

Transformational Growth

Annual Report 2010-2011

It is often
difficult to
visualize
the end at the
beginning
of a **journey.**





We at **AGC Networks**
believe that our ability
to predict outcomes can add
real value to our clients'
quest for **business success**.



As a **world leader**
in providing **integrated**
business **technology**
solutions, we have
the right suite of products and
services to aid our
client's needs.



We see **ourselves**
as enablers who
collaborate
with our clients' to shape
higher growth
trajectories. Our approach
focuses on
innovation
within our **clients'**
specific context.



AGC Networks, we enable
transformational growth.

Inspired by a journey



The theme of this year's Annual Report is inspired by the journey that every thread of silk takes to become a piece of fashion article. Each stage is not organic as much as it is transformative. Our own journey is similar in many ways.

Contents

	Page No.
Notice	13-25
Directors' Report	26-30
Management Discussion and Analysis Report	31-36
Corporate Governance Report	37-46
Auditors' Report	47-49
Balance Sheet	50
Profit and Loss Account	51
Schedules to Accounts	52-75
Cash Flow Statement	76-77
Auditors' Report - Consolidated Accounts	79
Consolidated Balance Sheet	80
Consolidated Profit and Loss Account	81
Consolidated Schedules to Accounts	82-102
Consolidated Cash Flow Statement	103-104
GlobalConnect Australia Pty Ltd. Annual Report (As on 31.03.2011)	105-122

Company Information

Directors

S. Ramakrishnan - Chairman
S. K. Jha - Managing Director & CEO
Anil Nair - Joint Managing Director & President
Anshuman Ruia
Aparup Sengupta
Anil Batra
Debashis Chatterjee
Vikash Saraf

Company Secretary

Vishal Kohli

Auditors

M/s. S. R. BATLIBOI & ASSOCIATES,
Chartered Accountants

Registered Office

Equinox Business Park (Peninsula Techno Park),
Off Bandra Kurla Complex, LBS Marg,
Kurla (West), Mumbai - 400 070

Works

E-1/I, Gandhinagar Electronics Estate,
Gandhinagar - 382 028, Gujarat

Regional Offices

Bangalore, Chennai, Gurgaon, Kolkata, Mumbai, Pune

Branches and Service Centres

Ahmedabad, Bilaspur,
Chandigarh, Guwahati,
Hyderabad, Kochi,
Nagpur, Surat, Vadodara

Bankers - Bank of India

Credit Agricole - CIB
IDBI Bank Limited

Registrars and Share Transfer Agents

Datamatics Financial Services Limited
Plot No. B5, MIDC, Part B Cross Lane,
Andheri (East), Mumbai - 400 093

Audit Committee

S. Ramakrishnan - Chairman
Anil Batra
Debashis Chatterjee
Aparup Sengupta

Shareholders'/Investors' Grievance Committee

Anil Batra - Chairman
Debashis Chatterjee
S. K. Jha

Ethics and Compliance Committee

Debashis Chatterjee - Chairman
Anil Batra

Remuneration Committee

Anil Batra - Chairman
S. Ramakrishnan
Aparup Sengupta
Vikash Saraf

Executive Committee

Aparup Sengupta
S. K. Jha
Anil Nair
Vikash Saraf

Note: The Directorship & Committee Position is as on March 31, 2011

Notice

AGC NETWORKS LIMITED (formerly Avaya GlobalConnect Limited)

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of AGC Networks Limited will be held on Friday, the 29th day of July, 2011 at 11:00 A.M. at the Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021, to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, audited Profit and Loss Account for the period ended March 31, 2011 and the Balance Sheet as at that date.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Prof. Debashis Chatterjee who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Aparup Sengupta who retires by rotation and is eligible for re-appointment.
5. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration and for the purpose, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-

“RESOLVED that M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai, be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company, to examine and audit the accounts of the Company for the financial year 2011-12 on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors in addition to reimbursement of service tax, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.”

6. To appoint Branch Auditors in countries outside India in consultation with the Statutory Auditors and for the purpose, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-

“RESOLVED that pursuant to Section 228 and other applicable provisions of the Companies Act, 1956, the Board of Directors be and is hereby authorized to appoint / reappoint any person(s) qualified for appointment as Auditor(s) or an Accountant or Accountants duly qualified to act as Auditors of the Branch Office(s) of the Company situated in countries outside India, in accordance with the law of that country in which the branch office(s) of the Company is / are situated, to audit the Accounts of the Company's Branch Office(s) abroad, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration for the said period.”

SPECIAL BUSINESS

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-

“RESOLVED that Mr. Sujay R. Sheth, who was appointed as Additional Director by the Board of Directors of the Company pursuant to Article 151 of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-

“RESOLVED that Mr. Shuva Mandal, who was appointed as Additional Director by the Board of Directors of the Company pursuant to Article 151 of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-

“RESOLVED that in partial modification of the Resolutions passed at the Annual General Meeting of the Company held on January 29, 2010 and December 20, 2010 and in accordance with the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, approval be and is hereby accorded for the change in the salary structure of Mr. Anil Nair, Joint Managing Director and President, as per table mentioned below, his other terms and conditions of appointment and overall remuneration remaining the same :

- II. Remuneration :

(a) Salary :

w.e.f. April 01, 2011

Particulars	Amount p.m.	Amount p.a.
Basic	2,40,000/-	28,80,000/-
House Rent Allowance (HRA)	1,00,000/-	12,00,000/-
Sodexho Coupon (Food Coupons)	4,000/-	48,000/-
Education Allowance	200/-	2,400/-
Telephone Reimbursement	2,750/-	33,000/-
Car – EMI	36,115/-	4,33,380/-
Fuel & Maintenance Reimbursement	48,885/-	5,86,620/-
Driver Salary Reimbursement	12,000/-	1,44,000/-
Other Allowance	3,22,987/-	38,75,840/-
City Compensatory Allowance (CCA)	4,500/-	54,000/-
Leave Travel Assistance (LTA)	15,000/-	1,80,000/-
Medical Expenses	1,250/-	15,000/-
Gratuity (4.81% of basic)	11,533/-	1,38,400/-
Provident Fund (12% of basic)	780/-	9,360/-
Superannuation (15% of basic)	0	0
Incentive (Performance linked) (on 100% performance)	4,66,667/-	56,00,000/-
Company Performance Incentive (CPI) (5% of CTC)	66,667/-	8,00,000/-
Total	13,33,333/-	1,60,00,000/-

Note : The Life Insurance Policy for Mr. Anil Nair will not be renewed (as the Company has stopped Life Insurance benefit for all employees).”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

“RESOLVED that in supersession of any earlier resolution passed, if any, and pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) (‘the Act’), the Company hereby approves that the Register of Members, Index of Members, Register and Index of Debenture holders (if any), Returns of Allotment made from time to time and copies of all the Annual Returns prepared under Section 159 of the Act, along with other certificates and documents required to be annexed thereto under Section 161 of the Act and other applicable provisions, be kept at the offices of Datamatics Financial Services Limited, Registrars and Share Transfer Agents of the Company at Plot No. B-5, Part B Crosslane, MIDC, Marol, Andheri (East), Mumbai – 400093.”

Notes :

- a. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under items 7, 8, 9 & 10 set out above are annexed hereto. The relevant details in respect of item nos. 3 & 4 above, as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges are also annexed.
- b. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. In order to be effective, the proxy must be received by the Company not less than 48 hours before the meeting.
- c. Member / Proxy holder must bring the attendance slip to the meeting and hand it over at the entrance duly signed.
- d. The Register of Members and the Share Transfer Books of the Company will remain closed from 12th July, 2011 to 29th July, 2011 (both days inclusive).
- e. The dividend on Equity Shares as recommended by the Directors for the period ended March 31, 2011, if declared at the meeting will be paid on and after August 19, 2011, to those Members whose names appear on the Register of Members of the Company on July 29, 2011. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on July 11, 2011, as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
- f. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrars and Share Transfer Agents of the Company.
- g. Members are requested to notify, immediately, any change in their address to the Company's Registrars and Share Transfer Agents.
- h. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- i. Members are requested to bring their copy of the Annual Report.
- j. Members are advised to avail ECS facility for the credit of dividend directly to their bank accounts. This facilitates quick credit of the dividend amount and eliminates any delay or loss of the dividend warrants in transit and also ensures safety against fraudulent encashment.
- k. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 1997-98, 2001-02 & 2002-03 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Dividends for the financial year ended March 31, 2004 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they become due for payment will be transferred by the Company to IEPF. Members who have not so far encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Share Transfer Agents, immediately.

Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed or unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.

- l. As the members are aware, your Company's shares are tradable compulsorily in electronic form. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's shares on either of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
- m. In order to provide protection against fraudulent encashment of the warrants, members holding shares in physical form are requested to intimate the Registrar and Share Transfer Agents under the signature of the

Sole / First holder, the following information to be incorporated on the Dividend Warrants : (i) Name of the Sole / First joint holder and the folio number, (ii) Particulars of the Bank Account viz., (1) Name of the Bank, (2) Name of the Branch, (3) Complete address of the Bank with Pin code number, and (4) Bank Account no. allotted by the Bank.

In respect of other matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name / address etc., the members are requested to approach the Company's Registrars and Share Transfer Agents, in case of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company / Registrars and Share Transfer Agents, members are requested to quote their account / folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

- n. In view of the change in the name of the Company from 'Avaya GlobalConnect Limited' to "AGC Networks Limited" w.e.f. April 27, 2010, the Registrars and Share Transfer Agents would be stamping the new name of the Company as and when the share certificates are lodged with them for transfer, transposition, splitting, consolidation, etc.
- o. M/s. Datamatics Financial Services Limited (DFSL) have been appointed as the Company's "Registrar and Share Transfer Agent" in place of M/s. TSR Darashaw Limited with effect from March 01, 2011.

All members and investors are hereby advised to contact DFSL at the following address for any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, dividend payments and other query / grievance relating to the shares :

M/s. Datamatics Financial Services Limited,
Plot No. B-5, Part B Crosslane,
MIDC, Marol, Andheri (East), Mumbai – 40093
Tel : +91 22 6671 2151 to 6671 2156
Fax : +91 22 6671 2209
E-mail : agcinvestors@dfssl.com

- p. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Datamatics Financial Services Limited (DFSL) - the Company's "Registrar and Share Transfer Agent".

Keeping in view the theme underlying the circular issued by MCA, the Company proposes to send documents like notice calling for annual general meeting, audited financial statements, directors' report, auditors' report, etc. from the financial year April 01, 2011 onwards and other communications, in electronic form, to e-mail addresses of those members which are available in the records of the Company.

In case you desire to receive the documents mentioned above in physical form, you are requested to send an e-mail to agcinvestors@dfssl.com or a letter to Datamatics Financial Services Ltd. (DFSSL), Plot No. B5, MIDC, Part B Cross Lane, Andheri (East), Mumbai - 400 093 and register on or before 15th July, 2011. But if you do not opt to receive the aforesaid documents in physical form or you do not respond to this communication on or before 15th July, 2011, you will be deemed to have opted for receiving documents from the Company in electronic form by e-mail and accordingly, all the communication would be sent to you by e-mail to your e-mail address available in the records of the Company. Service of notices / documents to the members, whose e-mail addresses are not registered with the depository or the Company, will be effected by modes of service as provided under Section 53 of the Companies Act, 1956.

Please note that these documents will also be available on the Company's website www.agcnetworks.com for download by the shareholders. Physical copies will also be available for inspection during office hours at our Registered Office in Mumbai.

By Order of the Board of Directors

Place : Mumbai
Date : May 21, 2011

VISHAL KOHLI
Company Secretary

Registered Office :
Equinox Business Park
(Peninsula Techno Park),
Off Bandra Kurla Complex,
LBS Marg, Kurla West,
Mumbai – 400 070.

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956

Item No. 7 :

Mr. Sujay Rajababu Sheth was appointed as an Additional Director of the Company at the Board meeting of the Company held on May 21, 2011. Pursuant to Section 260 of the Companies Act, 1956, Mr. Sujay R. Sheth will hold office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Sujay R. Sheth for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Mr. Sujay R. Sheth, holds a Bachelor's degree in Commerce from the Bombay University. He is a Fellow member of the Institute of Chartered Accountants of India. Currently, Mr. Sheth is the Managing Partner of J. K. Doshi & Co., Chartered Accountants, a reputed firm of Chartered Accountants, established in 1955.

Mr. Sheth's areas of experience are Finance and Accounting, with deep knowledge of direct taxes, corporate laws and significant experience in the fields of transaction advisory, pre-acquisition studies, corporate governance, assurance, valuation and direct taxation. Mr. Sheth is involved in audit, taxation, attestation and assurance functions of a wide selection of Indian and multi-national clients.

Nature of expertise in specific functional areas - Finance and Accounting.

As on May 21, 2011, Mr. Sujay R. Sheth is not a Director of any other Company.

Mr. Sheth does not hold any equity shares (either in own name or held by / for other persons on a beneficial basis) in the Company.

The Board of Directors considers that in view of the background and experience of Mr. Sujay R. Sheth, it would be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends the resolution for approval of the members.

Save and except Mr. Sujay R. Sheth, none of the Directors is, in any way, concerned or interested in this resolution.

Item No. 8 :

Mr. Shuva Mandal was appointed as an Additional Director of the Company at the Board meeting of the Company held on May 21, 2011. Pursuant to Section 260 of the Companies Act, 1956, Mr. Shuva Mandal will

hold office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Shuva Mandal for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Mr. Shuva Mandal is the Managing Partner with Fox Mandal & Associates (FoxMandal Little) and also partner with Little & Co. He also serves the board of companies in India including Lloyds TSB Global Services Pvt. Ltd. and Bloom Energy India Pvt. Ltd. as Non-Executive Director.

Mr. Mandal brings in more than 20 years of experience as a standing lawyer. He specializes in Mergers & Acquisitions and strategic advises on inbound and outbound investments. His practice includes corporate governance, corporate finance, joint ventures, disposal of private companies, private equity & securities transaction, public offerings of debt and equity securities, Real Estate, Employment & Labour, Non Profit Organisation, Education, etc.

Nature of expertise in specific functional areas - Mergers & Acquisitions and Strategic advises on inbound and outbound investments.

As on May 21, 2011, Mr. Shuva Mandal is a Director and Member of Committees of Boards of other Companies as under :

<u>Directorship</u>	<u>Member of Committees of Board</u>
alive Media Productions and Entertainment-Private Limited	- Nil
Aurko Live Productions Private Limited	
alive outdoor Services Private Limited	
Legal Brain Outsourcing (India) Private Limited	
Fox Mandal Services Private Limited	
Reflections Developers Private Limited	
Bloom Energy (India) Private Limited	
Third Financial Software Systems (India)-Private Limited	
Lloyds TSB Global Services Private Limited	
FM Legal Circle Services Private Limited	
Salt & Light Marketing & Distribution-Private Limited	

Mr. Mandal does not hold any equity shares (either in own name or held by / for other persons on a beneficial basis) in the Company.

The Board of Directors considers that in view of the background and experience of Mr. Shuva Mandal, it would be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends the resolution for approval of the members.

Save and except Mr. Shuva Mandal, none of the Directors is, in any way, concerned or interested in this resolution.

Item No. 9 :

The members of the Company, at the last Annual General Meeting held on December 20, 2010, approved the following remuneration for Mr. Anil Nair, Joint Managing Director and President of the Company :

I. Period of Appointment :

April 28, 2009 to April 27, 2012.

The services of the Jt. Managing Director & President may be terminated by either party, by giving the other party six (6) months' notice or either party paying six (6) months' consolidated / gross salary in lieu of the notice period or part thereof.

Provided that if at any time the 'Jt. Managing Director & President' ceases to be a Director of the Company, for any cause whatsoever, he shall cease to be the 'Jt. Managing Director & President' of the Company.

II. Remuneration :

(a) Salary :

Particulars	Amount p.m.	Amount p.a.
Basic	2,40,000/-	28,80,000/-
House Rent Allowance (HRA)	1,00,000/-	12,00,000/-
Sodexho Coupon	4,000/-	48,000/-
Education Allowance	200/-	2,400/-
Telephone Reimbursement	2,750/-	33,000/-
Car – EMI	60,000/-	7,20,000/-
Fuel & Maintenance Reimbursement	25,000/-	3,00,000/-
Driver Salary Reimbursement	12,000/-	1,44,000/-
Other Allowance	2,58,967/-	31,07,600/-
City Compensatory Allowance (CCA)	4,500/-	54,000/-
Leave Travel Assistance (LTA)	15,000/-	1,80,000/-
Medical Expenses	1,250/-	15,000/-
Gratuity (4.81% of basic)	11,533/-	1,38,400/-
Provident Fund (12% of basic)	28,800/-	3,45,600/-
Superannuation (15% of basic)	36,000/-	4,32,000/-
Incentive (Performance linked) (on 100% performance)	4,66,667/-	56,00,000/-
Company Performance Incentive (CPI) (5% of CTC)	66,667/-	8,00,000/-
Total	13,33,333/-	1,60,00,000/-

(b) Other Allowances and Perquisites :-

The other Allowances and Perquisites will be inclusive of the following :

(i) Communication facilities :

The Company shall provide cellphone facility to the Jt. Managing Director & President, the expenses for which shall be reimbursed at actuals.

(ii) Club Membership :

The company shall allow the Jt. Managing Director & President to use the corporate club membership and will pay the annual subscription fees not exceeding Rs. 20,000/- per annum plus taxes.

(c) Others :-

(i) Leave Encashment :

Encashment of the leave at the end of the tenure.

