

AGC Networks Limited
Equinox Business Park
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India
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www.agcnetworks.com

AGC/SD/SE/2018/ 61

November 14, 2018

Corporate Relationship Department Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Fort, Mumbai - 400 001	Corporate Relationship Department National Stock Exchange Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
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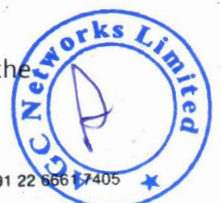
Dear Sir,

Sub.: Outcome of the Board Meeting held on November 14, 2018 & unaudited financial results of the Company (stand-alone and consolidated) for the quarter/half-year ended September 30, 2018

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

With reference to our letter no. AGC/SD/SE/2018/59 dated November 6, 2018, regarding the Board Meeting of the Company held on November 14, 2018, we wish to inform you that pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board at its meeting held on Wednesday, November 14, 2018 at Meeting Room No. 2, Rooftop, Trident Hotel, Nariman Point, Mumbai – 400021, has inter-alia, considered and transacted following business items:

- Considered and Approved the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter/half-year ended September 30, 2018. Pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing herewith the following:
 - a) Unaudited Standalone and Consolidated Financial Results of the Company, for the quarter/half-year ended September 30, 2018.
 - b) Limited Review Report on the unaudited Standalone and Consolidated Financial Results of the Company, for the quarter/half-year ended September 30, 2018.

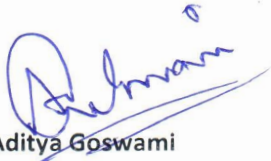


The Board Meeting commenced at 6:30 pm and concluded at 8:15 pm.

This is for your information, record and necessary action.

Thanking You,

For AGC Networks Limited



Aditya Goswami

Company Secretary & Compliance Officer

Encl: As above



Walker Chandio & Co LLP

16th Floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Elphinstone (W)
Mumbai - 400 013
Maharashtra, India

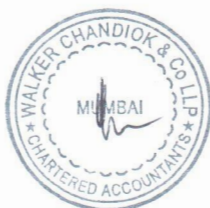
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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of AGC Networks Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('Statement') of AGC Networks Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), (Refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2018 and the consolidated year to date results for the period 1 April 2018 to 30 September 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 5 to the statement, during the year ended 31 March 2015, the Company had recognised sale of a property, classified as fixed assets under previous GAAP, having carrying value of Rs. 0.74 crores, and recorded profit on such sale amounting Rs. 40.85 crores (net of incidental selling expenses amounting Rs. 3.04 crores). In our opinion, the significant risks and rewards of ownership of the said property were not transferred when such sale was recognised, and therefore, recognition of such sale and the accounting treatment followed by the Company were not in accordance with the principles of Indian Accounting Standard (Ind AS) 16, Property, Plant and Equipment.



AGC Networks Limited

Independent Auditor's Review Report on Consolidated Quarterly Financial Results – 30 September 2018

Our reports on the financial results for the quarter ended 30 June 2018, and quarter and six months ended 30 September 2017 and on the financial statements for the year ended 31 March 2018 were also qualified in respect of the above matter.

During the current quarter, the said property was re-assigned to the Company by the buyer, and thereafter, significant risks and rewards in respect of the said property have been transferred to another buyer through a separate sale transaction for a consideration of Rs 23.51 crores. However, instead of recognition of sale of this property in the current quarter in accordance with the principles of Ind AS 16, Property, Plant and Equipment, the Company has recorded only the differential amount between the said consideration and balance receivable amounting Rs 22.40 crores from the earlier incorrectly recognised sale, as profit on sale of property, plant and equipment.

