems. As most of you know, we did have a great success from our operational excellence initiatives that we worked across on the assembly lines and the warehouses last year with five S plus one implementation. We continue the initiative across all of the departments, which will help us for continuous improvement in, in not just what product you bring in, but what quality you bring in, and also meet the price, the delivery and service levels at everyday basis. Now, several developmental activities we have carried out, as you asked by the company, and this has been, I always feel that that's a part of the DNA of this organization. Now we introduce the wire mesh baskets for the data centre requirements because it was highly critical and it's really being accepted very well within the country, making sure of the specifications that we build and the product that we have built for this massive requirement of the ADC's. Coming up. We did introduce across the new Fiber cable designs we worked across on high density panel requirements, because these density requirements are becoming so where space is at a premium and you need to look at every amount of use space in Iraq and how you can really utilize it and, and some of the armoured cable assemblies to suit the customers applications within the ADCs. So, and successfully, we did a transfer of telecommunication of. There was also a question. I'm attaching the answer now to the questions that came in on the telecommunication, which was asked, for example, growth sustainable, how did it increase? And we did have a great growth, but is it on a double-digit growth for the next year and is it sustainable? Now, if you look at, we had a successful transfer today. What do we do in this telecommunication? We do the copper modules, which most of you would have seen knowingly or unknowingly across the roads, going across on a street cabinet being led and you have the copper wires getting terminated on the voice modules and people working on it and so on. They're all from the ADC which gets applied across and then we supported to the globally such as within our requirements, within our organization itself, from Czech Republic to Japan and so on, as you've seen on the related party transactions. So, this has added a great value for us as an organization from an export business and improved our telecom segment, not just from serving across, within the country, but also today globally of this voice module requirements. We also brought in in house assembly of copper panels, whether it could be loaded with your jacks, unloaded versions and so on. So, this has also helped us to look at from our operational efficiency within our overall

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manufacturing establishment. So yeah, it's an evolving situation. As you know, the market dynamics keeps changing. We have to be on top of it and we, we are, I think yeah, we, feel we are positive on the growth that exists across and, and we personally feel in the gross margins are sustainable. So, there was also a question which came in with respect to yeah, what is the current order book for Q one? So, I'm quite sorry, I can't comment on this because we are very short of it. Just around a few days left for our Q one results being a very silent period which will be declared across the 13 August and hence I'm not able to comment in terms of our current order bookings then and covering across from both on the telecom segment, the networking side, the question that came in and there is a, there's also a question which attached from Hardhik and Satya Prakash, Abhishek Jain, all that. So what's been our growth outlook and how do we really see ourselves as an organization is now And there's also a question. Do you really play in the data centre sector? How much? Any stakes in data centres? That was an ask. So now with the growth in the data centres, customers as customers migrating from a normal enterprise data centre that they had moving across to the cloud and moving across to the multitenant data centres, and adoption of the new technologies such as Gen AI, look at the IOT in the next few years gives a massive boost to the IT services sector added to the growth of the DC's one side. Apart from that, look at the DC growth, not just from an AI or Internet of things. Look at the banking and financials, the amount of banking accounts that was created over the years, close to 240 million, 250 million new accounts created with direct cash transfers. All this needs across the data to be protected and with data localization bill gets passed, which has passed, it becomes more and more critical for the data centre and we play a role there. So added to that also have a growth coming in from the healthcare, hospitality, education, e commerce, transportation and as I spoke before in my speech, government push into infrastructure and digitalization, continuation of the rollouts, momentum and shift of major government activities both from physical and physical infrastructure, which will be a major driver across and which is only going to drive more and more bandwidth, whereas all when you have bandwidth requirement, you need connectivity for it. And then a company can play a role in providing these connectivity solutions purely from a cabling perspective to meet the customer demands. Apart from that, as I said again, the way I look at it is in this more connected future where connecting people is just a very small part of the whole connectivity network is rapid economic development, deployment and the best of the communication connectivity platforms and various company supports. On the physical layer, we're not into the active platform, we have the physical layer of the structured cabling platform solution with the best of the solutions and the products there. So, look at all this, I think from a connecting smart device, sensors, monitors, which creates billions and billions of connections at the edge and driving more demand for the overall bandwidth requirement. And I personally feel we can play a vital role in providing this connectivity solutions with the perspective of the structured cabling to meet the customer demands. And I feel we are in a good position here to capitalize. So, moving across on, I know there's been a question on EBITDA margins, is that sustainable? That came in for both telecommunication networking side. As I said already, if you look at an annualized basis, take out the one-time impact that we had. There's never such issue before. That doesn't mean that we take care of it of all the risks that can come



