

AGC/PB/SE/2016/043

November 9, 2016

|                                                                                                                                    |                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Corporate Relationship Department<br/>Bombay Stock Exchange Limited</b><br>P.J. Towers, Dalal Street, Fort,<br>Mumbai - 400 001 | <b>Corporate Relationship Department<br/>National Stock Exchange Limited</b><br>Exchange plaza, Bandra Kurla<br>complex, Bandra (E) Mumbai 400051 |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

Dear Sir,

**Sub.:** Outcome of the Board Meeting dated 9<sup>th</sup> November, 2016 & unaudited financial results of the Company (stand-alone and consolidated) for the quarter/period ended 30<sup>th</sup> September, 2016

**Ref.:** Scrip code BSE: 500463/NSE: AGCNET

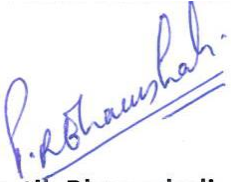
This is to inform you that the Board at its meeting held on Wednesday, 9<sup>th</sup> November, 2016 at Conference Room, Essar House, 11, K.K.Marg, Mahalaxmi, Mumbai - 400034, inter-alia considered and approved the un-audited financial results of the Company (stand-alone and consolidated) for the quarter/period ended 30<sup>th</sup> September, 2016. Signed copies of the same along with the copy of Limited Review Report (stand-alone and consolidated) from the statutory auditors of the Company for the quarter ended 30<sup>th</sup> September, 2016 are attached herewith.

The Board Meeting concluded at 2.55 PM.

This is for your information, record and necessary action.

Thanking You,

**For AGC Networks Limited**

  
**Pratik Bhanushali**  
**Company Secretary**  
Encl.: A./a.

# Walker Chandiook & Co LLP

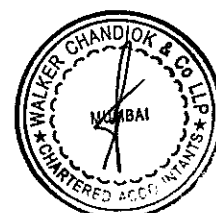
**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
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## **Review Report on Quarterly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of AGC Networks Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of **AGC Networks Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2016 and year to date results for the period 1 April 2016 to 30 September 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in note 7(ii) to the Statement, during the year ended 31 March 2015 the Company had recognised sale of two properties having aggregate carrying value of Rs. 0.74 crores and Rs. 0.35 crores, respectively, and profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores), respectively, under 'exceptional items'. In our opinion, since the significant risks and rewards for the said properties were not transferred, recognition of such sale and the accounting treatment followed by the Company is not in accordance with the principles laid under Accounting Standard (AS) 9 'Revenue Recognition' and AS 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules 2006 (as amended) and should have been



reversed. Our audit/review reports on the financial statements/financial results of all the corresponding period upto March 2016 were qualified in respect of this matter. Further, during the month of April 2016, significant risks and rewards in respect of one of the said property having a carrying value of Rs. 0.35 crores was transferred, accordingly in our opinion, sale of this property should have been recognised during the quarter ended 30 June 2016 and six months ended 30 September 2016. Hence our review report for quarter ended 30 June 2016 and six months ended 30 September 2016 was/is qualified to this extent. Further, our review reports on the financial results for the quarter ended 30 June 2016 and the quarter and six months ended 30 September 2016 continues to be qualified in respect of the other property having carrying value of Rs. 0.74 crores.

Had the Company followed the principles of AS 9 and AS 5 for the quarter and six months ended 30 September 2016, the prior period expenses would have been higher by Rs. 40.85 crores for the quarter ended 30 September 2016 and Rs. 46.04 crores for the six months ended on that date (30 June 2016, 31 March 2016 and 30 September 2015 Rs. 46.04 crores each) and profit on sale of property would have been higher by Rs. Nil for the quarter ended 30 September 2016 and Rs. 5.19 crores for the six months ended on that date (30 June 2016: Rs. 5.19 crores); profit before tax would have been lower by Rs. 40.85 crores for the quarter and six months ended 30 September 2016 (30 June 2016: Rs. 40.85 crores) and loss before tax for the quarter and six months ended 30 September 2015 and year ended 31 March 2016 would have been higher by Rs. 46.04 crores each; tax expenses for the quarter and six months ended 30 September 2016 would have been lower by Rs. 3.27 crores (30 June 2016, 31 March 2016 and 30 September 2015 Rs. 3.27 crores each); long term loans and advances and carrying value of tangible assets as at 30 September 2016 would have been higher by Rs. 3.27 crores (31 March 2016: Rs. 3.27 crores) and Rs. 0.74 crores (31 March 2016: Rs. 1.09 crores) respectively; reserves and surplus, other current assets and other current liabilities as at that date would have been lower Rs. 37.58 crores (31 March 2016: 42.77 crores), Rs. 47.32 crores (net of Rs. 3.20 crores received during previous year) (31 March 2016: Rs. 47.32 crores) and Rs. 0.19 crores (31 March 2016: Rs. 0.19 crores), respectively.