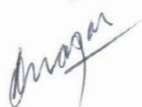
Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors relating to incorrect recognition of sale, in earlier year, of the said property in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and subsequently recorded the sale of such property in the current quarter as per principles of Ind AS 16, exceptional item (income), representing gain on sale of property, plant and equipment, for the quarter and six months ended 30 September 2018 would have been higher by Rs. 22.79 crores (31 March 2018 Nil; 30 June 2018: Nil, 30 September 2017: Nil) while depreciation expense for the said periods would have been higher by Rs. 0.01 crores (year ended 31 March 2018 : Rs. 0.04 crores, 30 June 2018: Rs. 0.01 crores, 30 September 2017: Rs. 0.01 crores); The balance consideration receivable from the buyer in the first sale transaction amounting Rs. 22.40 crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings as at 30 September 2018 would be Nil (year ended 31 March 2018 : Rs. 37.58 crores, 30 June 2018: Rs. 37.57 crores, 30 September 2017: Rs. 37.60 crores).

4. Based on our review conducted as above, except for the effects of the matter described in previous paragraphs, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



Nikhilesh Nagar

Partner

Membership No. 079597

Place: Mumbai

Date: 14 November 2018

Annexure 1

List of entities included in the Statement

1. AGC Networks Australia Pty Limited
2. AGC Networks Pte Limited, Singapore
3. AGC Networks, Inc., USA
4. AGC Networks Philippines, Inc.
5. AGC Networks and Cyber Solutions Limited, Kenya
6. AGCN Solutions Pte. Limited
7. AGC Networks L.L.C., Dubai
8. AGC Networks L.L.C., Abu Dhabi



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AGC NETWORKS LIMITED

Registered Office :- Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex,
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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

(Rs.in crores)

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
1	Income						
	(a) Revenue from operations	196.72	188.31	172.22	385.03	329.91	733.45
	(b) Other income	0.99	2.90	1.62	3.89	4.67	4.88
	Total income	197.71	191.21	173.84	388.92	334.58	738.33
2	Expenses						
	a) Cost of materials and components consumed	-	-	0.06	-	0.64	0.27
	b) Purchase of stock-in-trade	58.23	67.28	47.50	125.51	124.17	255.34
	c) Changes in inventories of work-in-progress and stock-in-trade	3.39	(3.72)	9.04	(0.33)	(14.43)	(13.25)
	d) Service charges	55.89	51.52	48.48	107.41	92.60	201.00
	e) Employee benefits expense (net)	52.80	47.53	49.91	100.33	92.85	192.74
	f) Finance costs	5.49	5.39	6.79	10.88	12.87	24.96
	g) Depreciation and amortisation expense	2.69	2.50	1.94	5.19	3.87	8.17
	h) Other expenses	15.05	17.09	14.50	32.14	34.74	64.05
	Total expenses	193.54	187.59	178.22	381.13	347.31	733.28
3	Profit / (loss) before exceptional items and tax (1-2)	4.17	3.62	(4.38)	7.79	(12.73)	5.05
4	Exceptional items - (income) (refer note 4)	(1.51)	(2.66)	(7.06)	(4.17)	(19.14)	(14.02)
5	Profit before tax (3-4)	5.68	6.28	2.68	11.96	6.41	19.07
6	Tax expense / (credit)						
	- Current tax	1.04	0.50	1.41	1.54	3.72	5.19
	- Deferred tax	-	-	-	-	-	(1.05)
7	Net profit for the period (5-6)	4.64	5.78	1.27	10.42	2.69	14.93
8	Other comprehensive income / (loss)	3.59	2.75	(0.02)	6.34	(0.30)	(0.26)
9	Total comprehensive income for the period (7+8)	8.23	8.53	1.25	16.76	2.39	14.67
10	Paid-up equity share capital (face value of Rs. 10 each)	29.74	28.47	28.47	29.74	28.47	28.47
11	Other equity (excluding revaluation reserve)						61.64
12	Earnings per share of Rs. 10 each (not annualised):						
	Basic (in Rs.)	1.62	2.03	0.44	3.63	0.84	5.15
	Diluted (in Rs.)	1.59	2.02	0.44	3.57	0.83	5.11

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Statement of Assets and Liabilities

(Rs. in crores)