(ii) Payment / Reimbursement of entertainment, traveling and other expenses incurred for the business of the Company. The Jt. Managing Director & President shall also be entitled to Credit Card for

enabling him to make payment of expenses incurred for the business of the Company. Further, the Jt. Managing Director & President shall be entitled to reimbursement of expenses incurred by him through credit cards, for the business of the Company.

- (iii) The Jt. Managing Director & President shall be entitled to Health / Medical Insurance for self and family. The Jt. Managing Director & President shall also be entitled to Personal Accident Insurance cover. The limits in respect of Health / Medical Insurance and Personal Accident Insurance shall be as applicable from time to time.

Explanation :

Perquisites, allowances and amenities, etc. shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

'Family' means the spouse, dependent children and dependent parents of the Jt. Managing Director & President.

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

- (d) The Jt. Managing Director & President shall be entitled to be paid / reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.
- (e) The increment(s) of the Jt. Managing Director & President will be merit-based and take into account the Company's performance.

III. Overall Remuneration :

The aggregate of salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

IV. Minimum Remuneration :

Where in any financial year, the Company has no profits or its profits are inadequate, the payment of salary, commission, perquisites and other allowances, shall be paid or given to the Jt. Managing Director & President, subject to the applicable provisions of Schedule XIII of the Companies Act, 1956 and the approval of the Central Government, if required.

V. Other terms and conditions :

1. The Jt. Managing Director & President shall be in-charge of the day-to-day management of the business and affairs of the Company and shall, subject to the superintendence, control and direction of the Board of Directors of the Company, as also subject to the provisions of the Companies Act, 1956, and Articles of Association of the Company, look after and manage day-to-day affairs and business of the Company and for such purpose the Jt. Managing Director & President shall have the authority to appoint any Officer, Executive, Technician, Engineer or other staff members, buy and sell goods (including capital assets) for and on behalf of the Company, grant loans from or otherwise lend or invest the Company's funds, etc., provided always that the Jt. Managing Director & President shall exercise his powers subject to such limits and conditions, if any, as may be imposed from time to time by the Board of Directors.
2. During the continuance of his appointment the Jt. Managing Director & President shall use his best endeavors to promote the interests and welfare of the Company. He shall not either before or after the termination of his appointment disclose to any person whomsoever any information relating to the Company or its business or customers or any trade secrets of which he shall become possessed of while acting as Jt. Managing Director & President. Further, the Jt. Managing Director & President shall also enter into / execute a non-compete agreement with the Company.
3. The Jt. Managing Director & President undertakes not to become interested or otherwise concerned directly or through his wife and / or minor children and / or dependent parents in any selling agency of the Company, at present and in future, without the prior approval of the Central Government, and the appointment shall cease and determine upon the contravention of this undertaking.

4. The Jt. Managing Director & President shall not be entitled to supplement his earnings with any buying or selling commissions.
5. In terms of Article 182 of the Articles of Association of the Company, the Jt. Managing Director & President shall not, while he continues to hold that office, be subject to retirement by rotation.
6. The Jt. Managing Director & President, so long as he functions as such, shall not be paid any sitting fees for attending the Meetings of the Board or Committee thereof.
7. Subject to the supervision and control of the Board of Directors, the day-to-day management of the Company shall be in the hands of the Jt. Managing Director & President.
8. The Jt. Managing Director & President shall also perform such other duties and services and exercise such powers as shall from time to time be entrusted to him by the Directors including the powers exercisable by the Board under the Articles of Association of the Company.

Additionally, the members also approved the payment of the following additional remuneration / retention plan amount to Mr. Anil Nair, Jt. Managing Director & President (re-designated as 'Joint Managing Director and President' with effect from August 31, 2010) :

- (i) Amount - Rs. 160 lakhs (in addition to notice / non-compete period)
- (ii) Retention Period - May 01, 2010 to June 30, 2011
- (iii) Payable 100% on - July 01, 2011
- (iv) Conditions - (1) Payable on July 01, 2011 if the employment continues
(2) Payable in full upon involuntary separation

Now, in view of the change in the HR policies of the Company and to streamline the salary structure of Mr. Anil Nair accordingly, it is proposed to make some changes to Table II. Remuneration (a) Salary table as given below with effect from April 01, 2011. The change is basically due to the inter-change in the amounts between various heads, however there is no change in the total remuneration of Mr. Anil Nair and it remains the same. Further, all other terms and conditions (including retention plan amount), excepting non-renewal of Life Insurance Policy for Mr. Anil Nair (as the Company has stopped Life Insurance benefit for all employees), remains the same :

II. Remuneration :

(a) Salary :

w.e.f. April 01, 2011

Particulars	Amount p.m.	Amount p.a.
Basic	2,40,000/-	28,80,000/-
House Rent Allowance (HRA)	1,00,000/-	12,00,000/-
Sodexo Coupon (Food Coupons)	4,000/-	48,000/-
Education Allowance	200/-	2,400/-
Telephone Reimbursement	2,750/-	33,000/-
Car – EMI	36,115/-	4,33,380/-
Fuel & Maintenance Reimbursement	48,885/-	5,86,620/-
Driver Salary Reimbursement	12,000/-	1,44,000/-
Other Allowance	3,22,987/-	38,75,840/-
City Compensatory Allowance (CCA)	4,500/-	54,000/-
Leave Travel Assistance (LTA)	15,000/-	1,80,000/-
Medical Expenses	1,250/-	15,000/-
Gratuity (4.81% of basic)	11,533/-	1,38,400/-
Provident Fund (12% of basic)	780/-	9,360/-
Superannuation (15% of basic)	0	0
Incentive (Performance linked) (on 100% performance)	4,66,667/-	56,00,000/-
Company Performance Incentive (CPI) (5% of CTC)	66,667/-	8,00,000/-
Total	13,33,333/-	1,60,00,000/-

A brief resume / profile of Mr. Anil Nair is as follows :

Mr. Anil Nair is currently the Joint Managing Director and President of the Company. In this role, he is responsible for Company's overall business, operations and growth.

His work experience spans 31 years in Business Automation, IT and Enterprise Communications; much of this in executive leadership positions with the Tata Group of Companies. Before he joined the Company, he worked with Bradma and Megaware Computers in various leadership roles.

Mr. Anil Nair has been with the Company since 1997 (since erstwhile Tata Telecom days). He worked in the Company as its sales leader initially and in later years in the expanded capacity of President.

Mr. Anil Nair holds a Bachelor of Science degree from Bangalore University, and did his management education from Xavier Institute of Management, Bhubaneswar. He has undergone a Global Advance Management Program from ISB and Kellogg Business School.

His special areas of interest include company turnarounds and business analytics.

Nature of expertise in specific functional areas - Sales, Operations, Capacity Building & Nurturing future leaders.

As on March 31, 2011, Mr. Anil Nair is a director of the following other Company : GlobalConnect Australia Private Limited.

Mr. Anil Nair does not hold any equity shares (either in own name or held by / for other persons on a beneficial basis) in the Company.

In compliance with the provisions of Sections 198, 269, 309 read with Schedule XIII to the Companies Act, 1956, the change in the salary structure of Mr. Anil Nair as set out in this item of the accompanying Notice is now being placed before the members for their approval.

This may also be treated as an abstract of terms of appointment of the Joint Managing Director & President and the Memorandum of Interest of the Director pursuant to Section 302 of the Companies Act 1956.

The Board recommends the resolution for approval of the members.

Save and except Mr. Anil Nair, none of the Directors is, in any way, concerned or interested in this resolution.

Item No. 10 :

Under the provisions of the Act, certain documents such as the Register and Index of members, Register and Index of Debenture holders (if any) and copies of all annual returns prepared under Section 159 of the Act have to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office is situated, with the prior approval of the Shareholders.

These records were kept at the office of the Company's Registrars and Share Transfer Agents, TSR Tarashaw Limited at 6-10, 1st Floor, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 and / or its other office at Pooja Apartment, Ground Floor, Near Vitrum Glass, Opp. HCC Ltd., L. B. S. Road, Vikhroli (West), Mumbai – 400079, pursuant to the Resolution No. 8 passed at the 21st Annual General Meeting of the Company held on January 23, 2008.

Now, since Datamatics Financial Services Limited (DFSL) have been appointed as the Registrars and Share

Transfer Agents of the Company with effect from March 01, 2011, it is proposed to keep the aforementioned documents of the Company at Datamatics Financial Services Limited, Plot No. B-5, Part B Crosslane, MIDC, Marol, Andheri (East), Mumbai – 400093.

The time for inspection of the aforesaid documents by the shareholders or such persons as are entitled to inspection will be between 11:00 AM to 01:00 PM on any working day except when the Registers and Books are closed under the provisions of the Act or the Articles of Association of the Company.

Accordingly, the member's approval is sought by way of this Special Resolution. The Board recommends approval of the Resolution by the shareholders. A copy of the Special Resolution at Item No. 8 shall be given in advance to the Registrar of Companies, Maharashtra.

None of the Directors of the Company is in any way concerned or interested in this Resolution.

By Order of the Board of Directors

Place : Mumbai

VISHAL KOHLI

Date : May 21, 2011

Company Secretary

Registered Office :

Equinox Business Park
(Peninsula Techno Park),
Off Bandra Kurla Complex,
LBS Marg, Kurla West,
Mumbai – 400 070.

Brief Resume and other information in respect of the Directors seeking re-appointment at the Annual General Meeting :

Prof. Debashis Chatterjee

Prof. Debashis Chatterjee has been ACC Research Fellow, IIM Kolkata, Pre-Doctoral Fulbright Fellow, UST and MIT and Post-Doctoral Fulbright Fellow, Harvard University.

Prof. Chatterjee has taught for more than a decade in IIM Lucknow and IIM Kolkata. He pioneered and founded the Global Center for Leadership and Human Values at the Indian Institute of Management Lucknow. His professional career has been a blend of international professional and academic experience in India, USA, Canada, Europe, Australia, South East Asia and South Africa. He was a Fulbright Fellow at Harvard University and MIT. He was a Visiting Professor at Harvard University's Kennedy School of Government. He also taught in the MBA Programme at the University of St. Thomas, Minnesota and at the Harvard Graduate School of Business. He also functioned as Dean, Leadership Centre, S. P. Jain Centre of Management, Singapore.

Prof. Chatterjee's vast administrative experience includes his functioning as Chairman, Placement, IIM Lucknow, Dean, Singapore International Campus, SPJCM, Head, Center for Leadership and Human Values, IIM Lucknow, Co-Convenor, Management Center for Human Values, IIM Kolkata and Regional Head, HR, GIC. Prof. Debashis Chatterjee has, to his credit, more than 100 research publications, monographs and articles in addition to five

internationally published books. His next book titled “Timeless Leadership” will shortly be published internationally. Awards won by him include University Gold Medal, Fulbright Scholarship (twice), National Scholarship, Rotary International Award and the Best National Faculty Award instituted by Deccan Herald.

Prof. Chatterjee has directed Executive Development Programmes on Leadership, Self-Management and Learning Organization for over 10000 Managers in more than 100 Companies in all six continents of the world. Some of the large organizations that have benefited from his programmes include Motorola Inc., Ford Motor Company, British Petroleum, AT&T, 3M, Infosys Technologies Ltd., Tata Steel, Monash University, University of St. Thomas, USA and Lucent Technologies. He was described as one of the “thought leaders” of the world by Prof. John Kotler of the Harvard Business School for his contribution to the theory and practice of leadership.

Prof. Chatterjee is a member of the Audit Committee of the Company.

Nature of expertise and interest in specific functional areas - Transformational Leadership, Personal Growth, Learning Organization, Self-Mastery and Asia Culture and Management.

As on March 31, 2011, Prof. Chatterjee is a director of the following other Companies : Henkel India Limited and Goa Shipyard Limited.

Prof. Chatterjee does not hold any equity shares (either in own name or held by / for other persons on a beneficial basis) in the Company.

Mr. Aparup Sengupta

Mr. Aparup Sengupta is a serial Entrepreneur and has been in the IT / BPO industry for the past 23 years. He started his career at CMC Limited (ex-IBM), India’s premiere software development and System Integration firm and played a leadership role in some of the landmark IT deals in Defence and Manufacturing segment.

In late 1997, Mr. Aparup started the Asia Pacific operations of IonIdea. As the CEO of IonIdea he nurtured the company in several directions, both in the services space and Product development. Mr. Aparup created one of the first multicultural, multi-nationality software and development capabilities in India for the IonIdea group. In early 2000, Mr. Aparup founded 24/7Customer.com, India’s leading CRM service delivery organization and migrated several Fortune 500 Programs into India in the Telecom, Banking, Retail, Hospitality and Technology segments. In August 2001, Mr. Aparup Sengupta founded Think Harbour, a consulting company focused on the BPO enabling space and worked with several corporations in India, UK and USA to transition their practices into efficient geographies like India and Philippines. Mr. Aparup sold Think Harbour to GTL and relocated to New York for a 2 year stint as their CEO for BPO and IT Services.

Mr. Aparup came back to India to spearhead the BPO initiative for Essar Group as the Managing Director and Global CEO of Aegis. At Aegis he engineered a spectacular growth story interwoven with organic and inorganic wins. From less than USD 60 million revenues, his focus, vision and determination have made Aegis a USD 600 million company in less than five years. Under his guidance, Aegis completed 14 successful acquisitions in a short span of 4 years, resulting in larger than expected returns and an attrition rate of less than 2 percent at the top management.

Mr. Aparup has been the Lead Assessor and Member of the Jury of the CII Business Excellence Award, equivalent to the Malcolm Baldrige award in US and Deming Award in Japan. He was also nominated as an Advisor to Benchmark Portal, an affiliate of the CCDQ at the Purdue University that evaluates Call Centers. He also served as the Chairman of the BPO Steering Committee of ASSOCHAM, India’s leading commerce and industry forum. For his role, Global M&A awarded Mr. Aparup Sengupta the Corporate Dealmaker of the Year award for delivering strategic value by successfully executing mergers and acquisitions. Likewise, NASSCOM recognized Aegis with the Business Innovation award for unique growth strategy.

Mr. Aparup Sengupta has a Bachelor's Degree in Engineering from BE College, Kolkata, and has participated in several post-graduate leadership programs at institutions like IIM Calcutta, XLRI Jamshedpur and Portsmouth University, UK. Mr. Aparup contributes frequently as an author and speaker at several industry forums across the world. His articles regularly feature in the Wall Street Journal, amongst others. Mr. Aparup is currently the Managing Director and Global CEO of Aegis business group and also serves as a member of the Board.

Mr. Aparup Sengupta is a member of the Audit Committee of the Company.

Nature of expertise in specific functional areas - IT / BPO Industry.

As on March 31, 2011, Mr. Aparup Sengupta is a Director and Member of Committees of Boards of other Companies as under :

<u>Directorship</u>	<u>Member of Committees of Board</u>
Aegis Limited	<u>Audit Committee</u>
Apsen Advisors Private Limited	- Aegis Limited
Global Vantedge Private Limited	
Aegis BPO Services (Gurgaon) Limited	
Aegis Aspire Consultancy Services Limited	
Aegis Tech Limited	
Highband Communications Private Limited	
Aegis BPO (UK) Limited	

Mr. Aparup Sengupta does not hold any equity shares (either in own name or held by / for other persons on a beneficial basis) in the Company.

Directors' Report

1. The Directors hereby present the Twenty Fifth Annual Report and the audited statement of accounts for the period ended March 31, 2011.