4. Based on our review conducted as above, except for the effects of qualification as described in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

*Walker Chandiok & Co LLP*

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 9 November 2016

# AGC NETWORKS LIMITED

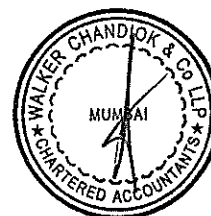
Registered Office :- Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex,  
LBS Marg, Kurla (West), Mumbai - 400070.



## STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / SIX MONTHS ENDED 30 SEPTEMBER 2016

Rs. in Crore

| Sr. No. | Particulars                                                                                   | Quarter ended |            |            | Six months ended |            | Year ended |
|---------|-----------------------------------------------------------------------------------------------|---------------|------------|------------|------------------|------------|------------|
|         |                                                                                               | Unaudited     |            |            | Unaudited        |            | Audited    |
|         |                                                                                               | 30/09/2016    | 30/06/2016 | 30/09/2015 | 30/09/2016       | 30/09/2015 | 31/03/2016 |
| 1       | (a) Gross sales/income from operations                                                        | 195.70        | 200.92     | 211.52     | 396.62           | 425.11     | 878.94     |
|         | (b) Other operating income (Refer note 4)                                                     | 0.14          | 5.85       | 1.73       | 5.73             | 2.80       | 3.82       |
|         | Total income from operations                                                                  | 195.84        | 206.77     | 213.25     | 402.35           | 427.91     | 882.76     |
| 2       | Expenses                                                                                      |               |            |            |                  |            |            |
|         | a) Cost of materials consumed                                                                 | 0.70          | 2.06       | 2.70       | 2.76             | 4.01       | 8.51       |
|         | b) Purchase of stock-in-trade                                                                 | 90.06         | 77.47      | 80.48      | 167.53           | 171.69     | 362.84     |
|         | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade              | (9.37)        | (0.88)     | 0.87       | (10.25)          | (1.31)     | 1.90       |
|         | d) Service charge                                                                             | 45.20         | 49.46      | 52.83      | 94.31            | 103.30     | 200.92     |
|         | e) Employee benefits expense                                                                  | 50.18         | 48.52      | 50.20      | 98.44            | 98.42      | 200.18     |
|         | f) Depreciation and amortisation expense (Refer note 3)                                       | 1.55          | 1.94       | 1.95       | 3.49             | 4.38       | 8.50       |
|         | g) Other expenses                                                                             | 17.51         | 20.80      | 25.90      | 38.66            | 47.30      | 102.73     |
|         | Total expenses                                                                                | 195.83        | 199.37     | 215.02     | 394.94           | 427.79     | 885.58     |
| 3       | (Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)  | 0.01          | 7.40       | (1.77)     | 7.41             | 0.12       | (2.82)     |
| 4       | Other income                                                                                  | 0.51          | 0.25       | 2.66       | 0.76             | 4.94       | 5.51       |
| 5       | (Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)       | 0.52          | 7.65       | 0.89       | 8.17             | 5.06       | 2.69       |
| 6       | Finance costs                                                                                 | 5.67          | 6.04       | 7.07       | 12.71            | 12.78      | 26.68      |
| 7       | (Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6) | (6.15)        | 1.61       | (6.18)     | (4.54)           | (7.72)     | (23.99)    |
| 8       | Exceptional items - expenses / (income) (Refer note 5)                                        | (9.50)        | -          | -          | (9.50)           | (1.64)     | (1.64)     |
| 9       | (Loss)/Profit from ordinary activities before tax (7-8)                                       | 3.35          | 1.61       | (6.18)     | 4.96             | (6.08)     | (22.35)    |
| 10      | Tax expense                                                                                   |               |            |            |                  |            |            |
|         | - Current tax                                                                                 | 1.26          | 0.05       | 1.13       | 1.31             | 1.21       | 4.66       |
|         | - Tax adjustments relating to earlier years (Refer note 7(ii))                                | (0.82)        | -          | 9.65       | (0.82)           | 9.65       | 7.58       |
| 11      | Net (Loss)/Profit from ordinary activities after tax (9-10)                                   | 2.91          | 1.56       | (16.96)    | 4.47             | (16.94)    | (34.59)    |
| 12      | Extraordinary items (net of tax expense)                                                      | -             | -          | -          | -                | -          | -          |
| 13      | Net (Loss)/Profit for the period (11-12)                                                      | 2.91          | 1.56       | (16.96)    | 4.47             | (16.94)    | (34.59)    |
| 14      | Share of profit/(loss) of associates                                                          | -             | -          | -          | -                | -          | -          |
| 15      | Minority interest                                                                             | -             | -          | -          | -                | -          | -          |
| 16      | Net (Loss)/Profit after taxes, minority interest and share of profit of associates (13+14+15) | 2.91          | 1.56       | (16.96)    | 4.47             | (16.94)    | (34.59)    |
| 17      | Paid-up equity share capital (face value of Rs. 10 each)                                      | 28.47         | 28.47      | 28.47      | 28.47            | 28.47      | 28.47      |
| 18      | Reserves excluding Revaluation Reserves as per balance sheet of the previous accounting year  | -             | -          | -          | -                | -          | 25.16      |
| 19      | Earnings per share of Rs. 10/- each (not annualised):                                         |               |            |            |                  |            |            |
|         | Basic and Diluted (in Rs.)                                                                    | 1.02          | 0.55       | (5.96)     | 1.57             | (5.95)     | (12.15)    |