Particulars	Consolidated	Consolidated
	Unaudited	Audited
	30/09/2018	31/03/2018
ASSETS		
Non-current assets		
Property, plant and equipment	22.49	23.06
Intangible assets	6.53	6.74
Goodwill	93.44	83.76
Financial assets		
Investment in subsidiaries	-	-
Trade receivables	-	0.32
Loans	2.96	3.10
Other non-current financial assets	1.21	1.00
Non-current tax assets (net)	57.58	58.49
Deferred tax assets (net)	1.09	1.04
Other non-current assets	7.05	6.81
Total non-current assets	192.35	184.32
Current assets		
Inventories	30.94	31.01
Financial assets		
Investments	-	-
Trade receivables	216.21	208.22
Cash and cash equivalents	11.48	9.22
Other bank balance	3.47	2.37
Loans	23.12	2.30
Other current financial assets	1.83	29.09
Other current assets	129.67	113.89
Total current assets	416.72	396.10
TOTAL ASSETS	609.07	580.42
EQUITY AND LIABILITIES		
Equity		
Equity share capital	29.74	28.47
Other equity	82.12	61.64
Total equity	111.86	90.11
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	-	4.60
Borrowings	17.45	19.76
Provisions	9.97	10.62
Other non-current liabilities	8.21	11.66
Total non-current liabilities	35.63	46.64
Current liabilities		
Financial liabilities		
Borrowings	122.60	118.39
Trade payables	165.32	138.86
Other current financial liabilities	50.31	45.64
Provisions	4.93	4.27
Other current liabilities	118.42	136.51
Total current liabilities	461.58	443.67
TOTAL EQUITY AND LIABILITIES	609.07	580.42



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STATEMENT OF UNAUDITED CONSOLIDATED SEGMENTAL INFORMATION FOR THE QUARTER AND SIX MONTH ENDED 30 SEPTEMBER 2018

(Rs. in crores)

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
1	Segment revenue						
	India	70.49	71.87	65.33	142.36	126.62	303.39
	USA	71.67	60.39	62.29	132.06	119.02	250.99
	Rest of the world	55.19	59.42	46.27	114.61	92.00	193.03
	Total	197.35	191.68	173.89	389.03	337.64	747.41
	Less : Inter-segment	(0.63)	(3.37)	(1.67)	(4.00)	(7.73)	(13.96)
	Revenue from operations	196.72	188.31	172.22	385.03	329.91	733.45

Revenue includes : Rs. 27.45 Crores, Rs. 31.41 Crores, and Rs. 22.92 Crores for the quarters ended 30 September 2018, 30 June 2018 and 30 September 2017 respectively and Rs. 58.86 and Rs. 46.73 Crores for six month ended 30 September 2018 and 30 September 2017 respectively and Rs. 89.17 Crores for year ended 31 March 2018 for Singapore entity within rest of the world in the above table.

Revenue Includes :Rs. 10.67 Crores, Rs. 12.13 Crores and Rs. 10.32 Crores for the quarters ended 30 September 2018, 30 June 2018 and 30 September 2017 respectively and Rs. 22.80 Crores and Rs. 22.12 Crores for six month ended 30 September 2018 and 30 September 2017 respectively and Rs. 47.60 Crores for year ended 31 March 2018 for Australia within rest of the world in the above table.

Revenue Includes : Rs. 11.47 Crores, Rs. 11.53 Crores and Rs. 8.53 Crores for the quarters ended 30 September 2018, 30 June 2018 and 30 September 2017 respectively and Rs. 23.00 Crores and Rs. 16.49 Crores for six month ended 30 September 2018 and 30 September 2017 respectively and Rs. 39.77 Crores for year ended 31 March 2018 for Dubai within rest of the world in the above table.

Revenue Includes : Rs. 0.92 Crores, Rs. 2.12 Crores and Rs. 0.86 Crores for the quarters ended 30 September 2018, 30 June 2018 and 30 September 2017 respectively and Rs. 3.04 Crores and Rs. 1.70 Crores for six month ended 30 September 2018 and 30 September 2017 respectively and Rs. 5.97 Crores for year ended 31 March 2018 for Kenya within rest of the world in the above table.