2. Financial Results

The results of the Company on a standalone and Consolidated basis are as given below:

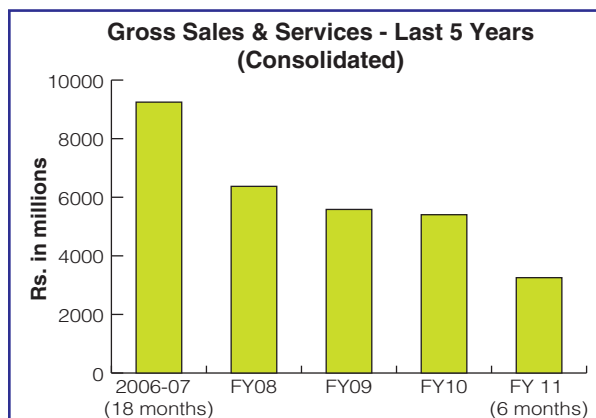
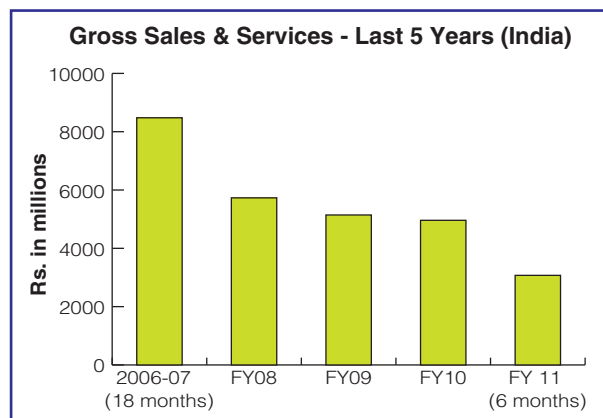
	Rs/millions			
	Standalone		Consolidated	
	6 Months Period ended 31/03/2011	12 Months Year ended 30/09/2010	6 Months Period ended 31/03/2011	12 Months Year ended 30/09/2010
Sales & Services (Gross)	3073	4961	3255	5404
Sales & Services (Net)	3085	5046	3269	5492
Profit before interest, depreciation & tax	230	611	236	610
Less : Interest and finance charges (Net)	6	8	6	9
Less : Depreciation	37	74	38	78
Profit before tax	188	528	192	524
Less : Provision for tax (including Deferred tax)	60	178	60	178
Profit after tax	128	350	132	346
Balance brought forward from previous year	810	569	715	479
Amount available for appropriation	938	919	847	825
<u>Appropriations :</u>				
Proposed dividend	32	64	32	64
Corporate Dividend Tax	5	11	5	11
Transfer to General Reserve	15	35	15	35
Balance carried to Balance Sheet	885	810	794	715

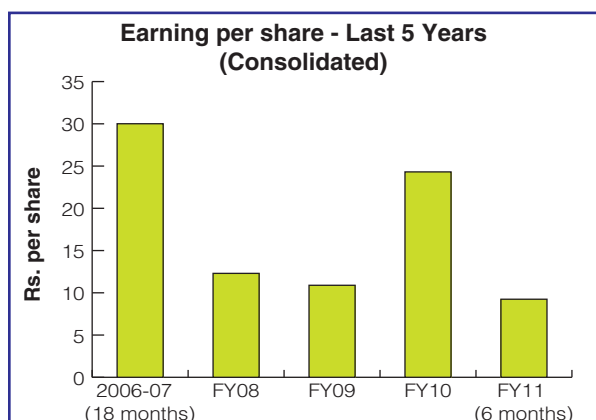
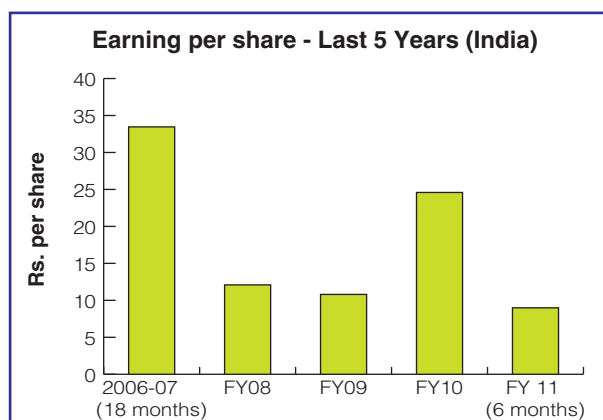
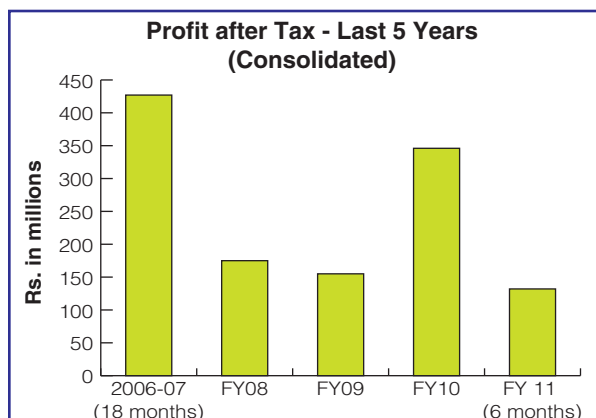
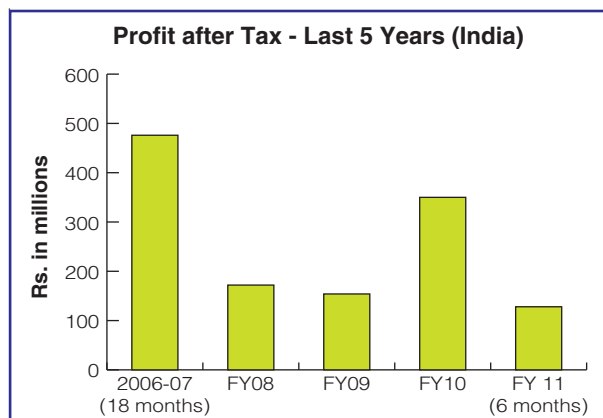
3. Dividend

Your Directors are pleased to recommend the payment of dividend at the rate of Rs. 2.25 per share (Previous Year Rs. 4.50 per share) on 1,42,33,232 Equity Shares of Rs. 10/- each for the period of six months ending March 31, 2011, subject to the approval of the shareholders in the ensuing Annual General Meeting.

4. Financial Performance

The Company, for the period ended March 31, 2011 recorded a gross turnover of Rs. 3073 millions, as against Rs. 4961 millions for the year ended September 30, 2010. The profit before tax is Rs. 188 millions for the period ended March 31, 2011 as against Rs. 528 millions for the previous financial year. The profit after tax is Rs. 128 millions as against Rs. 350 millions for the previous financial year.





5. Operations

Over the review period, global economy sustained its gradual revival while Indian economy continued to grow from strength to strength. This reflected in resumed technology spending by Indian corporates.

The contact centre market segment also reflected this growth as International & Domestic BPOs continued to both invest and optimize technology investments. The same held true for the Enterprise Telephony market segment led by IT outsourcers and MNC companies. In 2010-11, both IT and BPO companies have shown net employee addition & volume growth in business backed by sustenance emanating from economic revival. This helped the industry and your Company resume the revenue growth trajectory.

With responsiveness at the core of our business philosophy, your Company continues to put emphasis on customer satisfaction and being the 'partner-of-choice' of customers and principals too. After having achieved higher customer satisfaction scores, your Company has now expanded into new lines of business. This will help your Company provide end to end solutions to customers and realize the vision of being a true 'Solutions Integrator'. These new practices are Storage & Security Solutions, IT Governance Risk and Compliance (IT GRC) Consulting, Data Networking and Managed Services. This has also expanded the addressable market for your Company.

During the period under review, GlobalConnect Australia Pty Ltd (GCA), the wholly owned subsidiary of your Company consolidated its position as solution integrator thanks to mid-market focus and portfolio enhancement into Data & Wireless space. GCA having already factored the market change and rationalized its cost-base is poised to unlock profitable growth in times to come. GCA will continue to look for profitable partnerships and geographic expansion in 2012.

6. Business Outlook

Contact Center & Unified Communication market are likely to exhibit marginal growth in 2012. Video Networking and Board Room Integration is likely to witness double digit growth and will contribute significantly

to your Company's revenue growth in 2012. Newly added business verticals like IT GRC, Data Networking, Storage & Security appliances are other key growth areas for your Company in 2012. Your Company is now firmly positioned as an Enterprise Communications SI with abilities that offer diversity in technologies and a comprehensive solution suite. Besides further consolidating its market leadership in Unified Communication, Collaboration and Contact Centres in 2011, your Company is now further improving its partnerships with all leading OEMs like Avaya, Cisco, Juniper, Polycom, HP, etc.

7. Recognitions conferred on the Company

AGC won the award for 'Best all round Avaya partner in Asia Pacific' at the partner forum meeting in Singapore.

Your Company also won the 'Best India Partner' award from Polycom India.

8. New Products

Your Company integrates best of breed products from leading Original Equipment Manufacturers ("OEMs") to provide "end-to-end" solutions:

- Voice and Contact Centers – Avaya, Cisco, NEC, Altitude & NICE.
- Video, Collaboration & Surveillance – Polycom, Cisco, AMX, Extron & Sony.
- Data Networking, Storage & Security – Cisco, Extreme, HP, Avaya & Juniper.

Your company will continue to induct new products to better address the middle and bottom tiers of Enterprise Telephony market segment and further boost its channel partner base, leveraging the economic growth in 'rurban India'.

9. Organizational Initiatives

Your Company continues to focus on the competency development of its employees through relevant management and technology training programs. Your Company had identified new roles in tune with its solution integration focus and market requirements, and initiated recruitment from the industry to meet its specific objectives.

10. Fixed Deposits

The Company has not accepted any Fixed Deposits during the year.

11. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Prof. Debashis Chatterjee and Mr. Aparup Sengupta, retire by rotation and being eligible, offer themselves for re-appointment.

At the Board meeting of the Company held on May 21, 2011, the following directors resigned from the directorship of the Company: Mr. S. Ramakrishnan, Mr. Anil Batra and Mr. Anshuman Ruia. The Board places on record its sincere appreciation for the services rendered by the Directors.

Further, the Board of Directors, at its meeting held on May 21, 2011, appointed Mr. Sujay Rajababu Sheth and Mr. Shuva Mandal as Additional Directors of the Company. They hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received notices under Section 257 of the Companies Act, 1956, proposing their appointment as Director(s), subject to retirement by rotation.

12. Auditors and their observations

Members are requested to appoint Auditors for the current year and to authorize the Board of Directors to fix their remuneration. M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai, the retiring Auditors have under Section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

13. Personnel

The Board places on record its appreciation for the hard work and dedicated efforts put in by all the employees. The relations between the management and employees continue to remain cordial on all fronts.

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

14. Particulars required to be furnished by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

- (i) Part A pertaining to conservation of energy is not applicable to the Company.
- (ii) Part B pertaining to particulars relating to technology absorption is as per Annexure B to this report.
- (iii) Part C pertaining to foreign exchange earnings and outgoings is as contained in item nos. 21, 22 and 23 of Schedule 19 of the accounts.

15. Directors' Responsibility Statement as per Section 217 (2AA)

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management confirm that -

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

16. Audit Committee

The details relating to Audit Committee are mentioned in the 'Corporate Governance Report', which forms a part of the Annual Report.

17. Shareholders' / Investors' Grievance Committee

The details relating to Shareholders' / Investors' Grievance Committee are mentioned in the 'Corporate Governance Report', which forms a part of the Annual Report.

18. Ethics & Compliance Committee

The details relating to Ethics & Compliance Committee are mentioned in the 'Corporate Governance Report', which forms a part of the Annual Report.

19. Remuneration Committee

The details relating to Remuneration Committee are mentioned in the 'Corporate Governance Report', which forms a part of the Annual Report.

20. Executive Committee

The details relating to Executive Committee are mentioned in the 'Corporate Governance Report', which forms a part of the Annual Report.

21. Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

22. Group for Inter se transfer of shares

Based on the information received from the Promoters and as required under Clause 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, persons constituting Group as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the aforesaid SEBI Takeover Regulations comprises : Aegis Limited, Essar Capital Finance Private Limited and Essar Services Holdings Limited.

23. Acknowledgements

The Board is thankful to the Shareholders and the Bankers of the Company for their continued support. It also takes this opportunity to express gratitude to its various suppliers and its major partners for their continued co-operation, support and assistance. Above all, the Board expresses its appreciation to each and every employee for his / her contribution, dedication and sense of commitment to the Company's objectives.

For and on behalf of the Board of Directors

S. K. JHA
Managing Director
& CEO

ANIL NAIR
Joint Managing Director &
President

Mumbai, May 21, 2011

ANNEXURE 'B' TO DIRECTORS' REPORT

Disclosure relating to Research and Development (R&D) & Technology Absorption

RESEARCH & DEVELOPMENT :

- | | | |
|---|---|------|
| 1. Specific areas in which Development carried out by the Company | : | N.A. |
| 2. Benefits derived as a result | : | N.A. |
| 3. Future Plan on Development | : | N.A. |

(Rs. in Crores)

- | | | | |
|-------------------------------|-----|--------------|-------------|
| 4. Expenditure on Development | (a) | Capital | N.A. |
| | (b) | Recurring | N.A. |
| | | Total | N.A. |
| | (c) | % to Revenue | N.A. |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- | | | |
|---|---|------|
| 1. Efforts in brief, made towards, technology absorption, adaptation and innovation | : | N.A. |
| 2. Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution, etc. | : | N.A. |
| 3. (i) Technology Imported | : | N.A. |
| (ii) Year of Import | : | N.A. |
| (iii) Has technology been fully absorbed | : | N.A. |
| (iv) If not fully absorbed, areas where this has not taken place, reasons thereof & future plan | : | N.A. |

Management Discussion and Analysis Report

Overview

Your Company aspires to be a world class solutions integrator in the Enterprise Communication space. Your Company's solutions help organizations accelerate revenue growth, increase market penetration, optimize operating costs and improve employee productivity, by embedding communication in their business processes.

The Enterprise Telephony industry has shown a moderate decline in the recent past. Most organizations focused on consolidating their technology infrastructure and sweating the already invested capital. This meant that net employee addition and corresponding volume growth in number of ports/agent-seats remained near flat. This trend is expected to ease and gradually reverse in the current fiscal with most organizations forecasting increased hiring backed by volume growth in business.

The Video Conferencing, Board Room AV Integration and IP Surveillance markets have continued to grow even in the last fiscal.

The International Contact Centre Industry growth has revved up in past few quarters and is likely to grow moderately in near term. However, the domestic contact centre industry grew at a healthy rate with large volumes at far lower per seat realizations.

Your Company, intends addressing new market segments adjacent to its current business i.e. Information Security, Appliances, Storage and Data Networking. It is also trying to strengthen its base in Government, PSU and Defense sectors in order to tap this growth segment and induct new GTM models such as Managed Services & Business Transformation Services.

Industry Structure and Development

The Telecommunications Industry can broadly be divided into two segments viz.

- (1) Service Provider - Basic Services, Mobile Telephony, Contact Centre Services etc.
- (2) Solution Providers - Network Equipments, Enterprise Communication, Contact Centre equipment etc.

Your Company aspires to be a world class solutions integrator in the Enterprise Communication space. Your Company's solutions help organizations accelerate revenue growth, increase market share and become customer responsive.

Opportunities and Threats

With added product portfolio and a restructured organization, your Company is targeting a much bigger addressable market. In addition to the Rs. 2000 Cr. worth Enterprise Communication market, the Storage & Security appliance business offers a market opportunity worth Rs. 1200 Cr. In addition to this the Board Room Integration business is an opportunity worth around Rs. 600 Cr. Your Company has already made good inroads in the Data Networking market worth Rs. 4000 Cr. Put together this now offers your Company an addressable market worth Rs. 8000 Cr. In order to fully tap this opportunity your Company continues to enter into new strategic relationships as well as expand the relationship with the existing partners to continuously widen offerings.

Increased number and maturity of other Avaya partners in the market continues to pose a threat to your Company's revenue and operating margins.

Risks and Concerns

The new parent company of AGC i.e. Aegis Limited has considerable business interest in the BPO space which may be perceived negatively by AGC's existing BPO customer base.

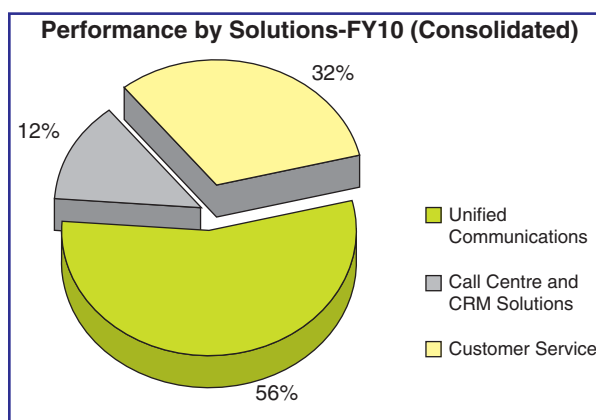
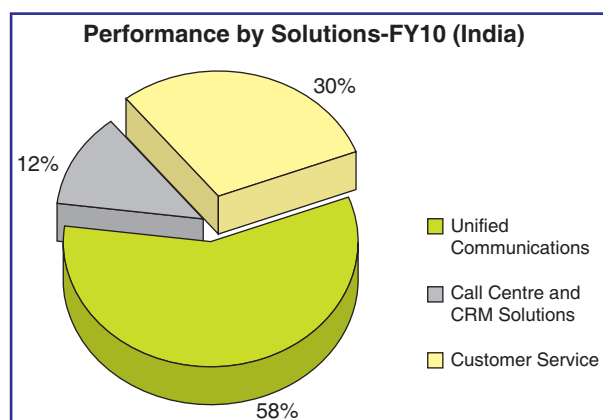
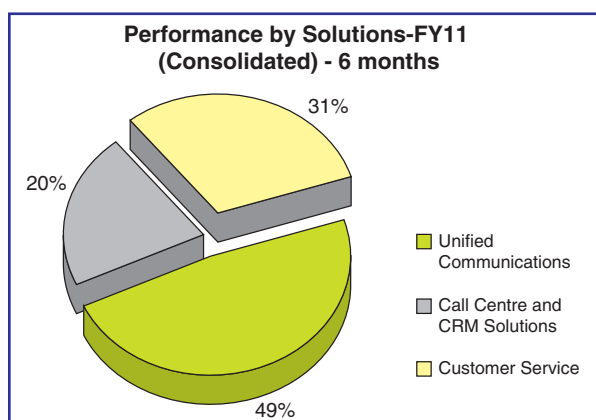
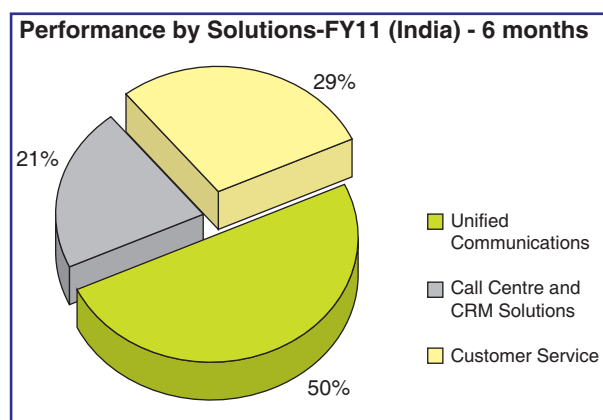
Your Company has now forayed into adjacent market spaces like Data Networking, Storage etc. Being a new entrant in relatively mature market segments like these may pose a risk of shrinkage in operating margins.