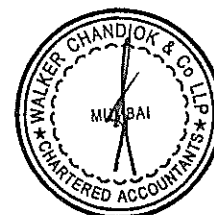


Statement of Assets and Liabilities

Rs. in Crore

| Sr. No.  | Particulars                                | Consolidated (unaudited) | Consolidated (Audited) |
|----------|--------------------------------------------|--------------------------|------------------------|
|          |                                            | As at                    |                        |
|          |                                            | 30/09/2016               | 31/03/2016             |
| <b>A</b> | <b>EQUITY AND LIABILITIES</b>              |                          |                        |
| <b>1</b> | <b>Shareholders' funds</b>                 |                          |                        |
|          | a) Share capital                           | 43.47                    | 43.47                  |
|          | b) Reserves and surplus                    | 30.20                    | 25.16                  |
|          | <b>Sub-total - Shareholders' funds</b>     | <b>73.67</b>             | <b>68.63</b>           |
| <b>2</b> | <b>Non-current liabilities</b>             |                          |                        |
|          | a) Long-term borrowings                    | 2.03                     | -                      |
|          | b) Other long-term liabilities             | 12.42                    | 14.84                  |
|          | c) Long-term provisions                    | 7.41                     | 8.23                   |
|          | <b>Sub-total - Non-current liabilities</b> | <b>21.86</b>             | <b>23.07</b>           |
| <b>3</b> | <b>Current liabilities</b>                 |                          |                        |
|          | a) Short-term borrowings                   | 172.62                   | 162.47                 |
|          | b) Trade payables                          | 208.00                   | 187.86                 |
|          | c) Other current liabilities               | 154.18                   | 178.07                 |
|          | d) Short-term provisions                   | 7.57                     | 6.03                   |
|          | <b>Sub-total - Current liabilities</b>     | <b>542.37</b>            | <b>534.43</b>          |
|          | <b>TOTAL - EQUITY AND LIABILITIES</b>      | <b>637.90</b>            | <b>626.13</b>          |
| <b>B</b> | <b>ASSETS</b>                              |                          |                        |
| <b>1</b> | <b>Non-current assets</b>                  |                          |                        |
|          | a) Tangible assets                         | 16.89                    | 17.25                  |
|          | b) Intangible assets                       | 91.30                    | 91.56                  |
|          | c) Long-term loans and advances            | 97.85                    | 90.75                  |
|          | d) Long-term trade receivables             | 0.96                     | 1.29                   |
|          | e) Other non-current assets                | 2.87                     | 3.13                   |
|          | <b>Sub-total - Non-current assets</b>      | <b>209.87</b>            | <b>203.98</b>          |
| <b>2</b> | <b>Current assets</b>                      |                          |                        |
|          | a) Inventories                             | 32.39                    | 23.54                  |
|          | b) Trade receivables                       | 215.13                   | 216.28                 |
|          | c) Cash and bank balances                  | 30.08                    | 37.19                  |
|          | d) Short-term loans and advances           | 25.70                    | 26.24                  |
|          | e) Other current assets                    | 124.73                   | 118.90                 |
|          | <b>Sub-total - Current assets</b>          | <b>428.03</b>            | <b>422.15</b>          |
|          | <b>TOTAL ASSETS</b>                        | <b>637.90</b>            | <b>626.13</b>          |