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and make sure we tighten up despite the impact. We improved our margins based on whether it's better realizations, great operational efficiency, increased export. As most of you know, we don't give future guidance from an EBITDA perspective, but you would appreciate and depends on a lot of factors when you look at from a sustenance of these margins. But we firmly believe it can. But it also depends on a lot of factors like commodity prices, export requirements, product mix between, because Fiber and copper play an important role here. It's an evolving situation as you all see. So, there's been one more question which can, which is actually coming from the shareholders on an email. So where do you see the light at the end of the tunnel and the growth? I think I did answer this in the other questions, but just to, just to answer it at a macro level, it's an evolving situation and as an organization, we don't really wait for the light at the end of the tunnel. I think we are very cautious at every step that triggers and be on top of it. We have to continue to navigate these challenges and keep moving forward. So, I repeated this in terms of what opportunities we have and how we see the growth overall, both from a telecommunication and the networking side. And there has also been a question which has come in, in terms of what your production capacity is. I think for the last year, as you've seen in previous years, we've been, and asked in terms of our production capacity, include today our production capacity stance at close to 83% there on the last five years, moving on average it's almost at 69. The question also continues asking for quarter one. I am sorry. As I said, we are in the silent period and results will be declared on the 13 August and hence I would not like to comment on the quarter one in terms of the production capacity is, and let me combine few things across from the employee related cost being low. And there is also a question I would like to combine with that ask have you ever sacked any employees? And so on? And did you have any salary cuts, all that Nill, we've never sacked any employees and also, we did have our merit increases for FY 24 for both our direct and indirect employees. And we are happy and proud about it as a, as an organization. So, yes, cost being shown on the financial statement has no impact on these things. And you would see those, some of them coming back. What are the new innovations? I think I've already answered this in, in terms of the product, when I explained from a growth perspective, there's also been a question on cost cutting initiatives. I think as a management team, as you're all aware, we continue to take, let me be frank, a fresh look always at every cost as part of the regular process. And it's not just we have a problem, so we need to do it. No, it's a, it's a part of our DNA where we look at every cost as part of our regular process so that we keep a tab and a tight tab on both our expenses as well as being the best. Bringing out our operational efficiency is. So, keep doing that from a sustainability and profit earning growth. I already answered, or not like to repeat it again. And working capital question. As you would have seen, we are a zero-debt company, but at the same time we monitor the cash flow very carefully so that we ensure we have adequate cash and we manage the risk during this volatile, challenging times. So, any, anytime, not this anytime, it can happen. I think we are not in that stage at this moment of time since everything looks positive within the country. So, there's been a question on factory desert. Somebody has sent an email; I think make a note of it. We'll work on your suggestions. And coming back on the there's been a question that has come in for us on the current liability and the noncurrent liabilities. Making a note of it all the liabilities that's

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being mentioned on the financials include such as statutory payments, long term employee gratuities leave and cashmere rebate payable to channel partners. And with respect to the I think that's all. It doesn't have anything really related to any serious risks there. So, I know there's been a question from Mr Abhishek Jain on the efforts made to reduce across on the expenses related I think we are in line with the industry. We continue to look all the costs and make all efforts to reduce costs in all areas including this. But at the same time, we need to manage the litigation and related costs and without having to compromise on compliance and employee customer satisfaction. We take care with great importance and there's been one question which came in from a shareholder across by an email related to the appointment of the new directors. One thing I can say here is all appointments, not just from a regulation perspective or amended from time to time. I'm highly proud that the ADC board of directors consists of highly eminent individuals who has great experience and have come from diverse fields and they bring in a lot of rich and wide experience. The set of core skills, expertise, competencies laid down by the board and the area of skills, expertise and competencies possessed by these board members are given in the report on the corporate governance forming part of the annual report. But honestly, I'm highly proud about the team that we have. There's also a question that came in for do you have any policy for dividend? Honestly, we have not led out any specific policy, but we constantly review the performance and take necessary decision in the interest of the minority shareholders. The main objective for us, the board is to ensure that we declare dividends which is sustainable and highly consistent over the years. And that's what we have looked in including the last financial years when we had the best of the times, we made sure that we declared the special dividend apart from the final dividend. So, there's also been a question which has come in of the shareholders list. I made a note of it and then I'll ask the company secretary. Look into that. So otherwise.

**Mr R Ganesh-** Mylaraiah, I just forwarded you one set of mails which has come from Hardhik Jain, who is a registered speaker. So yes, raise some questions in the chat.

**Mr JN Mylaraiah-** Okay, I'll just go through that. Give me a minute. Before that, let me close all the existing questions. I think it is. I think they asked. I think it was from Abhishek Jain. I think. Yeah. From a legal firm in the name and well associates in Chennai. Sir, we have made a note of it. Look into that. And I know there was a question from Mr Sundaran on the future expansion plan as well as in terms of a hybrid AGM. As far as a hybrid AGM, sir, made a note of it. And your suggestion with respect to the face-to-face meeting as well as a hybrid structure, we work towards it. And the question continued with respect to any giveaways. At this moment, we don't have such policies. I made a note of it to look into that. So, on the future expansion plans, there are quite a bit which is on the drawing table. So that's where I leave it at this moment. You will listen about it as we move forward. Anything that we make as the part of the formal announcements that we do. And other thing was, Mr Satya Prakash, I explained on the related party transactions what it was when I explained the growth and then on the countries that we shipped, especially on the telecom. And also, I know what we actually get it from the inter entities across with our parent company. On some of the products. I think it's a combination we need to look at as an entire solution to.