Performance by 'Solutions'

The break-up of the revenue by Solutions is given below:

Rs/millions

Solutions	Standalone			Consolidated		
	FY 2010-11 (6 mths)	FY 2009-10 (12 mths)	Growth (%)	FY 2010-11 (6 mths)	FY 2009-10 (12 mths)	Growth (%)
Unified Communications	1543	2881	-46.4%	1583	2341	-32.4%
Call Centre and CRM Solutions	640	590	8.5%	674	1356	-50.3%
Customer Service	890	1490	-40.3%	998	1707	-41.5%
TOTAL	3073	4961	-38.1%	3255	5404	-39.8%



Outlook

The Company continues to be cautiously optimistic about its growth prospects in the new financial year without compromising focus on profitability and investments for sustainable growth.

Internal Control Systems and their Adequacy

AGC Networks has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly.

An extensive programme of internal audits, reviews by management, and documented policies, guidelines and procedures, supplements the internal control systems. The internal control systems are designed to ensure that the financial and other records are reliable, for preparing financial statements and other data, and for maintaining accountability of assets.

Your Company has implemented an integrated SAP and business management system, which provides a high level of system based checks and controls, resulting in increased efficiency and effectiveness of AGC Networks's internal control systems.

The Company has independent internal audit systems, covering on a continuous basis, the entire gamut of operations and services spanning all locations and functions.

In addition to the in-house internal audit team, AGC Networks has a leading firm of Chartered Accountants, acting as Internal Auditor of the Company, who evaluate all the financial and operating system controls of the Company.

The top management and the Audit Committee of the Board review internal audit findings and recommendations. The Audit Committee is empowered by the Board with the authority to investigate any matter relating to the internal control system and to review the scope of Internal Audit. The Committee ensures compliance of internal control systems and also reviews the quarterly, half-yearly and annual financial statements before these are submitted to the Board.

Financial performance

Share Capital

The Company has at present only one class of shares viz. Equity Shares. The total number of equity shares of the Company, as on March 31, 2011, is 1,42,33,232 with a face value of Rs. 10/- each.

Reserves and Surplus

India:

Capital Reserve of the Company stands at Rs. 226 millions. After transfer of an amount of Rs. 15 millions from the current year's profit, the General Reserve of the Company stands at Rs. 990 millions.

Consolidated:

Capital Reserve of the Company stands at Rs. 226 millions. After transfer of an amount of Rs. 15 millions from the current year's profit, the General Reserve of the Company stands at Rs. 990 millions.

Secured Loans

The Company does not have any secured loans as on March 31, 2011, as against Rs. NIL as on September 30, 2010.

Fixed Assets

India:

The fixed assets (net block including capital work-in-progress) have increased by Rs. 6 millions during the year.

Consolidated:

The fixed assets (net block including capital work-in-progress) have increased by Rs. 4 millions during the year.

Investments

India:

The total investment of the Company as on March 31, 2011, is at Rs. 950 millions.

Consolidated:

The total investment of the Company as on March 31, 2011, is at Rs. 805 millions.

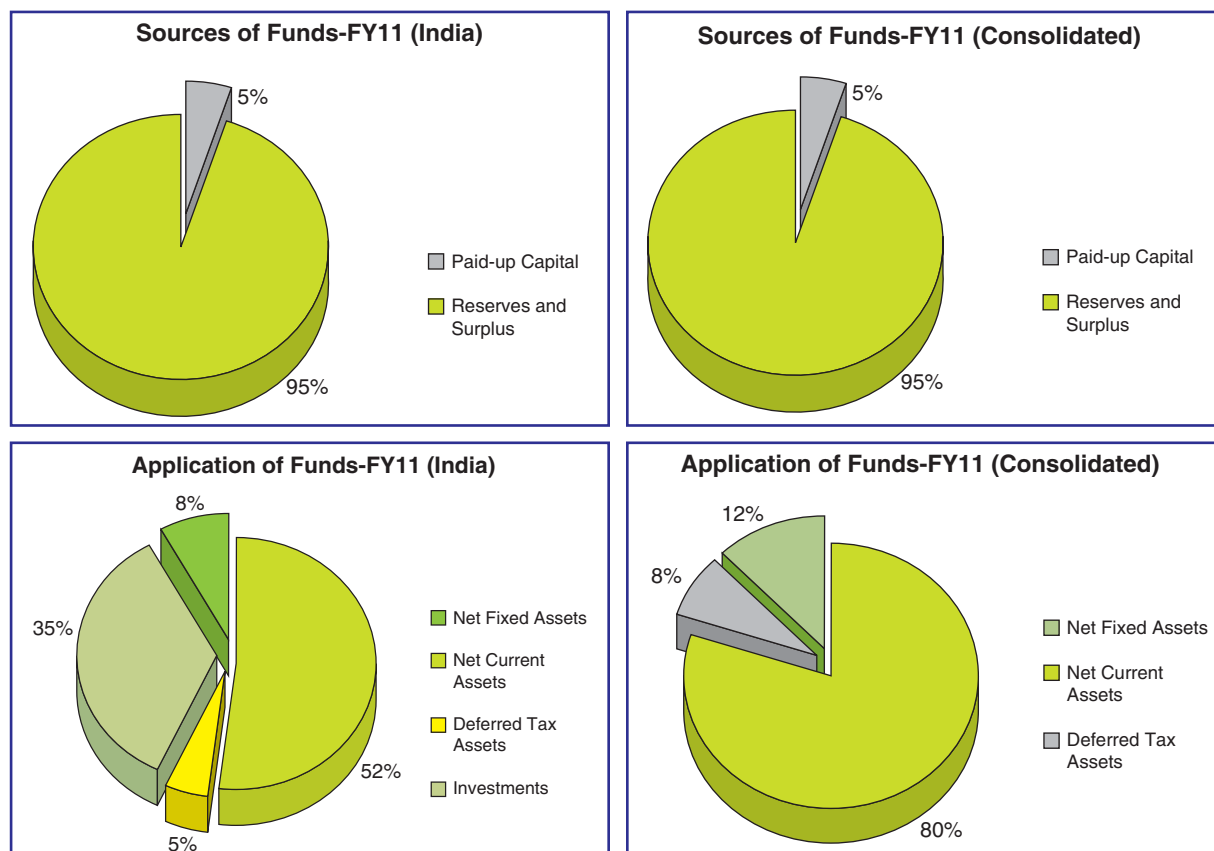
Net Current Assets

India:

The net current assets of the Company, as on March 31, 2011, have reduced by 34.5% to Rs. 1399 millions, from Rs. 2136 millions as on September 30, 2010.

Consolidated:

The net current assets of the Company, as on March 31, 2011, have reduced by 33.2% to Rs. 1463 millions from Rs. 2191 millions as on September 30, 2010.



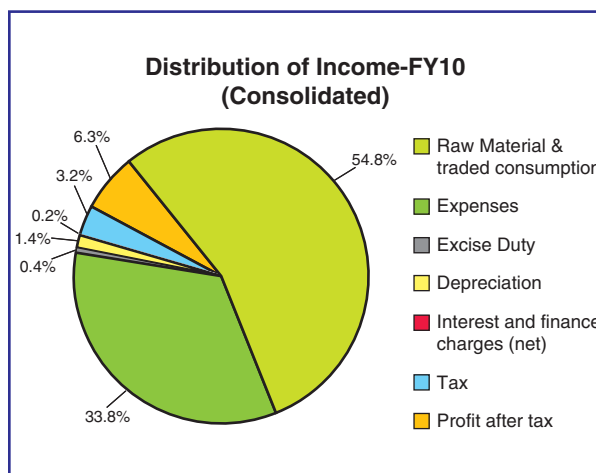
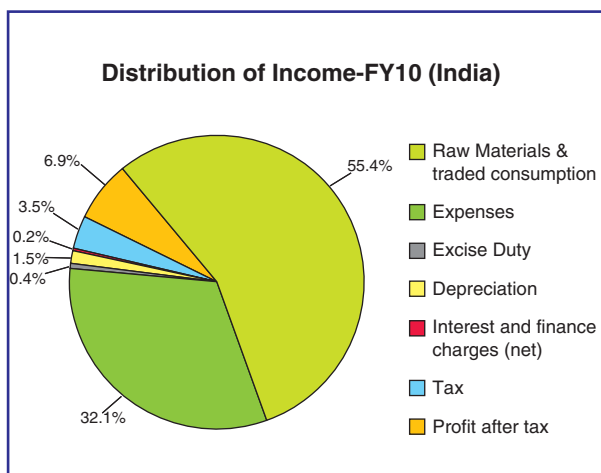
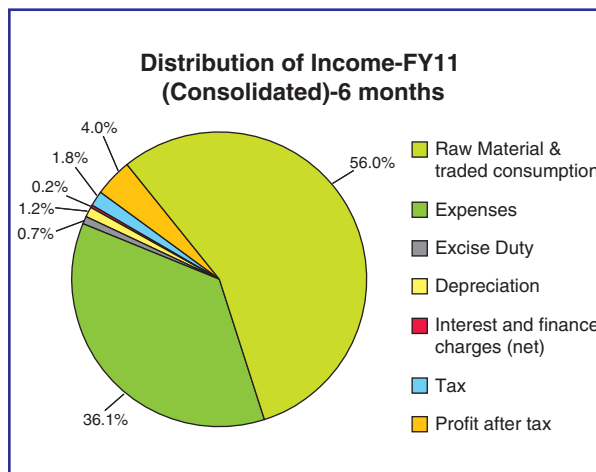
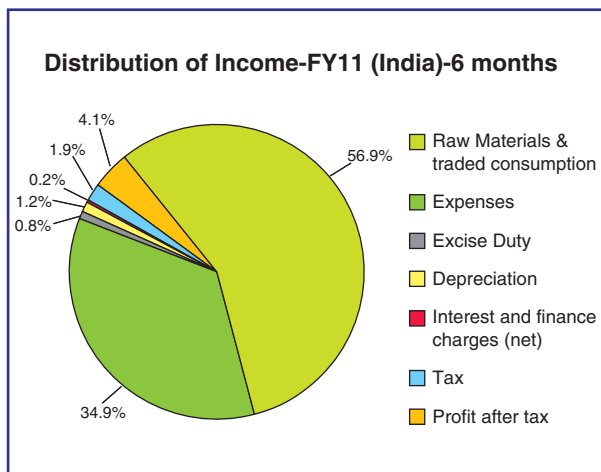
Operating results

The Gross revenue for the period ending March 31, 2011, stood at Rs. 3073 millions, as against Rs. 4961 millions for the previous year 2009-10. The profit before tax is Rs. 188 million for the period ended March 31, 2011, as against Rs. 528 millions for the previous financial year ended September 30, 2010.

Employee cost constitutes 14.97% of the total income as against 14.10% in the previous year. The operating & administration expenses are at 20.24% (18.84% in the previous year) of the total income.

Depreciation constituted 1.20% of the total income as against 1.5% in the previous year.

For the six months period ending March 31, 2011, the Board has recommended a dividend of 22.5% for the approval of members in the ensuing Annual General Meeting.



Ratios

Financial Performance

	FY 2010-11 (6 mths)		FY 2009-10 (12 mths)	
	India	Consolidated	India	Consolidated
Gross Margin %	24.0	25.3	30.0	31.0
EBITDA %	7.5%	7.2%	12.3%	11.3%
PBT/ Revenue %	6.1%	5.9%	10.6%	9.7%
PAT/ Revenue %	4.2%	4.0%	7.1%	6.4%
PAT/Networth %	4.7%	5.0%	13.4%	13.7%
Revenue per Employee (Rs/Million)- Annualised	6.66	6.84	11.02%	11.21%
Average No. of employees	923	951	450	482
Income Tax/PBT (%)	32.0%	31.3%	33.6%	33.9%
Net working Capital/Revenue %	45.5%	44.9%	43.1%	40.5%

Material Developments in Human Resources

Human Resources team in the Company is more of a business partner and works very closely with other business partners to ensure Company's objectives are met. At the Company, people being the only source of competitive advantage, strong emphasis is laid on engaging people, managing talent and building organization capabilities critical to ensure organization ability to meet future challenges.

Company's endeavour is to create a progressive workplace that enables partnership for prosperity by inculcating core values like commitment, honesty, innovation, responsiveness, passion, inspiring others, etc. and by developing and deploying world class people practices in consultation with line managers. The Company also embraces cultural pillars that help nurture talent and create an environment where people can achieve personal and professional growth.

At the same time, your Company is equally focused on toning up its employee mix by aligning the skills with market conditions, acquiring the right skills and focusing on performance and meritocracy. As on March 31, 2011, the Company employed 919 people. During the period under review, 53 people left the services of the Company, 533 people were recruited.

GlobalConnect Australia Pty Ltd (GCA) runs a Human Resources model which is closely aligned with its business model. GCA believes that essentially it is a 'people business' in that its customers look to our people to solve their business communication problems. GCA employs highly specialized and experienced technocrats who are adept at identifying customer pain points and supplying solutions to overcome these. Consequently the workforce consists entirely of self starters who need maximum empowerment, flexibility and independence in their work environment.

As on March 31, 2011, GCA employed 24 people. During the period under review, 8 people left the services of the Company and 4 people were recruited. There was a planned net reduction in the total manpower of GCA in response to adverse business conditions.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, other statutes and incidental factors.

Corporate Governance Report

Corporate Governance

Corporate Governance pertains to systems, by which companies are directed and controlled, keeping in mind long-term interest of stakeholders. It is a blend of legal, regulatory and voluntary good practices which, enables companies to attract financial and human capital, perform efficiently, and provide sustainable economic value for all its stakeholders.

It aims to align interest of the companies with its stakeholders. The incentive for companies, and those who own and manage them, to adopt global governance standards, is that these standards help them to achieve a long-term sustainable partnership with its stakeholders efficiently. The principal characteristics of corporate governance are:

- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- Social Responsibility

1. Corporate Governance at AGC NETWORKS

The Company's philosophy of Corporate Governance is aimed at maximizing the shareholders' interest and protection of the interest of other stakeholders. The Company aims to achieve this through proper & full disclosure of material facts and achievement of the highest levels of transparency, accountability and equity in all facets of its operations.

2. Board of Directors

As on March 31, 2011, the Board of Directors comprises eight members and is responsible for management of the Company's business. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board also include:

- Approving corporate philosophy and mission
- Participating in the formulation of strategic business plans
- Reviewing and approving financial plans and budgets
- Monitoring and reviewing corporate performance vis-à-vis the business plans
- Ensuring compliance of laws and regulations

Composition of the Board of Directors as on March 31, 2011, is as follows:

Director	Executive/Non-Executive/Independent
Mr. S. Ramakrishnan	Chairman – Non-Executive & Independent
Mr. S. K. Jha	Managing Director & CEO – Executive
Mr. Anil Nair	Joint Managing Director & President – Executive
Mr. Anshuman Ruia	Non-Executive
Mr. Aparup Sengupta	Non-Executive
Mr. Anil Batra	Non-Executive & Independent
Prof. Debashis Chatterjee	Non-Executive & Independent
Mr. Vikash Saraf	Non-Executive

F.Y. 2010-11 (October'10 to March'11)

Name of the Director	Attendance Particulars			Sitting fees Rs.	No. of other Directorship and committee membership/chairmanship		
	Board meetings	Last EGM	Last AGM		Other Directorship	Committee Membership	Committee Chairmanship
Mr. S. Ramakrishnan	4	Yes	Yes	140,000	7	4	1
Mr. Anil Batra	4	-	Yes	160,000	-	-	-
Mr. Anil Nair	4	Yes	Yes	-	-	-	-
Mr. Anshuman Ruia	3	-	-	-	8	5	-
Mr. Aparup Sengupta	4	-	Yes	-	4	1	-
Mr. S. K. Jha	4	-	Yes	-	-	-	-
Prof. Debashis Chatterjee	3	-	Yes	80,000	2	-	-
Mr. Vikash Saraf	1	-	-	-	5	3	-

- The other Directorship excludes the directorship of Private Limited Companies and Foreign Companies.
- The no. of other directorship and committee membership/chairmanship is as on 31st March, 2011
- The last Extraordinary General Meeting of the Company was held on 21st April, 2010.
- Only two committees viz. the 'Audit Committee' and the 'Shareholders'/Investors' Grievance Committee' have been considered for committee membership / chairmanship.
- Sitting fees include fees paid for attending Board meetings and relevant committee meetings.

Number of Board Meetings held and dates on which held:

During the F.Y. 2010-11, four (4) Board meetings were held, on the following dates:

15th November 2010, 20th December 2010, 27th January 2011 and 12th March 2011.

3. Audit Committee

The following Directors are the members of the Audit Committee as on 31st March, 2011:

- Mr. S. Ramakrishnan - Chairman
- Mr. Anil Batra
- Prof. Debashis Chatterjee
- Mr. Aparup Sengupta

The majority of the members of the Audit Committee are independent and all the members are financially literate. Mr. S. Ramakrishnan and Mr. Aparup Sengupta have related financial management expertise by virtue of their experience and background. The quorum for audit committee meeting is minimum of two independent directors.

Terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges that inter alia, include overseeing financial reporting processes, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal audit function and discussion with internal auditors on any significant findings. During the F.Y. 2005-06, the Audit Committee Charter was enlarged in terms of the changes to the Listing Agreement.

During the F.Y. 2010-11, two (2) meetings of the Audit Committee were held, on the following dates : 15th November 2010 and 27th January 2011.

Name of the Member	No. of meetings attended
Mr. S. Ramakrishnan	2
Mr. Anil Batra	2
Prof. Debashis Chatterjee	1
Mr. Aparup Sengupta	2

The Company Secretary acts as the Secretary to the Committee.