*[Handwritten signature]*



**Notes:**

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 November 2016. The statutory auditors have carried out a limited review of the above results.
- 2) AGC Networks Limited ("the Company") and its subsidiaries operate in one business segment i.e. Enterprise Communication Solutions and Integration, which is considered as the primary reporting segment.
- 3) The management based on an internal technical evaluation reassessed the remaining useful lives of certain plant and equipment with effect from 1 April 2016. Accordingly the useful lives of such plant and equipment have been revised from 3 to 5 years to 15 years.

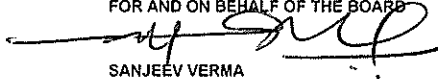
Had the company continued with the previously assessed useful lives, depreciation expense for the quarter and six months ended 30 September 2016 would have been higher by Rs. 0.65 Crore and 1.07 Crore respectively. Further the revision of the useful lives will result in the following changes in the depreciation expense as compared to depreciation expense based on earlier useful lives

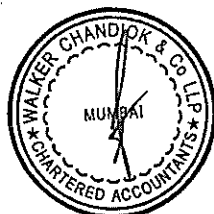
| Financial Years | (Decrease) / Increase in depreciation expense |
|-----------------|-----------------------------------------------|
| 2016-17         | (2.15)                                        |
| 2017-18         | (2.12)                                        |
| 2018-19         | (1.61)                                        |
| Post 2019       | 5.88                                          |