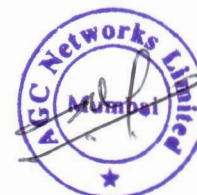
2	Segment results profit / (loss) before tax and interest						
	India	(1.19)	5.01	4.84	3.82	8.98	32.12
	USA	4.98	1.05	1.02	6.03	(0.24)	13.55
	Rest of the world	5.87	2.95	(3.45)	8.82	(8.60)	(15.66)
	Total	9.66	9.01	2.41	18.67	0.14	30.01
	Less : Finance cost	(5.49)	(5.39)	(6.79)	(10.88)	(12.87)	(24.96)
	Profit/(loss) before exceptional items and tax	4.17	3.62	(4.38)	7.79	(12.73)	5.05
	Exceptional items - income / (expense)	1.51	2.66	7.06	4.17	19.14	14.02
	Profit before tax	5.68	6.28	2.68	11.96	6.41	19.07

Profit / loss includes : Profit before tax of Rs. 6.42 Crores for the quarter ended 30 September 2018, Profit before tax of Rs. 4.68 Crores for the quarter ended 30 June 2018, loss before tax of Rs. 6.51 Crores for the quarter ended 30 September 2017 and profit before tax of Rs. 11.10 Crores for the Six month ended 30 September 2018 and loss before tax of Rs. 16.27 Crores for Six month ended 30 September 2017 and loss before tax of Rs. 17.45 Crores for year ended 31 March 2018 for Singapore entity within rest of the world in the above table.

Profit / loss includes : Profit before tax of Rs. 0.22 Crores for the quarter ended 30 September 2018, Profit before tax of Rs. 0.25 Crores for the quarter ended 30 June 2018, loss before tax of Rs. 1.22 Crores for quarter ended 30 September 2017 and profit before tax of Rs. 0.47 Crores for the Six month ended 30 September 2018 and loss before tax of Rs. 1.07 Crores for six month ended 30 September 2017 and loss before tax of Rs. 4.29 Crores for year ended 31 March 2018 for Australia entity within rest of the world in the above table.

Profit / loss includes : Loss before tax of Rs. 0.07 Crores for the quarter ended 30 September 2018, Loss before tax of Rs. 0.76 Crores for the quarter ended 30 June 2018, profit before tax of Rs. 4.62 Crores for quarter ended 30 September 2017 and loss before tax of Rs. 0.83 Crores for the Six month ended 30 September 2018 and profit before tax of Rs. 8.90 Crores for the six month ended 30 September 2017 and profit before tax of Rs. 6.58 Crores for year ended 31 March 2018 for Dubai entity within rest of the world in the above table.

Profit / loss includes : Loss before tax of Rs. 1.55 Crores for the quarter ended 30 September 2018, Loss before tax of Rs. 1.07 Crores for the quarter ended 30 June 2018, loss before tax of Rs. 1.05 Crores for quarter ended 30 September 2017 and loss before tax of Rs. 2.62 Crores for the Six month ended 30 September 2018 and loss before tax of Rs. 1.63 Crores for the six month ended 30 September 2017 and loss before tax of Rs. 3.38 Crores for year ended 31 March 2018 for Kenya entity within rest of the world in the above table.



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STATEMENT OF UNAUDITED CONSOLIDATED SEGMENTAL INFORMATION FOR THE QUARTER AND SIX MONTH ENDED 30 SEPTEMBER 2018

(Rs. in crores)

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
3	Capital employed						
	India	90.41	89.71	65.97	90.41	65.97	85.51
	USA	9.58	1.79	(7.61)	9.58	(7.61)	(1.63)
	Rest of the world	11.87	7.27	14.27	11.87	14.27	6.22
	Capital employed	111.86	98.77	72.63	111.86	72.63	90.10

Capital employed includes : Rs. 12.71 Crores, Rs. 6.65 Crores and Rs. 5.01 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Singapore entity within rest of the world in the above table.

Capital employed includes : Rs. 1.75 Crores, Rs. 1.00 Crores and Rs. 2.39 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Australia within rest of the world in the above table.