4. Shareholders'/Investors' Grievance Committee

The following Directors are the members of the Shareholders' / Investors' Grievance Committee as on 31st March, 2011:

- Mr. Anil Batra - Chairman
- Prof. Debashis Chatterjee
- Mr. S. K. Jha

The Committee looks into the redressal of the shareholders' complaints in respect of all matters including transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, dematerialisation of shares, investors' complaints, etc.

During the F.Y. 2010-11, one (1) meeting of the Shareholders' / Investors' Grievance Committee was held, on the following date : 27th January 2011.

Name of the Member	No. of meetings attended
Mr. Anil Batra	1
Prof. Debashis Chatterjee	-
Mr. S. K. Jha	1

The Board has designated Mr. Vishal Kohli, Company Secretary, as the Compliance Officer.

The total number of correspondence (including complaints / queries) received and replied to the satisfaction of shareholders during the period October 01, 2010 to March 31, 2011, was 351. There was no outstanding correspondence (including complaint / query) as on 31st March, 2011. There was no request for transfer pending for approval as on 31st March, 2011.

5. Ethics and Compliance Committee

The following Directors are the members of the Ethics and Compliance Committee as on 31st March, 2011:

- Prof. Debashis Chatterjee - Chairman
- Mr. Anil Batra

The Committee, at its meeting(s), sets forth the policies relating to and oversees the implementation of the 'Code of Conduct', adopted by the Board of Directors, at its meeting held on 23rd October, 2002, pursuant to the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, takes on record the monthly status reports prepared by the Compliance Officer detailing the dealings in securities by the specified persons and decides penal action in respect of violation of the Regulations / the Code by any specified person. The Committee also overviews the 'Code of Conduct' of the Company and related matters (including review of complaints received under Whistle Blower Policy of the Company, any violations, penal actions, etc.).

No meeting of the Ethics and Compliance Committee was held during the F.Y. 2010-11.

The Board had already, at its meeting held on January 25, 2002, appointed Mr. Vishal Kohli, Company Secretary, as the Compliance Officer of the Company, responsible for liaising with various authorities such as SEBI, Stock Exchanges, Registrar of Companies, etc. and the Investors.

6. Remuneration Committee

The Board of Directors of the Company, at its meeting held on October 20, 2004, constituted a 'Remuneration Committee', in terms of Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. This Committee would basically look into and determine the Company's policy on remuneration packages of the executive director(s).

The following Directors are the members of the Committee as on 31st March, 2011:

- Mr. Anil Batra - Chairman
- Mr. S. Ramakrishnan
- Mr. Aparup Sengupta
- Mr. Vikash Saraf

During the F.Y. 2010-11, one (1) meeting of the Remuneration Committee was held on the following date : 15th November 2010.

Name of the Member	No. of meetings attended
Mr. Anil Batra	1
Mr. S. Ramakrishnan	1
Mr. Aparup Sengupta	1
Mr. Vikash Saraf	-

7. Executive Committee

The Board of Directors of the Company, at its meeting held on November 15, 2010, constituted an 'Executive Committee' comprising of Mr. Aparup Sengupta, Mr. S. K. Jha, Mr. Anil Nair and Mr. Vikash Saraf. This Committee would basically look into the operational matters relating to the Company including making recommendations to the Board on certain operational matters.

The following Directors are the members of the Committee as on 31st March, 2011:

- Mr. Aparup Sengupta - Chairman
- Mr. S. K. Jha
- Mr. Anil Nair
- Mr. Vikash Saraf

During the F.Y. 2010-11, two (2) meetings of the Executive Committee were held on the following dates : 15th November 2010 and 14th February 2011.

Name of the Member	No. of meetings attended
Mr. Aparup Sengupta	2
Mr. S. K. Jha	2
Mr. Anil Nair	2
Mr. Vikash Saraf	2

8. Remuneration to Directors

The Company does not pay remuneration to any of its Non-Executive Directors barring sitting fees for attendance during the meeting(s). The details in respect of the remuneration paid to the Managerial personnel during the period from 1st October 2010 to 31st March 2011 are as under :

Name	Period	Designation	Amount
Mr. Anil Nair	1 st October 2010 to 31 st March 2011	Joint Managing Director & President	Rs. 148.57 lakhs (Rs. 68.57 lakhs being Retention Plan amount payable for the financial year ended 31 st March 2011) (*)
Mr. S. K. Jha	1 st October 2010 to 31 st March 2011	Managing Director & CEO	Nil

(*) The break-up of remuneration paid to Mr. Anil Nair is as under :

- Salary	- Rs. 82.97 lakhs (includes Retention Plan amount of Rs. 68.57 lakhs)
- Perquisites	- Rs. 12.06 lakhs
- Other Allowances	- Rs. 51.12 lakhs
- Contribution to Gratuity	- Rs. 0.69 lakhs
- Contribution to Provident Fund	- Rs. 1.73 lakhs

9. Means of Communication

The quarterly results (including half-yearly and annual results) are usually published in 'The Economic Times' (English Daily) and 'Maharashtra Times' (Marathi Daily). The results are also promptly forwarded to the Mumbai and National Stock Exchanges. The Company has developed a section dedicated for Investors on AGC Networks website (www.agcnetworks.com) to display latest annual, half-yearly & quarterly results. The official news releases and the presentations made to the Investors / Analysts are also displayed on the website.

The Management Discussion and Analysis Report is attached to and forms part of the Annual Report.

10. Disclosures

A. Disclosure of material financial and commercial transactions where management has personal interest that may have a potential conflict with the interest of the company at large.

During the year, there were no material financial and commercial transactions where management had personal interest that may have a potential conflict with the interest of the company at large.

B. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

None.

C. Disclosure of number of shares held by non-executive directors.

None of the directors of the Company (including executive director) hold any equity shares in the Company.

However, Mr. S. Ramakrishnan holds 65 equity shares of the Company as Karta of S. Ramakrishnan – HUF (Hindu Undivided Family).

D. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee.

The Company has implemented a Whistle Blower Policy in the Company and no personnel have been denied access to the audit committee of the Company.

E. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with all the mandatory requirements of Clause 49 (Corporate Governance) of the Listing Agreement. Further, the Company has adopted the following non-mandatory requirements of Clause 49 : (i) Setting-up / Constitution of a Remuneration Committee and (ii) Implementation of Whistle Blower Policy in the Company.

11. General Shareholder information

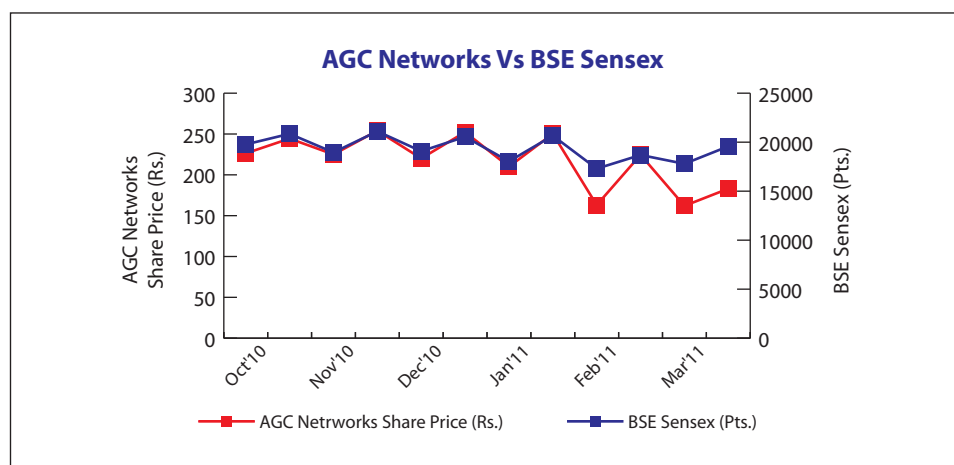
AGM : Date	29 th July, 2011
Time	11:00 a.m.
Venue	Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021
Financial Year	October 2010 to March 2011 (6 months period)
Dates of Book Closure	12 th July, 2011 to 29 th July, 2011
Dividend Payment Date	The dividend, if recommended by the Directors and approved by the members, will be paid within the statutory time limit
Listing on Stock Exchanges	Mumbai & National Stock Exchange
Stock Code / Symbol	Mumbai – 500463; NSE – AGCNET
Demat ISIN Numbers in NSDL & CDSL for Equity Shares	ISIN No. : INE676A01019
Market price Data : High, Low during each month in the financial year 2010-11	See Table No.1 below
Registrar and Share Transfer Agents	Datamatics Financial Services Limited, Plot No. B-5, MIDC, Part B Cross Lane, Andheri (East), Mumbai – 400 093 to whom the authority has been delegated by the Board to attend share transfer formalities etc. Note : The Registrar and Share Transfer Agent of the Company was changed from ‘TSR Darashaw Limited’ (6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011) to “Datamatics Financial Services Limited” (Plot No. B-5, MIDC, Part B Cross Lane, Andheri (East), Mumbai – 400 093) with effect from March 01, 2011.
Share Transfer System	Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects
Distribution of shareholding & Category-wise distribution	See Table No. 2 & 3
De-materialisation of shares and liquidity	See Table No. 4
Plant Location	E1/I, Gandhinagar Electronics Estate, Gandhinagar – 382 028 (Gujarat)
Address for correspondence	Registered Office : Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex, LBS Marg, Kurla West, Mumbai – 400 070

Table 1 – Market Price Data

High and Low of market price of the Company's shares traded on The Stock Exchange, Mumbai and National Stock Exchange of India Limited, Mumbai, during the period October 2010 – March 2011

Month	BSE		NSE	
	High	Low	High	Low
Oct - 2010	244.40	226.30	243.30	226.50
Nov - 2010	254.00	225.00	253.00	225.00
Dec - 2010	252.30	220.10	250.90	216.05
Jan - 2011	250.25	210.00	250.90	201.20
Feb - 2011	224.50	163.00	225.00	160.00
Mar - 2011	183.05	162.00	181.90	162.00

Stock Performance of the Company in comparison to BSE Sensex



Note : Based on the monthly high and low of AGC Networks Share Price and BSE Sensex.

Table 2 - Distribution of shareholding as on March 31, 2011

No. of Equity Shares held	No. of shares held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 100	494906	3.48	8974	66.99
101 to 500	941889	6.62	3841	28.67
501 to 1000	267853	1.88	346	2.58
1001 to 5000	359233	2.52	184	1.37
5001 to 10000	211721	1.49	28	0.21
10001 to 100000	694995	4.88	21	0.16
100001 and above	11262635	79.13	2	0.02
Total	14233232	100.00	13396	100.00

Table 3 - Category-wise distribution of shareholding as on March 31, 2011

Sr. No.	Category	No. of Shareholders	No. of shares held	% of total shares
1.	Promoters	2	11262635	79.13
2.	Public Financial Institutions and Banks	13	146198	1.03
3.	Mutual Funds	7	3100	0.02
4.	Bodies Corporate	354	477780	3.36
5.	Resident Individuals	12762	2145732	15.07
6.	FIs & OCBs	8	84695	0.60
7.	Non-Resident Individuals	249	91759	0.64
8.	State Government	1	21333	0.15
Total		13396	14233232	100.00

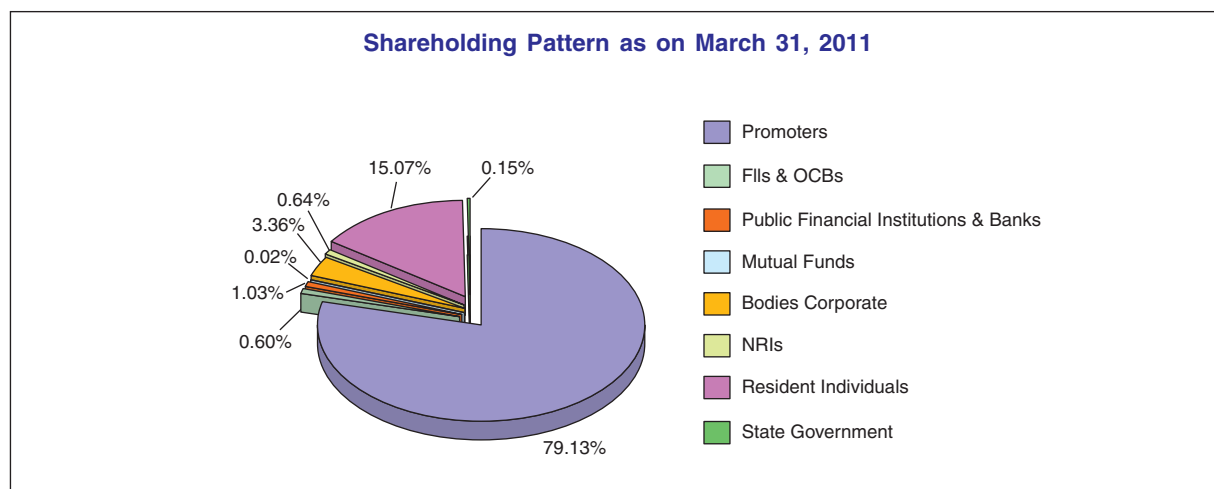


Table 4 - Break-up of shares in physical & electronic mode as on March 31, 2011

Mode	No. of shareholders	% of total shareholders	No. of shares	% of total shares
Physical	2071	15.46	329795	2.32
Electronic	11325	84.54	13903437	97.68
Total	13396	100.00	14233232	100.00

Table 5 – Office of Registrar and Share Transfer Agent

Datamatics Financial Services Ltd. (DFSSL),
 Plot No. B5, MIDC, Part B Cross Lane,
 Andheri (East), Mumbai - 400 093
 Contact Person : Mr. Salim Shaikh
 Tel. No. : 022 – 66712237, Fax : 022 – 66712209
 Email : agcinvestors@dfssl.com
 Website : www.dfssl.com
 Business Hours : Monday to Friday (10.00 a.m. to 4.00 p.m.) excluding holidays

Details of Directors appointed and re-appointed during the year

The details relating to the Directors being appointed and re-appointed during the year are mentioned in the 'Notice', which forms a part of the Annual Report.

12. General Body Meetings

The particulars of Annual General Meetings (AGM) and Extraordinary General Meeting (EGM) of the Company are as under. The shareholders passed all the resolutions set out in the respective notices.

F.Y.	AGM / EGM	Location	Date	Time
2007-08	AGM	Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai	29 th January 2009	11:00 a.m.
2008-09	AGM	Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai	29 th January 2010	11:00 a.m.
2009-10	EGM	Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai	21 st April 2010	11:00 a.m.
2009-10	AGM	Amar Gian Grover Auditorium, Lala Lajpat Rai Marg, Mahalaxmi, Haji Ali, Mumbai	20 th December 2010	11:00 a.m.

- The resolution for change of name of the Company from 'Avaya GlobalConnect Limited' to "AGC Networks Limited" was passed by the Shareholders by way of a Special Resolution at the Extraordinary General Meeting of the shareholders held on 21st April 2010 at 11:00 a.m.

Mr. S. Ramakrishnan, Mr. Anil Nair, Mr. Amarnath K. Pai & Mr. Hoshang Noshirwan Sinor attended this meeting. The Chairman of the meeting was Mr. S. Ramakrishnan.

- No special resolutions have been put through postal ballot at any of the General Body Meetings.

13. 'Managing Director' under Section 269 of the Companies Act, 1956

The shareholders, at the 24th Annual General Meeting of the Company held on 20th December, 2010, appointed Mr. S. K. Jha as 'Managing Director and CEO' of the Company, for a period of 5 (five) years, with effect from August 31, 2010 till August 30, 2015. The shareholders also re-designated Mr. Anil Nair as 'Joint Managing Director and President' at the said meeting.

14. Code of Conduct

The Company had adopted the Code of Conduct for directors and senior management. The Code had been circulated to all the members of the board and senior management and the same had been put on the Company's website www.agcnetworks.com. The board members and senior management have affirmed their compliance with the Code and declaration signed by the Managing Director & CEO and the Joint Managing Director & President is given below :

"It is hereby declared that the Company has obtained from all members of the board and senior management affirmation that they have complied with the Code of Conduct for directors and senior management of the Company for the financial year 2010-11."