- 4) Includes Provision for doubtful debts made in earlier year, no longer required of Rs. 3.88 Crore (net) for the quarter ended 30 June 2016 and six months ended 30 September 2016
- 5) **Exceptional items:**
  - i) For the quarter and six months ended 30 September 2016 represents liability towards rent pertaining to earlier years, reversed on account of settlement with the lessor.
  - ii) For the six months ended 30 September 2015 and year ended 31 March 2016 represents interest income recognised on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar.
- 6) The statement of consolidated results are prepared in accordance with the requirements of Accounting Standard 21 – 'Consolidated Financial Statements' specified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014.  
The financial results of the following subsidiaries have been consolidated with the financial results of the Company:  
AGC Networks Australia Pty Limited  
AGC Networks Pte Limited, Singapore  
AGC Networks, Inc., USA  
AGC Networks Philippines, Inc.  
AGC Networks and Cyber Solutions, Kenya (w.e.f. 11 August 2016)
- 7) Notes appearing in the results of earlier periods have been reproduced for information to the extent relevant:
  - (i) On 1 June 2015, AGC Networks, Inc. acquired the assets and liabilities vide Assets Purchase Agreement (APA) entered into with Ensource Inc. The acquisition was completely funded through internal operating funds and AGC Networks, Inc. paid purchase consideration of Rs. 3.09 crore to acquire Net liabilities of Rs. 8.42 Crore, which resulted in the goodwill of Rs. 11.51 Crore.
  - (ii) During the year ended 31 March 2015, the Company entered into deeds of assignment to transfer all the rights, title and obligations of its land and building situated at Gandhinagar to another company for a consideration of Rs. 50.52 Crore. During the year March 2016, the lender to whom these assets were provided as security provided its in-principal approval for the said transfer subject to fulfilment of conditions stated therein. The said transfer was pending approval from the relevant government authority and transfer of legal title upto 31 March 2016 that are considered to be procedural in nature. Accordingly the Company had recognised profit on sale of Fixed Assets of Rs. 46.04 Crore (net of incidental expenses Rs. 3.39 Crore) during the year ended 31 March 2015. During the previous year ended March 2016 the Company has received approval from the lender for sale of one of the property sold for consideration of Rs. 5.89 Crore and also realised part consideration of Rs. 3.20 Crore from the buyer. During April 2016, approval from the requisite authorities have also been received for one of the property for which sale deed has been executed between the Company and the buyer for transfer of legal title during that month. The Company had applied for requisite approval for the balance properties which are still awaited as of date. The statutory auditors of the Company have qualified their audit reports / review reports on the financial statements/ financial results of all the corresponding period presented upto 30 September 2016 in respect of this matter.
  - (iii) **Tax adjustments relating to earlier years:**
    - (a) For the quarter and six months ended 30 September 2016 represents provision made in earlier year, no longer required relating to Australia subsidiary.
    - (b) For the quarter and six months ended 30 September 2015 and year ended 31 March 2016 represents provision for with-holding tax credits for earlier years relating to the Singapore subsidiary
- 8) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

Place: Mumbai  
Date : 9 November 2016  
CIN : L32200MH1986PLC040652

FOR AND ON BEHALF OF THE BOARD

  
SANJEEV VERMA  
WHOLE-TIME DIRECTOR  
DIN: 06871685



# Walker Chandiook & Co LLP

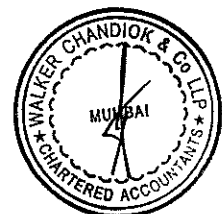
**Walker Chandiook & Co LLP**  
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## **Review Report on Quarterly Standalone Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of AGC Networks Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of **AGC Networks Limited** ("the Company") for the quarter ended 30 September 2016 and year to date results for the period 1 April 2016 to 30 September 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in note 4 to the Statement, during the year ended 31 March 2015 the Company had recognised sale of two properties having aggregate carrying value of Rs. 0.74 crores and Rs. 0.35 crores, respectively, and profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores), respectively, under 'exceptional items'. In our opinion, since the significant risks and rewards for the said properties were not transferred, recognition of such sale and the accounting treatment followed by the Company is not in accordance with the principles laid under Accounting Standard (AS) 9 'Revenue Recognition' and AS 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules 2006 (as amended) and should have been





# Walker Chandiok & Co LLP

reversed. Our audit/review reports on the financial statements/financial results of all the corresponding period upto March 2016 were qualified in respect of this matter. Further, during the month of April 2016, significant risks and rewards in respect of one of the said property having a carrying value of Rs. 0.35 crores was transferred, accordingly in our opinion, sale of this property should have been recognised during the quarter ended 30 June 2016 and six months ended 30 September 2016. Hence our review report for quarter ended 30 June 2016 and six months ended 30 September 2016 was/is qualified to this extent. Further, our review reports on the financial results for the quarter ended 30 June 2016 and the quarter and six months ended 30 September 2016 continues to be qualified in respect of the other property having carrying value of Rs. 0.74 crores.