Capital employed includes : Rs. 3.09 Crores, Rs. 3.91 Crores and Rs. 8.09 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Dubai within rest of the world in the above table.

Capital employed includes : Rs. 7.90 Crores, Rs. 5.96 Crores and Rs. 2.85 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Kenya within rest of the world in the above table.

4	Segment assets						
	India	327.37	322.63	328.95	327.37	328.95	338.63
	USA	212.42	190.53	178.26	212.42	178.26	177.41
	Rest of the world	255.34	235.25	230.10	255.34	230.10	232.03
	Less: Inter segment	(186.06)	(167.15)	(149.92)	(186.06)	(149.92)	(167.66)
	Total assets	609.07	581.26	587.39	609.07	587.39	580.42

Segment asset includes : Rs. 176.25 Crores, Rs. 157.68 Crores, Rs. 159.69 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Singapore entity within rest of the world in the above table.

Segment assets include : Rs. 34.95 Crores, Rs. 34.96 Crores, Rs. 36.82 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Australia within rest of the world in the above table.

Segment assets include : Rs. 26.58 Crores, Rs. 26.71 Crores, Rs. 17.75 Crores is as on 30 September 2018, 30 June 2018, 30 September 2017 respectively for Dubai within rest of the world in the above table.

Segment assets include : Rs. 5.12 Crores, Rs. 5.52 Crores, Rs. 5.47 Crores is as on 30 September 2018, 30 June 2018, 30 September 2017 respectively for Kenya within rest of the world in the above table.

5	Segment liabilities						
	India	236.96	232.92	262.98	236.96	262.98	253.12
	USA	202.84	188.74	185.87	202.84	185.87	179.04
	Rest of the world	243.47	227.98	215.83	243.47	215.83	225.81
	Less: Inter segment	(186.06)	(167.15)	(149.92)	(186.06)	(149.92)	(167.66)
	Total liabilities	497.21	482.49	514.76	497.21	514.76	490.31
	Capital employed	111.86	98.77	72.63	111.86	72.63	90.11

Segment liabilities includes : Rs. 163.54 Crores, Rs. 151.03 Crores, Rs. 154.70 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Singapore entity within rest of the world in the above table.

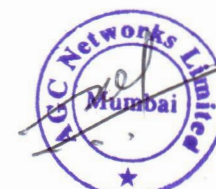
Segment liabilities include : Rs. 33.20 Crores, Rs. 33.96 Crores, Rs. 34.43 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Australia within rest of the world in the above table.

Segment liabilities include : Rs. 23.49 Crores, Rs. 22.80 Crores, Rs. 9.66 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Dubai within rest of the world in the above table.

Segment liabilities include : Rs. 13.02 Crores, Rs. 11.48 Crores, Rs. 8.32 Crores is as on 30 September 2018, 30 June 2018 and 30 September 2017 respectively for Dubai within rest of the world in the above table.

Notes on Segment Information :

Based on the "management approach" as defined in Ind AS 108 - 'Operating segments', the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by geographical region.



Notes:

- 1) Results for the quarter and six months ended 30 September 2018 have been prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016.
- 2) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2018. The auditors have carried out a limited review of these unaudited results.
- 3) The Board at its meeting held on 12 August 2014 allotted 1,500,000 1% non-cumulative non-convertible redeemable preference shares (NCRPS) having face value of Rs.100 each for the period of 7 years. On 30 March 2018, the Company received approval from the preference shareholders for extension of term by 5 years post expiry of original term of 7 years. Further, pursuant to the shareholders approval and in principle approval from the stock exchanges, the nature and terms of the NCRPS were changed to compulsory convertible preference shares (CCPS). Subsequently on 31 August 2018, Company has allotted equity shares on account of conversion of the CCPS as per pricing formula prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of Rs.118 per equity share.
- 4) Exceptional items:

Particulars	Quarter ended			Six months ended		(Rs. in crores)
	30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	Year ended 31/03/2018
Reversal of provision against obsolete/non-moving inventory [refer note (a)]	-	2.15	-	2.15	12.08	12.08
Reversal of rent [refer note (b)]	-	-	5.21	-	5.21	5.21
Interest income against sale of property, plant and equipment [refer note (c)]	0.40	0.51	1.85	0.91	1.85	3.23
Profit on sale of property, plant and equipment [refer note (d)]	1.11	-	-	1.11	-	-
Write off of old receivable balances against sale of property, plant and equipment [refer note (e)]	-	-	-	-	-	(6.50)
	1.51	2.66	7.06	4.17	19.14	14.02

(a) Represents reversal of inventory provisions made in earlier years to reflect lower of cost and net realisable value. The Company has entered into an agreement with a buyer for sale of these inventories.

(b) Represents reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor.

(c) Represents interest income on sale consideration receivable from the buyer towards assignment of property situated at Gandhinagar.

(d) Represents profit on sale of property, plant and equipment situated at Gandhinagar.

(e) Represents write off of old receivable balances against sale of property, plant and equipment.

- 5) During the year ended 31 March 2015, the Company entered into deed 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. 44.63 Crores. During April 2015, the lender to whom these assets were provided as security provided its 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 that were considered to be procedural in nature. Accordingly, the Company had recognised profit on sale of property, plant and equipment of Rs. 40.85 crores (net of incidental expenses Rs. 3.39 Crores) during the year ended 31 March 2015.

During the current quarter, the said property was re-assigned to the name of the Company by the buyer since the buyer expressed its inability to get the aforementioned sale deed registered with the relevant government authority. Subsequently, the said property has been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores, and the Company has recorded the differential amount between the said consideration and balance receivable amounting Rs. 1.11 crores from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting Rs. 22.23 crores from the erstwhile buyer is not required to be refunded by the Company.

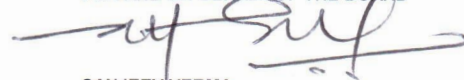
- 6) The statement of consolidated results are prepared in accordance with the requirements of Ind AS 110 – 'Consolidated Financial Statements' specified under Section 133 of the Companies Act, 2013.

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 Limited, Kenya
AGCN Solutions Pte. Limited
AGC Networks L.L.C., Dubai
AGC Networks L.L.C., Abu Dhabi

- 7) Previous period/year 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 : 14 November 2018
CIN : L32200MH1986PLC040652



as

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Standalone Quarterly 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 ('Statement') of AGC Networks Limited ('the Company') for the quarter ended 30 September 2018 and the year to date results for the period 1 April 2018 to 30 September 2018, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 5 to the statement, during the year ended 31 March 2015, the Company had recognised sale of a property, classified as fixed assets under previous GAAP, having carrying value of Rs. 0.74 crores, and recorded profit on such sale amounting Rs. 40.85 crores (net of incidental selling expenses amounting Rs. 3.04 crores). In our opinion, the significant risks and rewards of ownership of the said property were not transferred when such sale was recognised, and therefore, recognition of such sale and the accounting treatment followed by the Company were not in accordance with the principles of Indian Accounting Standard (Ind AS) 16, Property, Plant and Equipment.



AGC Networks Limited

Independent Auditor's Review Report on Standalone Quarterly Financial Results – 30 September 2018

Our reports on the financial results for the quarter ended 30 June 2018, and quarter and six months ended 30 September 2017 and on the financial statements for the year ended 31 March 2018 were also qualified in respect of the above matter.

During the current quarter, the said property was re-assigned to the Company by the buyer, and thereafter, significant risks and rewards in respect of the said property have been transferred to another buyer through a separate sale transaction for a consideration of Rs 23.51 crores. However, instead of recognition of sale of this property in the current quarter in accordance with the principles of Ind AS 16, Property, Plant and Equipment, the Company has recorded only the differential amount between the said consideration and balance receivable amounting Rs 22.40 crores from the earlier incorrectly recognised sale, as profit on sale of property, plant and equipment.

Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors relating to incorrect recognition of sale, in earlier year, of the said property in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and subsequently recorded the sale of such property in the current quarter as per principles of Ind AS 16, exceptional item (income), representing gain on sale of property, plant and equipment, for the quarter and six months ended 30 September 2018 would have been higher by Rs. 22.79 crores (31 March 2018 Nil., 30 June 2018: Nil, 30 September 2017: Nil) while depreciation expense for the said periods would have been higher by Rs. 0.01 crores (year ended 31 March 2018 : Rs. 0.04 crores, 30 June 2018: Rs. 0.01 crores, 30 September 2017: Rs. 0.01 crores); The balance consideration receivable from the buyer in the first sale transaction amounting Rs. 22.40 crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings as at 30 September 2018 would be Nil (year ended 31 March 2018 : Rs. 37.58 crores, 30 June 2018: Rs. 37.57 crores, 30 September 2017: Rs. 37.60 crores).

4. Based on our review conducted as above, except for the effects of the matter described in previous paragraphs, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



Nikhilesh Nagar

Partner

Membership No. 079597

Place: Mumbai

Date: 14 November 2018

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 AND SIX MONTHS ENDED 30 SEPTEMBER 2018

(Rs.in crores)

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
1	Income						
	(a) Revenue from operations	70.49	71.87	65.33	142.36	126.62	303.39
	(b) Other income	0.73	3.06	1.40	3.79	4.83	5.30
	Total income	71.22	74.93	66.73	146.15	131.45	308.69
2	Expenses						
	a) Cost of materials and components consumed	-	-	0.06	-	0.64	0.27
	b) Purchase of stock-in-trade	22.80	29.44	14.09	52.24	59.33	129.55
	c) Changes in inventories of work-in-progress and stock-in-trade	4.13	(1.35)	9.84	2.78	(12.15)	(11.46)
	d) Service charges	23.08	21.23	19.38	44.31	36.93	81.79
	e) Employee benefits expense (net)	13.28	10.97	11.64	24.25	21.01	46.27
	f) Finance costs	4.52	4.52	5.76	9.04	10.71	20.90
	g) Depreciation and amortisation expense	0.53	0.51	0.50	1.04	1.08	2.13
	h) Other expenses	8.59	9.12	6.38	17.71	15.63	28.02
	Total expenses	76.93	74.44	67.65	151.37	133.18	297.47
3	Profit/(loss) before exceptional items and tax (1-2)	(5.71)	0.49	(0.92)	(5.22)	(1.73)	11.22
4	Exceptional items - (income) (refer note 4)	(1.51)	(2.66)	(7.06)	(4.17)	(19.14)	(20.52)
5	Profit/(loss) before tax (3-4)	(4.20)	3.15	6.14	(1.05)	17.41	31.74
6	Tax expense	-	-	-	-	-	-
7	Net profit/(loss) for the period (5-6)	(4.20)	3.15	6.14	(1.05)	17.41	31.74
8	Other comprehensive income/(loss)	0.04	0.93	0.03	0.97	(0.90)	(0.90)
9	Total comprehensive income/(loss) for the period (7+8)	(4.16)	4.08	6.17	(0.08)	16.51	30.84
10	Paid-up equity share capital (face value of Rs. 10 each)	29.74	28.47	28.47	29.74	28.47	28.47
11	Other equity						57.04
12	Earnings/(loss) per share of Rs. 10 each (not annualised):						
	Basic (in Rs.)	(1.46)	1.11	2.17	(0.37)	5.80	10.83
	Diluted (in Rs.)	(1.46)	1.10	2.15	(0.37)	5.75	10.74

as



Statement of Assets and Liabilities

(Rs. in crores)