S. K. Jha
Managing Director & CEO

Anil Nair
Joint Managing Director & President

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of AGC Networks Limited

We have examined the compliance of conditions of Corporate Governance by AGC Networks Limited for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. R. Batliboi & Associates

Firm Registration Number: 101049W
Chartered Accountants

Place: Mumbai
Date: May 21 2011

per Shyamsundar Pachisia
Partner
Membership Number: 49237

Auditors' Report

To

THE MEMBERS OF AGC NETWORKS LIMITED

1. We have audited the attached Balance Sheet of AGC Networks Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the six months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the six months period ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the six months period ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

per Shyamsundar Pachisia

Partner

Membership No.: 49237

Place : Mumbai

Date : 23 May 2011

Annexure to Auditors' Report

Annexure referred to in paragraph 3 of our report of even date

Re: AGC Networks Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the period.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4 (iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of the clauses 4 (iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in internal control system of the company in respect of these areas.
- (v) According to the information and explanations provided by the management, in our opinion, there are no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues which were outstanding, at the period end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Demands on account of incorrect duty credit / short payment	4,310	1991-92 to 1996-97	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax on RTU activation and penalty thereon	3,518	2006-07 and 2007-08	Customs, Excise & Service Tax Commissioner Appeals
Finance Act, 1994	Service tax on RTU activation and penalty thereon	7,413	2004-05 to 2006-07	Commissioner of Service Tax, Appeals
West Bengal Sales Tax Act, 1994	Interest on works Contract tax/Sales tax	291	2005-06 and 2006-07	Assistant Commissioner (Commercial Taxes)
Kerala Value Added Tax Act, 2003	Differential VAT rate demand	727	2008-09	Deputy Commissioner of Appeals

- (x) The Company has no accumulated losses at the end of the financial period and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the period.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the period.
- (xx) The Company has not raised any money by public issues during the period.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

per Shyamsundar Pachisia

Partner

Membership No.: 49237

Place : Mumbai

Date : 23 May 2011

Balance Sheet as at 31st March, 2011

	<u>Schedule</u>	<u>Rupees in million</u>	<u>As at September 30, 2010 Rupees in million</u>
Sources of funds			
Shareholders' funds			
Share Capital	1	142	142
Reserves and surplus	2	2,564	2,474
		<u>2,706</u>	<u>2,616</u>
Total		<u>2,706</u>	<u>2,616</u>
Application of funds			
Fixed assets			
Gross block	3	716	773
Less: Accumulated Depreciation / Amortization		530	594
Net block		<u>186</u>	<u>179</u>
Capital Work In Progress including Capital Advances		33	34
		<u>219</u>	<u>213</u>
Investments	4	950	145
Deferred Tax Assets	5	138	122
Current assets, loans and advances			
Inventories	6	410	456
Sundry debtors	7	1,974	1,288
Cash and bank balances	8	100	1,433
Loans and advances	9	805	576
		<u>3,289</u>	<u>3,753</u>
Less: Current liabilities and provisions			
Current Liabilities	10	1,775	1,486
Provisions	11	115	131
		<u>1,890</u>	<u>1,617</u>
Net current assets		<u>1,399</u>	<u>2,136</u>
Total		<u>2,706</u>	<u>2,616</u>
Significant Accounting Policies	18		
Notes to Accounts	19		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per **SHYAMSUNDAR PACHISIA**
Partner
Membership No.- 49237

Mumbai
23 May 2011

**For and on behalf of the Board
of Directors of AGC Networks Limited**

S. K. JHA
MD & CEO

VISHAL KOHLI
Company Secretary

ANIL NAIR
JMD & President

AMAL THAKORE
V. P. & Head (Finance)

Mumbai
May 21 2011

Profit and Loss Account for the six months period ended March 31, 2011

	<u>Schedule</u>	<u>Rupees in million</u>	<u>Year ended Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
Income			
Sales and services (Gross)	12	3,073	4,961
Less: Excise Duty on Sales		17	15
Sales and services (Net)		3,056	4,946
Other income	13	29	100
Total		3,085	5,046
Expenditure			
Raw materials and components consumed	14	90	199
Purchase of traded items		1,623	2,576
Manufacturing and other expenses	15	1,082	1,634
(Increase)/decrease of Excise duty on Inventory		7	6
Decrease/(Increase) in stock of finished goods and work-in-progress	16	52	31
Depreciation and amortisation	3	37	74
Interest and finance charges	17	6	8
Total		2,897	4,528
Profit before exceptional item		188	518
Exceptional item		-	(10)
Profit before tax		188	528
Provision for tax:			
Current tax		77	181
Excess provision of tax for earlier years		(1)	(3)
Deferred tax		(16)	0
		60	178
Profit after tax		128	350
Balance brought forward from previous year		810	569
Amount available for appropriation		938	919
Appropriations:			
Proposed dividend		32	64
Corporate dividend tax		5	11
Transfer to General Reserve		15	35
Balance carried to Balance Sheet		885	810
Total		938	919
Basic and Diluted Earnings per share		8.99	24.59
(Refer note 11 of Schedule 19)			
Nominal value per share in Rs.		10.00	10.00
Significant Accounting Policies	18		
Notes to Accounts	19		

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per SHYAMSUNDAR PACHISIA
Partner
Membership No.- 49237

Mumbai
23 May 2011

**For and on behalf of the Board
of Directors of AGC Networks Limited**

S. K. JHA
MD & CEO

VISHAL KOHLI
Company Secretary

ANIL NAIR
JMD & President

AMAL THAKORE
V. P. & Head (Finance)

Mumbai
May 21 2011

Schedules forming part of Balance Sheet as at March 31, 2011

	<u>Rupees in million</u>	<u>As at September 30, 2010 Rupees in million</u>
Schedule 1		
Share Capital		
<u>Authorised</u>		
2,50,00,000 equity shares of Rs. 10/- each	250	250
10,00,000 cumulative redeemable preference shares of Rs. 100/- each	100	100
	<u>350</u>	<u>350</u>
<u>Issued, subscribed and paid up</u>		
1,42,33,232 equity shares of Rs.10/- each fully paid up [84,15,988 and 28,46,647 shares held by Essar Services Holdings Limited (Holding Company) and Aegis Limited (Subsidiary of Holding Company) respectively. (previous year 84,15,988 and 28,46,647 shares held by Essar Services Holdings Limited (Holding Company) and Essar Capital Finance Private Limited respectively)].	142	142
	<u>142</u>	<u>142</u>

Notes:

Of the above, 4,26,692 equity shares have been allotted on amalgamation of the erstwhile Tata Keltron Limited without payment being received in cash.

Schedule 2

Reserves and surplus

Capital reserve

Balance as per Balance sheet

226

226

226

226

Securities premium account

Balance as per Balance sheet

463

463

463

463

General reserve

Balance as per last Balance sheet

975

940

Add: Transferred from Profit and Loss Account

15

35

990

975

Profit and Loss Account

885

810

2,564

2,474

Schedule 3
Fixed assets

Rupees in million

	Gross block (at cost)			Depreciation / Amortization			Net block		
	As at 01-10-2010	Additions	Deductions Adjustment	As at 31-03-2011	Upto 01-10-2010	For the year	Deductions Adjustment	As at 31-03-2011	As at 30-09-2010
<u>Tangible Assets</u>									
Leasehold land	4	-	-	4	1	-	-	3	3
Freehold land	1	-	-	1	-	-	-	1	1
Buildings	33	-	-	33	19	1	-	13	14
Plant and machinery	253	17	46	224	192	11	46	67	61
Computers	134	2	13	123	113	8	18	20	21
Electrical installations	23	-	-	23	16	1	-	6	7
Furniture, fixtures and office equipments	196	12	20	188	159	10	20	39	37
Vehicles	3	-	-	3	2	-	-	1	1
<u>Intangible Assets</u>									
Computer Software	104	13	-	117	70	6	(5)	36	34
Technical Know-how	22	-	22	-	22	-	22	-	-
Total	773	44	101	716	594	37	101	186	179
Previous year Total	739	71	37	773	554	74	34	33	34
Capital work in progress [Including advance for capital expenditure Rs.2 million (previous year Rs.2 million)]									
								219	213

Notes:

- (1) Buildings include one share of Rs.100/- fully paid up in a cooperative society for Ahmedabad office.
- (2) Depreciation fund adjustment includes regrouping of Rs.5 million from Computer to Computer Software.

	<u>Rupees in million</u>	<u>As at September 30, 2010 Rupees in million</u>
Schedule 4		
Investments		
Long term Investments at cost (Unquoted)		
Non-trade		
500 (Previous year NIL) 6.00% Rural Electrification Corporation Limited Bonds of Rs.10,000 each	5	-
Investment in Aegis Limited 57,14,285 (previous Year - Nil) equity shares of Rs.140/- each fully-paid	800	-
Subsidiary		
Investment in 42,24,993 equity shares of AUD 1/- each fully paid up in GlobalConnect Australia Pty Ltd (previous year 42,24,993 equity shares)	145	145
	<u>950</u>	<u>145</u>
Schedule 5		
Deferred Tax Assets		
Differences in depreciation / amortization and other differences in block of fixed assets as per tax books and financial books	70	72
<u>Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years.</u>		
Expenses disallowed u/s 40a(ia) of Income Tax Act, 1961	14	6
Provision for doubtful debts	39	35
Other provisions	15	9
	<u>138</u>	<u>122</u>
Schedule 6		
Inventories		
(at lower of cost and net realisable value)		
Raw materials and components [including Stock-in-transit Rs.6 million (previous year Rs.1 million)]	7	1
Work-in-progress	39	58
Finished goods [including Stock-in-transit Rs.41 million (previous year Rs.37 million)]	266	285
Service stocks	98	112
	<u>410</u>	<u>456</u>
Schedule 7		
Sundry Debtors		
(Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	355	193
Considered doubtful	121	106
	<u>476</u>	<u>299</u>
Other debts		
Considered good	1,619	1,095
	<u>1,619</u>	<u>1,095</u>
	2,095	1,394
Less: Provision for doubtful debts	121	106
	<u>1,974</u>	<u>1,288</u>
Dues from companies under the same management:		
Aegis Limited	110	0
Aegis Communications Group LLC.	7	-
Aegis Tech Ltd	5	-
Aegis Tech Singapore Pte.Ltd.	35	-

	<u>Rupees in million</u>	<u>As at September 30, 2010 Rupees in million</u>
Schedule 8		
Cash and Bank Balances		
Cheques on hand	25	44
<u>Balances with Scheduled banks</u>		
- In current accounts [Rs.3 million in unclaimed dividend account (previous year Rs.3 million)]	69	461
- In deposit accounts	6	928
	<u>100</u>	<u>1,433</u>
Schedule 9		
Loans and Advances		
(Unsecured and considered good)		
(Refer note 5 of Schedule 19)		
Advances recoverable in cash or in kind or for value to be received	113	83
Inter corporate deposits	200	-
Other deposits	110	111
Balance with excise authorities	2	5
Advance payment of tax (net of Tax provision)	380	377
	<u>805</u>	<u>576</u>
Schedule 10		
Current Liabilities		
Sundry creditors:		
- total outstanding dues to micro and small enterprises	2	0
- Other Dues	1,345	868
(Refer note 13 of Schedule 19)		
	<u>1,347</u>	<u>868</u>
Other liabilities	112	73
Unclaimed dividend (Refer note 1)	3	3
Unearned revenue (Refer note 2)	159	430
Advances from customers	151	112
Book Overdraft	3	-
	<u>1,775</u>	<u>1,486</u>
Notes:		
1) Investor Education and Protection Fund shall be credited by following amounts (as and when due).		
2) Unearned Revenue represents revenue not recognised on billing of services, as per accounting policy on revenue recognition of the Company in relation to service contracts.		
Schedule 11		
Provisions		
Proposed Dividend	32	64
Corporate Dividend Tax	5	11
Gratuity (Refer note 14 of Schedule 19)	13	-
Leave Liability	36	25
Provident Fund	2	3
Warranty (Refer note 12 of Schedule 19)	27	28
	<u>115</u>	<u>131</u>

Schedules forming part of Profit and Loss Account for the six months period ended March 31, 2011

	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
Schedule 12		
Sales and services		
Sales of manufactured goods (Refer note 4 of Schedule 19)	196	175
Sales of traded goods	1,991	3,294
Installation and commissioning income	89	149
Maintenance income	337	715
Service income	460	628
	<u>3,073</u>	<u>4,961</u>
Schedule 13		
Other income		
Liabilities for earlier years no longer required written back	4	8
Miscellaneous income (Refer note 6 of Schedule 19)	3	23
Interest received on:		
Fixed Deposits in Banks	5	50
[tax deducted at source Rs.1 million, (previous year Rs.5 million)]		
Other interest [tax deducted at source Rs.2 million (previous year Rs.0.3 million)]	17	19
	<u>29</u>	<u>100</u>
Schedule 14		
Raw materials and components consumed		
Opening stock	1	2
Add: Purchases during the year	96	198
	<u>97</u>	<u>200</u>
Less: Closing stock	7	1
	<u>90</u>	<u>199</u>
Schedule 15		
Manufacturing and Other expenses		
<u>Payments to and provisions for employees:</u>		
Salaries, wages and bonus	419	617
Contribution to provident and other funds	20	41
Staff welfare expenses	21	41
	<u>460</u>	<u>699</u>
Packing materials consumed	1	1
Installation and commissioning expenses	9	25
Power and water charges	8	18
Rent	72	100
Rates and taxes		
- Sales tax	2	2
- Others	3	3
Lease rentals	3	6
Insurance	1	1
Repairs to:		
- machinery	1	1
- others	17	39
	<u>18</u>	<u>40</u>

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
Schedule 15 (Contd.)		
Manufacturing and Other expenses		
Travelling and conveyance expenses	42	67
Telephone, telex and fax expenses	12	28
Printing and stationery expenses	3	6
Legal and professional charges (Refer note 7 of Schedule 19)	6	25
Advertisement, publicity and other selling expenses	8	48
Outward freight, clearing and forwarding charges	9	16
Commission to others	2	4
Service charges	398	490
Provision for doubtful debts	3	6
Bad debts	0	1
Other expenses	22	47
Directors' sitting fees	0	1
	<u>1,082</u>	<u>1,634</u>
Schedule 16		
(Increase)/Decrease in stock of finished goods and work-in-progress		
<u>Closing stock</u>		
Finished goods	266	285
Service stock	98	112
Work-in-progress	39	58
	<u>403</u>	<u>455</u>
Less:		
<u>Opening stock</u>		
Finished goods	285	319
Service stock	112	142
Work-in-progress	58	25
	<u>455</u>	<u>486</u>
	<u>52</u>	<u>31</u>
Schedule 17		
Interest and finance charges		
Finance charges	6	8
	<u>6</u>	<u>8</u>

Schedule 18

Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in future periods.

(c) Fixed assets

Fixed assets are stated at cost of acquisition or construction (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Assets acquired under finance lease are recognised at the inception of the lease at lower of the fair value or the present value of minimum lease payments. The initial direct costs incurred in connection with finance leases are recognised as an asset under the lease.

(d) Depreciation

Depreciation on fixed assets is provided on straight-line basis in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV to the Act, except in respect of certain fixed assets where higher rates are applicable considering the estimated useful life, which are as follows:

- i) Plant and Machinery - 5 years
- ii) Furniture, Fixtures and Office Equipments - 5 years
- iii) Computers and Computer Software - 4 years
- iv) Cost of leasehold land is amortised over the period of lease.
- v) Vehicles - 4 years
- vi) Assets purchased specifically for projects are depreciated over the life of the projects.

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(f) Investments

Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. Provision is made to recognise a decline, if any, other than temporary in the carrying amount of long-term investments.

(g) Inventories

Inventories are valued at cost or net realisable value, whichever is lower, except service spares which are valued at cost less amounts charged off to revenue over their evaluated useful life. The cost is determined on weighted average basis, and includes all costs incurred in bringing the inventories to their present location and condition. In case of work-in-progress and finished goods, costs also include costs of conversion.

(h) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is

probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provision for warranties

The Company accrues provision for estimated future warranty costs based upon the historical relationship of warranty claims to sales. The Company periodically reviews the adequacy of its product warranties and adjusts, if necessary, the warranty percentage and accrued warranty provision, for actual experience.

(i) **Foreign currency translation**

Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(j) **Revenue Recognition**

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

Sale of Goods

Revenue from Products is recognized when the products have been dispatched, in accordance with the sales contract/Purchase order from customer. Sales include excise duty but excludes sales tax.

Income from Services

Services including "installation and commissioning" related to products supplied or on a stand-alone basis are recognized based on substantial completion of services rendered and on completion of the services as per the contractual terms.

Maintenance Income is recognized on pro-rata basis over the period of the contract as defined in the contractual terms.

Service Income is recognized on performance of the services as defined in the contractual terms.

Service Income of a periodical nature which is not accrued during the year is disclosed as Unearned Revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other Income

Other income is accounted on accrual basis except where receipt of income is uncertain.

(k) **Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

(l) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(m) Employee benefits

1) Post-employment Benefits

a) Defined Benefit Plans:

Funded Plans:

The Company has defined benefit plans for Post-employment benefits in the form of:

(i) Gratuity for all employees which is administered through Life Insurance Corporation of India. Liability for Gratuity is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

(ii) Provident Fund for all employees which is administered through Company managed trust. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's contribution and such shortfall are charged to Profit and Loss Account as and when incurred.

2) Other Long-term Employee Benefits:

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. Encashment of leave benefit is payable on death whilst in service, withdrawal from service such as resignation, termination or early retirement or from retirement from service at normal retirement date. In view of increase in salary taking place, salary growth rates have been used to project the salary at the time when encashment of leave is assumed to take place. The assumptions with regard to Mortality rates, Withdrawal rates and Retirement age have been used to construct a suitable multiple decrement service/mortality table which determines the expected time when leave encashment is likely to take place. The accumulated leave may be reduced on account of in-service utilization or encashment if permissible under the rules of leave encashment, or increase on account of leave entitlement every year.

The effect of in service utilization or encashment and entitlement will be reflected in year to year balance and the liability will be adjusted accordingly at every periodic actuarial valuation.

3) Termination benefits are recognised as an expense as and when incurred.

4) The actuarial gains and losses arising during the year are recognised in the Profit and Loss Account of the year without resorting to any amortisation.

(n) Earnings Per Share

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

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

(o) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Schedule 19
Notes to accounts

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
1 Estimated amounts of contracts remaining to be executed on capital account and not provided for	44	22
2 Contingent liabilities in respect of disputed demands of:		
(a) Income tax authorities	170	183
(b) Excise and Customs authorities	83	94
(c) Sales tax matters	9	9
(d) Bills Discounted	63	1

Income tax:

The demand is raised mainly on deferral profit due to change in revenue recognition policy for Rs.98 million. This is a timing difference liability and appeal is filed before Commissioner of appeals.

Excise :

The amount is reported as contingent liability as an abundant caution for the appeal filed by the department with higher authority for applicability of custom duty on royalty remittance for Rs.66 million. The order from the lower authority is issued in favour of the Company.