Had the Company followed the principles of AS 9 and AS 5 for the quarter and six months ended 30 September 2016, the prior period expenses would have been higher by Rs. 40.85 crores for the quarter ended 30 September 2016 and Rs. 46.04 crores for the six months ended on that date (30 June 2016, 31 March 2016 and 30 September 2015 Rs. 46.04 crores each) and profit on sale of property would have been higher by Rs. Nil for the quarter ended 30 September 2016 and Rs. 5.19 crores for the six months ended on that date (30 June 2016: Rs. 5.19 crores); loss before tax would have been higher by Rs. 40.85 crores for the quarter and six months ended 30 September 2016 (30 June 2016: Rs. 40.85 crores; 31 March 2016: Rs.46.04 crores; 30 September 2015: Rs. 46.04 crores); tax expenses for the quarter and six months ended 30 September 2016 would have been lower by Rs. 3.27 crores (30 June 2016, 31 March 2016 and 30 September 2015 Rs. 3.27 crores each); long term loans and advances and carrying value of tangible assets as at 30 September 2016 would have been higher by Rs. 3.27 crores (31 March 2016: Rs. 3.27 crores) and Rs. 0.74 crores (31 March 2016: Rs. 1.09 crores), respectively; reserves and surplus, other current assets and other current liabilities as at that date would have been lower by Rs. 37.58 crores (31 March 2016: Rs. 42.77 crores), Rs. 47.32 crores (net of Rs. 3.20 crores received during previous year) (31 March 2016: Rs. 47.32 crores) and Rs. 0.19 crores (31 March 2016: Rs. 0.19 crores), respectively.

4. Based on our review conducted as above, except for the effects of qualification as described in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

*Walker Chandiok & Co LLP*

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

*Adi P. Sethna*

per **Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 9 November 2016



# AGC NETWORKS LIMITED

Registered Office :- Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex,  
LBS Marg, Kurla (West), Mumbai - 400070.

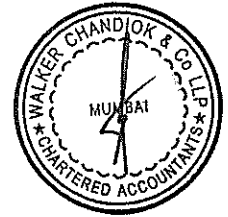


## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / SIX MONTHS ENDED 30 SEPTEMBER 2016

Rs. in Crore

| Sr. No. | Particulars                                                                                   | Quarter ended |            |            | Six months ended |            | Year ended |
|---------|-----------------------------------------------------------------------------------------------|---------------|------------|------------|------------------|------------|------------|
|         |                                                                                               | Unaudited     |            |            | Unaudited        |            | Audited    |
|         |                                                                                               | 30/09/2016    | 30/06/2016 | 30/09/2015 | 30/09/2016       | 30/09/2015 | 31/03/2016 |
| 1       | (a) Gross sales/income from operations                                                        | 54.96         | 68.01      | 75.11      | 122.97           | 156.23     | 312.78     |
|         | (b) Other operating income                                                                    | 0.80          | 1.36       | 0.53       | 1.90             | 0.79       | 1.79       |
|         | Total income from operations                                                                  | 55.76         | 69.37      | 75.64      | 124.87           | 157.02     | 314.57     |
| 2       | Expenses                                                                                      |               |            |            |                  |            |            |
|         | a) Cost of materials consumed                                                                 | 0.70          | 2.06       | 2.70       | 2.76             | 4.01       | 8.51       |
|         | b) Purchase of stock-in-trade                                                                 | 28.03         | 29.14      | 24.97      | 57.17            | 63.54      | 138.22     |
|         | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade              | (7.12)        | (1.16)     | 4.88       | (8.28)           | 4.68       | 3.29       |
|         | d) Service charge                                                                             | 18.83         | 14.43      | 22.00      | 33.26            | 40.69      | 77.03      |
|         | e) Employee benefits expense (net)                                                            | 12.70         | 10.58      | 11.19      | 23.02            | 22.41      | 45.83      |
|         | f) Depreciation and amortisation expense (Refer note 3)                                       | 0.56          | 0.78       | 1.33       | 1.34             | 2.60       | 5.23       |
|         | g) Other expenses                                                                             | 11.12         | 12.92      | 13.92      | 24.04            | 24.92      | 57.56      |
|         | Total expenses                                                                                | 64.82         | 68.75      | 80.99      | 133.31           | 162.85     | 335.67     |
| 3       | (Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)  | (9.06)        | 0.62       | (5.35)     | (8.44)           | (5.83)     | (21.10)    |
| 4       | Other income                                                                                  | 1.08          | 0.75       | 2.09       | 1.83             | 4.84       | 6.85       |
| 5       | (Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)       | (7.98)        | 1.37       | (3.26)     | (6.61)           | (0.99)     | (14.25)    |
| 6       | Finance costs                                                                                 | 5.78          | 5.20       | 6.43       | 10.98            | 11.91      | 24.10      |
| 7       | (Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6) | (13.76)       | (3.83)     | (9.69)     | (17.59)          | (12.90)    | (38.35)    |
| 8       | Exceptional items - expenses / (income) (Refer note 5)                                        | (9.50)        | -          | -          | (9.50)           | (1.64)     | (1.64)     |
| 9       | (Loss)/Profit from ordinary activities before tax (7-8)                                       | (4.26)        | (3.83)     | (9.69)     | (8.09)           | (11.26)    | (36.71)    |
| 10      | Tax expense                                                                                   |               |            |            |                  |            |            |
|         | - Current tax                                                                                 | -             | -          | -          | -                | -          | -          |
|         | - Tax adjustments relating to earlier years                                                   | -             | -          | -          | -                | -          | -          |
| 11      | Net (Loss)/Profit from ordinary activities after tax (9-10)                                   | (4.26)        | (3.83)     | (9.69)     | (8.09)           | (11.26)    | (36.71)    |
| 12      | Extraordinary items (net of tax expense)                                                      | -             | -          | -          | -                | -          | -          |
| 13      | Net (Loss)/Profit for the period (11-12)                                                      | (4.26)        | (3.83)     | (9.69)     | (8.09)           | (11.26)    | (36.71)    |
| 14      | Paid-up equity share capital (face value of Rs. 10 each)                                      | 28.47         | 28.47      | 28.47      | 28.47            | 28.47      | 28.47      |
| 15      | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year      | -             | -          | -          | -                | -          | 28.54      |
| 16      | Earnings per share of Rs. 10/- each (not annualised):<br>Basic and Diluted (in Rs.)           | (1.49)        | (1.35)     | (3.40)     | (2.84)           | (3.95)     | (12.90)    |