Particulars	Standalone	Standalone
	Unaudited	Audited
	30/09/2018	31/03/2018
ASSETS		
Non-current assets		
Property, plant and equipment	7.39	7.89
Intangible assets	1.18	1.47
Financial assets		
Investments	48.72	48.72
Trade receivables	-	0.32
Loans	2.50	2.60
Other non-current financial assets	1.21	1.00
Non-current tax assets (net)	56.07	57.19
Deferred tax Assets	-	-
Other non-current assets	7.63	7.49
Total non-current assets	124.70	126.68
Current assets		
Inventories	19.27	22.45
Financial assets		
Investments	-	-
Trade receivables	93.89	103.64
Cash and cash equivalents	0.48	0.86
Other bank balance	1.29	0.84
Loans	22.84	2.05
Other current financial assets	1.83	29.09
Other current assets	63.07	53.02
Total current assets	202.67	211.95
TOTAL ASSETS	327.37	338.63
EQUITY AND LIABILITIES		
Equity		
Equity share capital	29.74	28.47
Other equity	60.67	57.04
Total equity	90.41	85.51
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	0.71	5.50
Borrowings	-	-
Provisions	5.70	6.69
Other non-current liabilities	3.60	5.09
Total non-current liabilities	10.01	17.28
Current liabilities		
Financial liabilities		
Borrowings	104.50	117.27
Trade payables	69.00	64.78
- Micro and small enterprises		
- Creditors other than micro and small enterprises		
Other current financial liabilities	17.97	16.34
Provisions	0.70	0.79
Other current liabilities	34.78	36.66
Total current liabilities	226.95	235.84
TOTAL EQUITY AND LIABILITIES	226.95	235.84



Notes:

- 1) Results for the quarter and six months ended 30 September 2018 have been prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016.
- 2) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2018. The auditors have carried out a limited review of these unaudited results.
- 3) The Board at its meeting held on 12 August 2014 allotted 1,500,000 1% non-cumulative non-convertible redeemable preference shares (NCRPS) having face value of Rs.100 each for the period of 7 years. On 30 March 2018, the Company received approval from the preference shareholders for extension of term by 5 years post expiry of original term of 7 years. Further, pursuant to the shareholders approval and in principle approval from the stock exchanges, the nature and terms of the NCRPS were changed to compulsory convertible preference shares (CCPS). Subsequently on 31 August 2018, Company has allotted equity shares on account of conversion of the CCPS as per pricing formula prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of Rs.118 per equity share.
- 4) Exceptional items:

Particulars	Quarter ended			Six months ended		(Rs. in crores)
	30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	Year ended 31/03/2018
Reversal of provision against obsolete/non-moving inventory [refer note (a)]	-	2.15	-	2.15	12.08	12.08
Reversal of rent [refer note (b)]	-	-	5.21	-	5.21	5.21
Interest income against sale of property, plant and equipment [refer note (c)]	0.40	0.51	1.85	0.91	1.85	3.23
Profit on sale of property, plant and equipment [refer note (d)]	1.11	-	-	1.11	-	-
	1.51	2.66	7.06	4.17	19.14	20.52

(a) Represents reversal of inventory provisions made in earlier years to reflect lower of cost and net realisable value. The Company has entered into an agreement with a buyer for sale of these inventories.

(b) Represents reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor.

(c) Represents interest income on sale consideration receivable from the buyer towards assignment of property situated at Gandhinagar.

(d) Represents profit on sale of property, plant and equipment situated at Gandhinagar.

- 5) During the year ended 31 March 2015, the Company entered into deed 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. 44.63 crores. During April 2015, the lender to whom these assets were provided as security provided its in-principle 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 that were considered to be procedural in nature. Accordingly, the Company had recognised profit on sale of property, plant and equipment of Rs. 40.85 crores (net of incidental expenses Rs. 3.39 crores) during the year ended 31 March 2015.

During the current quarter, the said property was re-assigned to the name of the Company by the buyer since the buyer expressed its inability to get the aforementioned sale deed registered with the relevant government authority. Subsequently, the said property has been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores, and the Company has recorded the differential amount between the said consideration and balance receivable amounting Rs. 22.40 crores from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting Rs. 22.23 crores from the erstwhile buyer is not required to be refunded by the Company.

- 6) Previous period/year figures have been re-grouped and reclassified, wherever necessary, to conform to those of the current period.

Place: Mumbai
Date : 14 November 2018
CIN : L32200MH1986PLC040652



FOR AND ON BEHALF OF THE BOARD

[Signature]

SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN: 06871685