3 (a) Managerial Remuneration		
Salary	8	9
Perquisites	1	2
Other allowances	5	16
Contribution to provident fund	0	0
Contribution to gratuity	0	0
Total	<u>15</u>	<u>28</u>

Provision for leave encashment which is based on actuarial valuations done on an overall company basis is not included above.

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
Profit before tax (as per Profit and Loss Account)	188	528
Add:		
Depreciation as per Profit and Loss account	37	74
Provision for doubtful debts and advances	3	7
Less:		
Depreciation (to the extent specified in section 350 of the Companies Act, 1956)	37	74
Net profit as per Section 349 of the Companies Act, 1956	191	535
Add:		
Directors' remuneration *	15	22
Profit as per Section 198 (3)	<u>206</u>	<u>557</u>
5% of profit	10	28
Excess remuneration	5	-

* For previous year, Directors' remuneration does not include remuneration of Rs.6 million paid to Mr. Niru Mehta pertaining to year ended September 30, 2008 for which Central Government approval was received in May, 2010.

Mr. S. K. Jha was appointed as Managing Director and CEO of the Company, for a period of 5 years, with effect from August 31, 2010 till August 30, 2015, vide Board Meeting held on August 31, 2010, which was approved by the shareholders in Annual General Meeting held on December 20, 2010. He has not drawn any remuneration from the Company during the period.

- 3 (b) Approval from the Central Government of India is awaited for the amount of Rs.5 million paid/payable to the Managing Director for the year ended March 31, 2011 in excess of the limits specified under the Companies Act 1956.
- 4 During the 6 months year ended March 31, 2011, the Company has changed its revenue recognition policy consistent with practice followed in the industry. Had the Company continued with the earlier policy i.e. income from sale of goods/installation & commissioning was recognised on completion of sale/installation and commissioning, the Gross Sales/Income from operations would have been lower by Rs.210 million and Profit after tax would have been lower by Rs.51 million.
- 5 Loans and Advances include amounts due from:-

Rupees in million	
	Amount due
I. Dues from companies under the same management:	
Aegis Limited	1 (-)
Aegis Tech Limited	17 (-)
Global Vantedge Private Ltd	200 (-)

(Figures in brackets are in respect of previous year).

	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
6 Amount of exchange gain/(loss) (net) included in Miscellaneous income in the Profit and Loss Account	1	20

	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
7 Payments to auditors		
As Auditors	2	3
As adviser, or in any other capacity, in respect of -		
a) Taxation Matters	-	2
b) Management Services	0	-
c) In any other Manner	0	0
Total	2	5

8 **Segment Reporting**

The Company operates in one business segment i.e., Business Communication Solutions and there is only one geographical segment viz. India.

9 Related Party Disclosures

(a) Related party disclosures as required by Accounting Standard -18 (AS-18), "Related Party Disclosures" issued by the Institute of Chartered Accountants of India

Nature of Relationship	Name of Party
Where control exists	Essar Services Holdings Limited - Holding Company (w.e.f. 01.09.2010) Essar Capital Finance Private Limited - (upto 19.01.2011) Aegis Limited - Subsidiary of Holding Company - (w.e.f. 20.01.2011) Essar Global Limited - Ultimate Holding Company (w.e.f. 01.09.2010) Avaya Inc., USA - Ultimate Holding Company (upto 31.08.2010) through its 100% subsidiaries 1) Sierra Communication International LLC (formerly Avaya International, LLC, USA) (upto 31.08.2010) 2) Avaya Mauritius Limited (upto 31.08.2010)
Subsidiaries	GlobalConnect Australia Pty Limited
Fellow Subsidiaries (where transactions occurred during the year)	Essar Steel Limited (w.e.f. 01.09.2010) Essar Oil Limited (w.e.f. 01.09.2010) Aegis Limited (w.e.f. 01.09.2010) Aegis Tech Ltd Aegis Tech Singapore Pte. Ltd Aegis Communication Group LLC. Aegis Aspire Consultancy Services Ltd Essar House Ltd Essar Infrastructure Services Ltd Essar Investment Ltd Essar Power Ltd Essar Power Gujarat Ltd Essar Power MP Ltd Essar Projects (India) Ltd Essar Technology Park BKC Pvt. Ltd Global Vantage Private Ltd Essar Information Technology Ltd Equinox Business Parks Pvt. Ltd Avaya India Private Limited (upto 31.08.2010) Avaya Singapore Pte Ltd (upto 31.08.2010) Avaya International Sales Ltd., Ireland (upto 31.08.2010)
Key Management Personnel	Mr. Anil Nair (w.e.f. 01.01.2009) Mr. S. K. Jha (w.e.f. 01.09.2010)

Schedule 19
Notes to accounts

9 Related Party Disclosures (Continued)

(b) Transactions with related parties as per the books of account during the six months period ended March 31, 2011

Nature of transaction	Rupees in million
Purchases of goods	
Aegis Tech Singapore Pte Ltd	38
	(-)
Avaya International Sales Ltd., Ireland	-
	(1,506)
Avaya Singapore Pte. Ltd.	-
	(13)
Sale of goods (Based on Invoicing done during the period)	
Aegis Communication Group LLC.	5
	(-)
Aegis Limited	71
	(1)
Aegis Tech Ltd	5
	(-)
Aegis Tech Singapore Pte Ltd	72
	(-)
Essar House Ltd	28
	(-)
Essar Infrastructure Services Ltd	1
	(-)
Essar Power MP Ltd	2
	(-)
Essar Projects (India) Ltd	13
	(-)
Essar Steel Limited	1
	(1)
Avaya India Private Limited	-
	(3)
Purchase of Capital Goods	
Aegis Tech Ltd	12
	(-)
Avaya International Sales Ltd., Ireland	-
	(12)
Services rendered	
Aegis Communication Group LLC.	3
	(-)
Aegis Limited	30
	(-)
Essar Steel Limited	0
	(2)
Avaya India Private Limited	-
	(79)

9 Related Party Disclosures (Continued)**(b) Transactions with related parties as per the books of account during the six months period ended March 31, 2011**

Nature of transaction	Rupees in million
Services received	
Avaya India Private Limited	- (88)
Equinox Business Parks Pvt. Ltd	17 (-)
Dividend	
Essar Services Holdings Limited	19 (38)
Essar Capital Finance Private Limited	- (13)
Aegis Limited	6 (-)
Managerial Remuneration	
Mr. Anil Nair	15 (22)
Mr. Niru Mehta	- (6)
Expenses reimbursement received	
Essar Information Technology Ltd	1 (-)
Aegis Limited	1 (-)
Aegis Tech Ltd	17 (-)
Avaya International Sales Ltd., Ireland	- (14)
Avaya India Private Limited	- (8)
Inter-Corporate Deposits placed	
Aegis Limited	800 (-)
Global Vantage Private Ltd	400 (-)
Inter-Corporate Deposits withdrawn	
Aegis Limited	800 (-)
Global Vantage Private Ltd	200 (-)
Interest received/receivable	
Aegis Limited	10 (-)
Global Vantage Private Ltd	4 (-)
Investments purchased	
Aegis Limited	800 (-)

Figures in brackets are in respect of previous year.

9 Related Party Disclosures (Continued)

(c) Amounts outstanding for related parties as per the books of account as at March 31, 2011

Particulars	Rupees in million
Receivables against sale of goods and services (Gross of Provisions for Doubtful Debts Rs.2 million)	
Aegis Limited	110
	(0)
Aegis Communications Group LLC.	7
	(-)
Aegis Tech Ltd	5
	(-)
Aegis Tech Singapore Pte.Ltd.	35
	(-)
Essar House Ltd	28
	(-)
Essar Infrastructure Services Ltd	1
	(-)
Essar Power MP Ltd	2
	(-)
Essar Projects (India) Ltd	9
	(-)
Essar Steel Limited	1
	(2)
Advances recoverable in cash or in kind	
Aegis Limited	1
	(-)
Aegis Tech Ltd	17
	(-)
Investment made	
Aegis Limited	800
	(-)
GlobalConnect Australia Pty. Ltd	145
	(145)
Inter-Corporate Deposits receivable	
Global Vantage Private Ltd	200
	(-)
Payables	
Aegis Tech Ltd	12
	(-)
Aegis Tech Singapore Pte. Ltd.	38
	(-)
Mr. Anil Nair	15
	(9)

Note:

Figures in brackets are in respect of previous year.

Schedule 19
Notes to accounts

10 Lease transactions

Operating leases

- (i) The Company has taken various residential, office, warehouse premises and vehicles under operating lease or leave and licence agreements. These range between 11 months to 4 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms.
- (ii) Lease payments are recognised in the Profit and Loss Account under 'Rent' and 'Lease rentals' in Schedule 15.
- (iii) The future minimum lease payments under non-cancellable operating leases are:-

Due		Oct 01, 2009 to Sep 30, 2010
Not later than 1 year	67	18
Later than 1 year but not later than 5 years	198	17
	265	35

- 11** Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

		Oct 01, 2009 to Sep 30, 2010
Profit after tax (Rupees in million)	128	350
Weighted average number of equity shares outstanding during the year	1,42,33,232	1,42,33,232
Basic and Diluted Earnings per Share (in Rupees)	8.99	24.59
Nominal Value per Share (in Rupees)	10.00	10.00

- 12 Disclosure as per Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by Institute of Chartered Accountants of India.**

Provision for Warranty

Rupees in million

Particulars	Oct 01, 2010 to Mar 31, 2011	Oct 01, 2009 to Sep 30, 2010
Opening Balance	28	31
Additions	-	-
Utilisations	(1)	(3)
Closing Balance	27	28

Provisions for Warranty is based on the estimate made by the Company considering the historical relationship of warranty claims to sales. The timing and the amount of cash flows that will arise from these matters will be determined only on receipt of actual claims from the respective parties.

- 13** Sundry creditors include –

Rupees in million

	Oct 01, 2010 to Mar 31, 2011	Oct 01, 2009 to Sep 30, 2010
Total outstanding dues of micro and small enterprises	2	0

Schedule 19
Notes to accounts

Details of amounts due under the Micro, Small and Medium Enterprises Development Act, 2006 are as under:-

		Oct 01, 2010 to Mar 31, 2011	Oct 01, 2009 to Sep 30, 2010
		Rupees in million	Rupees in million
1 The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.	a. Principal	2	0
	b. Interest	0	0
	Total	2	0
2 The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	a. Principal	1	1
	b. Interest	-	-
	Total	1	1
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006			
4 The amount of interest accrued and remaining unpaid at the end of the year.	a. Total Interest accrued	0	0
	b. Total Interest unpaid	0	0
5 The amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Included in S. No. 4(b) above is Rs. NIL being interest on amounts outstanding as at the beginning of the accounting year.		

14 Disclosures in accordance with Revised AS - 15 on "Employee Benefits"

- 1 Defined Contribution Plan – The Company has recognised the following amounts in the Profit and Loss Account for the six months period ended:

Rupees in million

Particulars	Total
Contribution to Management Superannuation Fund	-
	(15)
Total	-
	(15)

(Figures in brackets are in respect of previous year).

Schedule 19
Notes to accounts

2 Defined Benefit Plans –

The following figures (except provident fund contributions) are as per actuarial valuation as at the Balance Sheet date carried out by an independent actuary.

- a A reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation (DBO) :

Rupees in million

Sr. no.	Particulars	Gratuity
i)	Opening DBO as on 1st October 2010	53 (53)
ii)	Current Service Cost	5 (5)
iii)	Interest Cost	2 (4)
iv)	Actuarial (Gains)/Losses	9 (-3)
v)	Benefits Paid	(4) (-7)
vi)	Closing DBO as on 31st March 2011	65 (53)

(Figures in brackets are in respect of previous year).

- b A reconciliation of the opening and closing balances of the fair value of Plan Assets.

Rupees in million

Sr.no.	Particulars	Gratuity
i)	Opening Fair Value of Plan Assets	53 (54)
ii)	Expected return on Plan Assets	2 (5)
iii)	Actuarial Gains/(Losses)	(0) -
iv)	Contribution by the employer	- (1)
v)	Benefits Paid	(4) (-7)
vi)	Closing Fair Value of Plan Assets as on 31st March 2011	52 (53)

Schedule 19
Notes to accounts

- c Amount recognised in Balance Sheet including a reconciliation of the present value of defined obligation in (a) and the fair value of plan assets in (b) to the assets and liabilities recognised in the Balance Sheet:

Rupees in million

Sr.no.	Particulars (Gratuity)	2010-11	2009-10	2008-09	2007-08	2006-07
i)	Present Value of Funded Obligations	52	53	53	58	54
ii)	Fair Value of Plan Assets	52	53	54	58	44
iii)	Present Value of Unfunded Obligations	13	-	(1)	0	11
iv)	Net Liability/(Asset) recognised in the Balance Sheet	13	-	(1)	0	11

- d The total expense / (income) recognised in the Profit & Loss Account:

Rupees in million

Sr.no.	Particulars	Gratuity
i)	Current Service Cost	5 (5)
ii)	Interest Cost	2 (4)
iii)	Expected return on Plan Assets	(2) (-5)
iv)	Actuarial (Gains)/Losses	9 (-3)
vi)	Net Employee Benefit Expense / (Income)	13 (2)

- ii) The total expense recognised in the Profit & Loss Account includes Rs.14 million (Previous year Rs.24 million) as contribution to provident funds.
All the above have been included in the line item 'Contribution to provident and other funds' in schedule 15 of the Profit & Loss Account.
- e Fair Value of Plan Assets - 100% is administered by Insurer Managed Funds.
- f The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- g The Actual Return on Plan Assets is as follows:

Rupees in million

Sr.no.	Particulars	Gratuity
i)	Actual Return on Plan Assets	2 (5)

- h Following are the principal Actuarial Assumptions used as at the Balance Sheet date:

Particulars	Gratuity (%)
Discount Rate	8.36 (8.38)
Expected Rate of Return on Plan Assets	9.25 (9.25)
Salary escalation Rate - Management Staff	6.00 (6.00)
Salary escalation Rate - Non Management Staff	6.00 (6.00)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Schedule 19**Notes to accounts****i Experience Adjustments**

Experience Adjustments on Plan Assets - Nil (PY - Nil)

Experience Adjustments on Plan liabilities - Nil (PY - Nil)

15 Installed capacity and production**Oct 01, 2009
to Sep 30, 2010**EPABX (no. of ports)

Installed capacity - on single shift basis	250,000	250,000
Actual production	23,442	60,944

Note: Installed Capacity is as per certificate given by Management.**16 Manufactured goods - turnover, opening and closing stocks**

Class of product	Turnover		Closing stock		Opening stock	
	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)
EPABX (no. of ports)	30,094	196	11,006	46	17,658	66
Total		196		46		66
Previous year						
EPABX (no. of ports)	46,650	175	17,658	66	3,364	36
Total		175		66		36

Note:

The Company records production and stocks of EPABX systems in 'number of ports' even though the EPABX system is sold as a unit. The capacity and utilisation of the system is measured in 'number of ports'. Hence, the installed capacity, production, turnover and stocks of EPABX systems together with the cards in work-in-progress are converted into number of ports.

17 Particulars of traded goods

Items	Purchases		Opening stock		Closing stock		Sales	
	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)
(a) Converged Communication Solutions*		1,429		251		230		1,951
(b) Telephone instruments	5,392	127	4,287	14	6,742	24	2,937	24
(c) Teleconferencing solution (TCS)	53	67	512	13	505	12	60	16
Total		1,623		277		266		1,991

Schedule 19
Notes to accounts

17 Particulars of traded goods (Continued)

Previous year

Items	Purchases		Opening stock		Closing stock		Sales	
	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)	Quantity (nos.)	Value (Rs. in million)
(a) Converged Communication Solutions*		2,168		263		251		2,383
(b) Telephone instruments	47,053	281	4,017	19	4,287	14	46,783	629
(c) Teleconferencing solution (TCS)	578	126	493	28	512	13	559	282
Total		<u>2,576</u>		<u>310</u>		<u>279</u>		<u>3,294</u>

* The Company mainly operates in Converged Communication Solutions domain and the solutions sold to customers is configured as per specific customer requirements. The heterogeneous mix of components in solution offered to customers makes it difficult to establish a meaningful relationship between the quantitative details of goods purchased and sold during the year. Consequently, it is neither feasible nor meaningful to give the quantitative details of goods purchased and sold during the year for Converged Communication Solutions.

	Oct 01, 2010 to Mar 31, 2011		Oct 01, 2009 to Sep 30, 2010	
	Quantity (nos.)	Rupees in million	Quantity (nos.)	Rupees in million
18 Raw materials and components consumed				
(a) Printed circuit boards	413	15	2,975	122
(b) Static converters	166	3	1,724	6
(c) Cabinet	426	34	520	31
(d) Peripherals	123	2	292	2
(e) Others*		36		39
		<u>90</u>		<u>200</u>

* As "Others" comprise of various items, the quantity thereof have not been given.