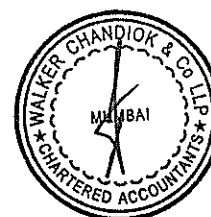
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**Statement of Assets and Liabilities**

Rs. in Crore

| Sr. No.  | Particulars                                | Standalone (Unaudited) | Standalone (Audited) |
|----------|--------------------------------------------|------------------------|----------------------|
|          |                                            | As at                  |                      |
|          |                                            | 30/09/2016             | 31/03/2016           |
| <b>A</b> | <b>EQUITY AND LIABILITIES</b>              |                        |                      |
| <b>1</b> | <b>Shareholders' funds</b>                 |                        |                      |
|          | a) Share capital                           | 43.47                  | 43.47                |
|          | b) Reserves and surplus                    | 20.62                  | 28.54                |
|          | <b>Sub-total - Shareholders' funds</b>     | <b>64.09</b>           | <b>72.01</b>         |
| <b>2</b> | <b>Non-current liabilities</b>             |                        |                      |
|          | a) Other long-term liabilities             | 4.29                   | 6.18                 |
|          | b) Long-term provisions                    | 6.01                   | 6.56                 |
|          | <b>Sub-total - Non-current liabilities</b> | <b>10.30</b>           | <b>12.74</b>         |
| <b>3</b> | <b>Current liabilities</b>                 |                        |                      |
|          | a) Short-term borrowings                   | 142.23                 | 138.01               |
|          | b) Trade payables                          | 85.86                  | 93.06                |
|          | c) Other current liabilities               | 63.49                  | 56.73                |
|          | d) Short-term provisions                   | 0.85                   | 0.59                 |
|          | <b>Sub-total - Current liabilities</b>     | <b>292.43</b>          | <b>288.39</b>        |
|          | <b>TOTAL - EQUITY AND LIABILITIES</b>      | <b>366.82</b>          | <b>373.14</b>        |
| <b>B</b> | <b>ASSETS</b>                              |                        |                      |
| <b>1</b> | <b>Non-current assets</b>                  |                        |                      |
|          | a) Tangible assets                         | 9.87                   | 9.54                 |
|          | b) Intangible assets                       | 2.51                   | 2.69                 |
|          | c) Non-current investments                 | 48.72                  | 48.72                |
|          | d) Long-term loans and advances            | 94.78                  | 88.78                |
|          | e) Long-term trade receivables             | 0.96                   | 1.29                 |
|          | f) Other non-current assets                | 2.24                   | 2.31                 |
|          | <b>Sub-total - Non-current assets</b>      | <b>159.08</b>          | <b>153.33</b>        |
| <b>2</b> | <b>Current assets</b>                      |                        |                      |
|          | a) Inventories                             | 21.42                  | 13.76                |
|          | b) Trade receivables                       | 89.34                  | 104.17               |
|          | c) Cash and bank balances                  | 7.66                   | 12.15                |
|          | d) Short-term loans and advances           | 8.87                   | 12.51                |
|          | e) Other current assets                    | 80.45                  | 77.22                |
|          | <b>Sub-total - Current assets</b>          | <b>207.74</b>          | <b>219.81</b>        |
|          | <b>TOTAL ASSETS</b>                        | <b>366.82</b>          | <b>373.14</b>        |