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To the market. So, we look at the products that could suit to us and that's important as an organization that we take it from there. So, And it's a --. And there's a question on the parent company. I would like to stick to ADC questions and restrict that. And as far as the parent company is concerned, everything is available on their global website which is accessible to all the. Anybody on that Internet.com, scope.com. so, with that, let me just. Sorry, let me go through my emails. I didn't really open up my mailbox. Just a minute. If there are any further questions that has come in, I would like to answer that. So, yeah, there is the question. In terms of the potential today, I would say as an. As an organization, if you look at armoured cards or It's not a big size but it's very important thing is on the Fiber cable design. It's a great market for us. We look at in terms of what the - is and then look at what can fit into that. So, the overall size of the market itself, not just from optics, I think I look at overall as an industry itself is. So, we have, we have which is close to around 1000 crores, we look at what we could do. There are many of the competitors but we want to really differentiate ourselves and move across within this marketplace. It involves every bit of it. And via basket is a very small solution but highly critical role it plays that's more important for us there. From a repeat business potential I think it's almost, I would say potential is 100% but it also, it's an evolving situation. Right. So, it also depends on the demand of the service providers within each of these locations and the opportunity that exists. We keep looking across not just one, what we are doing, but also what more we can do in terms of our exports is what products is going to drive over revenue. I think I did explain this product from revenue growth. As I said in my speech, Fiber is going to really take off a growth perspective compared to the copper. And I see on our Fiber products are multi-Fiber push on connectors which we are looking at from a 100 gig, a 400 gig and the upcoming on an 800gig requirement. I think that's what the product sees that is going to drive across from the revenue and we are well versed within that. There's a question on the land which has come in. So, I think if I look at it into you've already made necessary disclosures to the stock exchange and all of you have gone through it. Board has given necessary approvals to look at different options and get back to them with a detailed proposal. Many of the plans are on the drawing board will keep you informed if there are any decisions taken. But at this moment of time as and when we have concrete information, I'll get back. But as per the requirements the company will take, we'll come back to you with all the information and take approval of all the shareholders. Apart from that, I can't disclose anything much more than that with respect to the land since it's under negotiations with many of the interested parties. But we want to make sure that we are in the right place doing the right things. We don't want to rush. Whatever we do, we want to take the right decisions. Do we pass on raw material price changes to customers? Absolutely, yes. When we have the corporate prices fluctuating, you go back to our customers, and it's a volatile industry on our goods. Sometimes very rarely that happens in our new contracts we have built up, making sure that we do have the foreign exchange terms as well as the LME terms involved. We do pass on. So, what are our top five products? I think our top five products as cable has been the major, because without that, nothing can run. We do have our jacks, which is for the RJ 45, connectivity to our customers, whether it's to the desktops or the laptops, or for access points and so on. And our copper cable assemblies, Fiber cable and Fiber connectors and so

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on. And the biggest revenue share comes 50% of which is only on the copper cable. If you look at the copper versus the Fiber mix, I think copper and its components contributes to around close to around 70%. And then you have around 25% from the Fiber optics cable and its connectivity, and another 5% comes from the other accessories that we actually sell. So, typical replacement cycles. I think even though our customers are in a range, normally any customers, our cabling products are connected within their office networks. So, any infrastructure, it's a part of the infrastructure. So, if they want to do an infrastructure change, they need to buy it again. So, most of the customers, in my experience, run their offices for somewhere between ten to 15 years, and they would like to have a change of their infrastructure because it becomes old. They want to fit into the new environment, because at the end of the day, employees walking in would like to have the feel of the best of their office networks. Is so otherwise. Biggest supplier of cables, I think we have with a third party in India, as well as all the important things we also buy from Comsco. So, can you provide the revenue and EBITDA? I think I already spoke about it before, so I think with this, I did cover across every single question. Give me a minute. I don't want to miss any of them. Yeah, that's it. Thank you. Thank you so much to each one of you for all the questions that you brought up. Highly appreciated. Thank you so much.

**Mr Nagendra Venkaswamy-** Okay. I would like to thank the moderator for facilitating the Q and A sessions. The members may note that the E voting facility will continue to be available for 15 minutes from the conclusion of the meeting. Members who have not cast their vote yet are requested to do so within this time. I hereby authorize Mr Ganesh, company secretary, to declare the voting results. Voting results including remote E voting and E voting at the AGM, along with the scrutinizers report will be made available to the Bombay Stock exchange within two working days from the conclusion of the AGM. And will be posted on the company's website. The resolutions as set forth in the notice shall be deemed to be passed today. Subject to the received of the requisite number of votes. I thank all the members, colleagues on the board, auditors and the management team for attending the meeting. And declare the 36th annual general meeting as closed. Thank you all. Moderator.

**Moderator-** Thank you, sir. So, we will be playing an Insta poll video. Thank you.

**Mr Nagendra Venkaswamy-** Thank you, everybody.

**Moderator-** Sir, you can log out. Thank you.

**Mr Nagendra Venkaswamy-** Thank you. Okay. Thanks everybody. It was a nice meeting.

**Mr Harish Visweswara-** Thank you, sir

**Mr Ravi Bosco Rebello-** Thank you.