**Notes:**

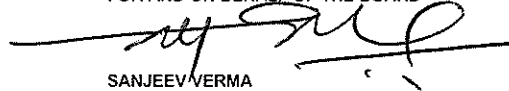
- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 November 2016. The statutory auditors have carried out a limited review of the above results.
- 2) The Company operates in one business segment i.e., Enterprise Communication Solutions and Integration, which is considered as the primary reporting segment.
- 3) The management based on an internal technical evaluation reassessed the remaining useful lives of certain plant and equipment with effect from 1 April 2016. Accordingly the useful lives of such plant and equipment have been revised from 3 to 5 years to 15 years.

Had the company continued with the previously assessed useful lives, depreciation expense for the quarter and six months ended 30 September 2016 would have been higher by Rs. 0.65 Crore and Rs. 1.07 Crore respectively. Further the revision of the useful lives will result in the following changes in the depreciation expense as compared to depreciation expense based on earlier useful lives.

| Financial Years | (Decrease) / Increase in depreciation expense |
|-----------------|-----------------------------------------------|
| 2016-17         | (2.15)                                        |
| 2017-18         | (2.12)                                        |
| 2018-19         | (1.61)                                        |
| Post 2019       | 5.88                                          |

- 4) During the year ended 31 March 2015, the Company entered into deeds of assignment to transfer all the rights, title and obligations of its land and building situated at Gandhinagar to another company for a consideration of Rs. 50.52 Crore. During the year March 2016, the lender to whom these assets were provided as security provided its in-principal approval for the said transfer subject to fulfilment of conditions stated therein. The said transfer was pending approval from the relevant government authority and transfer of legal title upto 31 March 2016 that are considered to be procedural in nature. Accordingly the Company had recognised profit on sale of Fixed Assets of Rs. 46.04 Crore (net of incidental expenses Rs. 3.39 Crore) during the year ended 31 March 2015. During the previous year ended March 2016 the Company has received approval from the lender for sale of one of the property sold for consideration of Rs. 5.89 Crore and also realised part consideration of Rs. 3.20 Crore from the buyer. During April 2016, approval from the requisite authorities have also been received for one of the property for which sale deed has been executed between the Company and the buyer for transfer of legal title during that month. The Company had applied for requisite approval for the balance properties which are still awaited as of date. The statutory auditors of the Company have qualified their audit reports / review reports on the financial statements/ financial results of all the corresponding period presented upto 30 September 2016 in respect of this matter.
- 5) **Exceptional items:**
  - i) For the quarter and six months ended 30 September 2016 represents liability towards rent pertaining to earlier years, reversed on account of settlement with the lessor.
  - ii) For the six months ended 30 September 2015 and year ended 31 March 2016 represents interest income recognised on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar.
- 6) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

FOR AND ON BEHALF OF THE BOARD



SANJEEV VERMA  
WHOLE-TIME DIRECTOR  
DIN: 06871685

Place: Mumbai  
Date : 9 November 2016  
CIN : L32200MH1986PLC040652