	Rupees in million	Rupees in million
19 CIF value of imports		
(a) Raw materials and components	83	161
(b) Capital goods	12	47
(c) Traded goods	1,259	2,163

Schedule 19
Notes to accounts

20 Value of consumption of imported/indigenous items of raw materials, components and percentage of each to total consumption

Raw materials	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
Imported - Rupees in million	88	198
%	97.92	99.41
Indigenous - Rupees in million	2	1
%	2.08	0.59
Total	90	199
%	100.00	100.00

21 Earnings in foreign exchange (on accrual basis)

(a) Reimbursement of Expenses	-	15
(b) Sales Proceeds from overseas branch	760	1,380

22 Expenditure in foreign currency (on accrual basis)

(a) Professional charges	0	1
(b) Others matters	54	67

23 Amount remitted during the year in foreign currency on account of dividend

(a) Number of shareholders	1	2
(b) Number of equity shares held by them on which dividend was paid	84,15,988	84,15,988
(c) Net amount remitted	38	29
(d) Pertains to year ended	Sep-10	Sep-09

24 Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Foreign Currency	Rupees in million	Foreign Currency	Rupees in million
Payables	13,252,003 USD	591	8,092,585 USD	364
	- GBP	-	21,027 GBP	2
	753 EURO	0	3,249 EURO	0
Bank Balances	555,360 USD	25	2,074,527 USD	93
Receivables	8,662,731 USD	386	3,827,131 USD	172
	- GBP	-	4,299 GBP	0

25 The figures of previous year were audited by a firm of Chartered Accountants other than S. R. Batliboi & Associates. Previous year figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period classification.

Since the Company has changed its year end from September end to March end, current period Profit and Loss Account is for six months period ended March 31, 2011 and is not comparable to previous year figures which is for the year ended September 30, 2010.

26 All amounts are Rupees (In million) except otherwise stated specifically - "0" denotes amounts less than a million rupees.

Signatures to schedules 1 to 19

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per SHYAMSUNDAR PACHISIA
Partner
Membership No.- 49237

Mumbai
23 May 2011

**For and on behalf of the Board
of Directors of AGC Networks Limited**

S. K. JHA
MD & CEO

VISHAL KOHLI
Company Secretary

ANIL NAIR
JMD & President

AMAL THAKORE
V. P. & Head (Finance)

Mumbai
May 21 2011

Schedule 19**Notes to accounts****Balance Sheet abstract and Company's general business profile****I. Registration details**Registration no. State code Balance sheet date **II. Capital raised during the year (amount in Rupees thousands)**

Public issue

Rights issue

Bonus issue

Private placement

 III. Position of mobilisation and deployment of funds (amount in Rupees thousands)

Total liabilities

Total assets

Sources of funds

Paid-up capital

Reserves and surplus

Secured loans

Unsecured loans

Application of funds

Net fixed assets

Investments

Net current assets

Deferred tax asset

 IV. Performance of the Company (amount in Rupees thousands)

Turnover

Total expenditure

+ (-) Profit/(loss) before tax

+ (-) Profit/(loss) after tax

Earnings per share (Rupees)

Dividend %

 V. Generic names of two principal products / services of the Company (as per monetary terms)Item code no. (ITC code) Product description Item code no. (ITC code) Product description

Signatures to schedules 1 to 19

**For and on behalf of the Board
of Directors of AGC Networks Limited****S. K. JHA**
MD & CEO**ANIL NAIR**
JMD & President**VISHAL KOHLI**
Company Secretary**AMAL THAKORE**
V. P. & Head (Finance)Mumbai
May 21 2011

Cash Flow Statement for the six months period ended March 31, 2011

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	188	528
Adjustments for:		
Depreciation	37	74
Interest expense	6	8
Loss /(profit) on Sale / Write-off of Fixed Assets	0	(10)
Provision for warranties	(1)	(3)
Provision for doubtful debts (net)	3	6
Bad Debts	0	1
Liabilities for earlier years no longer required written back	(4)	(8)
Unrealised foreign exchange loss (net)	7	9
Interest income	(22)	(69)
	26	8
Operating profit before working capital changes	214	536
Increase/ (decrease) in current liabilities	287	(54)
Increase/ (decrease) in provisions	24	(10)
(Increase)/ decrease in sundry debtors	(692)	(36)
(Increase)/ decrease in inventories	46	32
(Increase) / decrease in loans and advances	(27)	69
	(362)	1
Cash generated from operations	(148)	537
Income tax paid	(79)	(127)
NET CASH FROM OPERATING ACTIVITIES	(227)	410
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(44)	(102)
Sale of fixed assets	1	12
Interest received	22	69
Investments in Inter Corporate Deposits	(200)	-
Disposal of Investments	-	5
Purchase of Investments	(805)	-
NET CASH FROM INVESTING ACTIVITIES	(1,026)	(16)

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(6)	(8)
Corporate Dividend tax paid	(11)	(8)
Dividend paid	(63)	(50)
NET CASH FROM FINANCING ACTIVITIES	<u>(80)</u>	<u>(66)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,333)	328
Cash and cash equivalents as at beginning of period	1,445	1,117
Cash and cash equivalents as at end of period	112	1,445
	<u>(1,333)</u>	<u>328</u>
Cash and cash equivalents comprise of		
Cheques on hand and remittance in transit	25	44
Balances with scheduled banks		
- In Unclaimed Dividend Accounts (Restricted) *	3	3
* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.		
- In Deposit Accounts	6	928
- In Current Accounts	66	458
Cash and Bank Balances as per Schedule 8	<u>100</u>	<u>1,433</u>
Less: Margin Deposit not considered as Cash Equivalents	-	-
Sub-total	100	1,433
Add: Effect of Exchange Differences on Cash and Cash Equivalents held in Foreign Currency	12	12
Cash & Cash Equivalents in Cash Flow Statement:	<u>112</u>	<u>1,445</u>

Notes:

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under Section 211(3C) of the Companies Act, 1956.
- Figures in brackets indicate cash outflow.
- Previous year figures have been regrouped / reclassified wherever necessary.
This is the Cash Flow Statement referred to in our report of even date.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants
per SHYAMSUNDAR PACHISIA
Partner
Membership No.- 49237

S. K. JHA
MD & CEO

VISHAL KOHLI
Company Secretary

**For and on behalf of the Board
of Directors of AGC Networks Limited**

ANIL NAIR
JMD & President

AMAL THAKORE
V. P. & Head (Finance)

Mumbai
23 May 2011

Mumbai
May 21 2011

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Auditors' Report Consolidated 2010-11

The Board of Directors

The Members of AGC Networks Limited

We have audited the attached consolidated balance sheet of AGC Networks Limited ('the Company' or 'Group'), as at 31st March 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the six months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 219 million as at 31st March 2011, the total revenue of Rs. 182 million and cash flows amounting to Rs. 11 million for the six months period then ended. These financial statements have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the AGC Networks Limited Group as at 31st March 2011;
- (b) in the case of the consolidated profit and loss account, of the profit for the six months period ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the six months period ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W

Chartered Accountants

per Shyamsundar Pachisia

Partner

Membership No.: 49237

Place : Mumbai

Date : 23 May 2011

Consolidated Balance Sheet as at 31st March, 2011

	<u>Schedule</u>	<u>Rupees in million</u>	<u>As at September 30, 2010 Rupees in million</u>
Sources of funds			
Shareholders' funds			
Share Capital	1	142	142
Reserves and surplus	2	2,485	2,388
		2,627	2,530
Total		2,627	2,530
Application of funds			
Fixed assets			
Gross block	3	739	797
Less: Accumulated Depreciation / Amortization		551	614
Net block		188	183
Capital Work In Progress including Capital Advances		33	34
		221	217
Investments	4	805	-
Deferred Tax Assets	5	138	122
Current assets, loans and advances			
Inventories	6	420	466
Sundry debtors	7	2,062	1,386
Cash and bank balances	8	218	1,534
Loans and advances	9	805	576
		3,505	3,962
Less: Current liabilities and provisions			
Current Liabilities	10	1,910	1,622
Provisions	11	132	149
		2,042	1,771
Net current assets		1,463	2,191
Total		2,627	2,530
Significant Accounting Policies	18		
Notes to Accounts	19		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per **SHYAMSUNDAR PACHISIA**
Partner
Membership No.- 49237

**For and on behalf of the Board
of Directors of AGC Networks Limited**

S. K. JHA
MD & CEO

ANIL NAIR
JMD & President

VISHAL KOHLI
Company Secretary

AMAL THAKORE
V. P. & Head (Finance)

Mumbai
23 May 2011

Mumbai
May 21 2011

Consolidated Profit and Loss Account for the six months period ended March 31, 2011

	<u>Schedule</u>	<u>Rupees in million</u>	<u>Year ended Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
Income			
Sales and services (Gross)	12	3,255	5,404
Less: Excise Duty on Sales		17	15
Sales and services (Net)		3,238	5,389
Other income	13	31	103
Total		3,269	5,492
Expenditure			
Raw materials and components consumed	14	90	199
Purchase of traded items		1,700	2,782
Manufacturing and other expenses	15	1,184	1,869
(Increase)/decrease of Excise duty on Inventory		7	6
Decrease/(Increase) in stock of finished goods and work-in-progress	16	52	35
Depreciation and amortisation	3	38	78
Interest and finance charges	17	6	9
Total		3,077	4,978
Profit before exceptional item		192	514
Exceptional item		-	(10)
Profit before tax		192	524
Provision for tax:			
Current tax		77	181
Excess provision of tax for earlier years		(1)	(3)
Deferred tax		(16)	0
Profit after tax		60	178
Balance brought forward from previous year		715	479
Amount available for appropriation		847	825
Appropriations:			
Proposed dividend		32	64
Corporate dividend tax		5	11
Transfer to General Reserve		15	35
Balance carried to Balance Sheet		794	715
Total		847	825
Basic and Diluted Earnings per share		9.24	24.31
(Refer note 11 of Schedule 19)			
Nominal value per share in Rs.		10.00	10.00
Significant Accounting Policies	18		
Notes to Accounts	19		

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per **SHYAMSUNDAR PACHISIA**
Partner
Membership No.- 49237

**For and on behalf of the Board
of Directors of AGC Networks Limited**

S. K. JHA
MD & CEO

ANIL NAIR
JMD & President

VISHAL KOHLI
Company Secretary

AMAL THAKORE
V. P. & Head (Finance)

Mumbai
23 May 2011

Mumbai
May 21 2011

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

	Rupees in million	As at September 30, 2010 Rupees in million
Schedule 1		
Share Capital		
<u>Authorised</u>		
2,50,00,000 equity shares of Rs. 10/- each	250	250
10,00,000 cumulative redeemable preference shares of Rs. 100/- each	100	100
	<u>350</u>	<u>350</u>
<u>Issued, subscribed and paid up</u>		
1,42,33,232 equity shares of Rs. 10/- each fully paid up [84,15,988 and 28,46,647 shares held by Essar Services Holdings Limited (Holding Company) and Aegis Limited (Subsidiary of Holding Company) respectively. (previous year 84,15,988 and 28,46,647 shares held by Essar Services Holdings Limited (Holding Company) and Essar Capital Finance Private Limited respectively)].	142	142
	<u>142</u>	<u>142</u>
Notes:		
Of the above, 4,26,692 equity shares have been allotted on amalgamation of the erstwhile Tata Keltron Limited without payment being received in cash.		
Schedule 2		
Reserves and surplus		
<u>Capital reserve</u>		
Balance as per Balance sheet	226	226
	<u>226</u>	<u>226</u>
<u>Securities premium account</u>		
Balance as per Balance sheet	463	463
	<u>463</u>	<u>463</u>
<u>General reserve</u>		
Balance as per last Balance sheet	975	940
Add: Transferred from Profit and Loss Account	15	35
	<u>990</u>	<u>975</u>
<u>Foreign currency translation reserve</u>		
Balance as per last Balance Sheet	9	7
Foreign currency translation reserve during the year	3	2
	<u>12</u>	<u>9</u>
Profit and Loss Account	794	715
	<u>2,485</u>	<u>2,388</u>

Schedule 3
Fixed assets

	Rupees in million									
	Gross block (at cost)					Depreciation / Amortisation			Net block	
	As at 01-10-2010	Additions	Deductions	As at 31-03-2011	Upto 30-09-2010	For the year	Adjustment Deductions	As at 31-03-2011	As at 30-09-2010	As at 30-09-2010
<u>Tangible Assets</u>										
Leasehold land	4	-	-	4	1	-	-	1	3	3
Freehold land	1	-	-	1	-	-	-	-	1	1
Buildings	33	-	-	33	20	-	-	20	13	13
Plant and machinery	253	17	46	224	192	11	46	157	67	61
Computers	142	2	13	131	119	9	19	109	22	23
Electrical installations	23	-	-	23	17	1	-	18	5	6
Furniture, fixtures and office equipments	206	12	21	197	168	11	21	158	39	38
Vehicles	4	-	1	3	2	-	-	2	1	2
<u>Intangible Assets</u>										
Computer Software	103	13	-	116	70	6	(5)	81	35	33
Technical Know-how	22	-	22	-	22	-	22	-	-	-
Total	791	44	103	732	611	38	103	546	186	180
Exchange Fluctuation on consolidation of non-integral foreign subsidiary	6	-	(1)	7	3	-	(2)	5	2	3
Total	797	44	102	739	614	38	101	551	188	183
Previous year Total	770	72	45	797	579	78	43	614	33	34
Capital work-in-progress [Including advance for capital expenditure Rs.2 million(Previous year Rs. 2 million)]										

Notes:

- (1) Buildings include one share of Rs. 100/- fully paid up in a cooperative society for Ahmedabad office.
(2) Depreciation fund adjustment includes regrouping of Rs. 5 million from Computer to Computer Software.

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

	<u>Rupees in million</u>	<u>As at September 30, 2010 Rupees in million</u>
Schedule 4		
Investments		
Long term Investments at cost (Unquoted)		
Non-trade		
500 (Previous year 500) 6.00% Rural Electrification Corporation Limited Bonds of Rs.10,000 each	5	-
Investment in Aegis Limited 57,14,285 (previous Year - Nil) equity shares of Rs.140/- each fully-paid	800	-
	805	-
	805	-
Schedule 5		
Deferred Tax Assets		
Differences in depreciation / amortization and other differences in block of fixed assets as per tax books and financial books	70	72
<u>Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years.</u>		
Expenses disallowed u/s 40a(ia) of Income Tax Act, 1961	14	6
Provision for doubtful debts	39	35
Provision for excise duty	15	9
	138	122
	138	122
Schedule 6		
Inventories		
(at lower of cost and net realisable value)		
Raw materials and components [including Stock-in-transit Rs.6 million (previous year Rs.1 million)]	7	1
Work-in-progress	39	58
Finished goods [including Stock-in-transit Rs.41 million (previous year Rs.37 million)]	276	295
Service stocks	98	112
	420	466
	420	466
Schedule 7		
Sundry Debtors		
(Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	356	193
Considered doubtful	121	106
	477	299
Other debts		
Considered good	1,706	1,193
	1,706	1,193
	2,183	1,492
Less: Provision for doubtful debts	121	106
	2,062	1,386
	2,062	1,386
Dues from companies under the same management:		
Aegis Limited	110	0
Aegis Communications Group LLC.	7	-
Aegis Tech Ltd	5	-
Aegis Tech Singapore Pte.Ltd.	35	-

	<u>Rupees in million</u>	<u>As at September 30, 2010 Rupees in million</u>
Schedule 8		
Cash and Bank Balances		
Cheques on hand	25	44
Balances with Scheduled banks		
— In current accounts [Rs. 3 million in unclaimed dividend account (previous year Rs. 3 million)]	69	461
— In deposit accounts	6	928
Balances with others		
Westpac Bank [Maximum amount outstanding during the period Rs. 59 million (previous year Rs. 115 million)]	19	6
— In saving accounts		
Westpac Bank [Maximum amount outstanding during the period Rs. 128 million (previous year Rs. 103 million)]	91	87
— In Guarantee account		
Westpac Bank [Maximum amount outstanding during the period Rs. 9 million (previous year Rs. 9 million)]	8	8
	218	1,534

Schedule 9**Loans and Advances**

(Unsecured and considered good)

(Refer note 5 of Schedule 19)

Advances recoverable in cash

or in kind or for value to be received

Inter corporate deposits

Other deposits

Balance with excise authorities

Advance payment of tax (net of tax provision)

113	83
200	-
110	111
2	5
380	377
805	576

Schedule 10**Current Liabilities**

Sundry creditors:

— total outstanding dues to micro and small enterprises

— Other Dues

(Refer note 13 of Schedule 19)

2	0
1,418	921
1,420	921

Other liabilities

Unclaimed dividend (Refer note 1)

Unearned revenue (Refer note 2)

Advances from customers

Book Overdraft

119	77
3	3
213	509
152	112
3	-
1,910	1,622

Notes:

- Investor Education and Protection Fund shall be credited by following amounts (as and when due).
- Unearned Revenue represents revenue not recognised on billing of services, as per accounting policy on revenue recognition of the Company in relation to service contracts.

Schedules forming part of Consolidated Balance Sheet as at March 31, 2011

	Rupees in million	As at September 30, 2010 Rupees in million
Schedule 11		
Provisions		
Proposed Dividend	32	64
Corporate Dividend Tax	5	11
Gratuity (Refer note 14 of Schedule 19)	13	-
Leave Liability	53	43
Provident Fund	2	3
Warranty (Refer note 12 of Schedule 19)	27	28
	<u>132</u>	<u>149</u>

Schedules forming part of Consolidated Profit and Loss Account for the six months period ended March 31, 2011

	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
Schedule 12		
Sales and services		
Sales of manufactured goods (Refer note 4 of Schedule 19)	196	175
Sales of traded goods	2,060	3,559
Installation and commissioning income	89	149
Maintenance income	420	844
Service income	490	677
	<u>3,255</u>	<u>5,404</u>

Schedule 13		
Other income		
Liabilities for earlier years no longer required written back	4	8
Miscellaneous income (Refer note 6 of Schedule 19)	3	23
Interest received on:		
Fixed Deposits in Banks	5	52
[tax deducted at source Rs. 1 million (previous year Rs. 5 million)]		
Other interest [tax deducted at source Rs. 2 million (previous year Rs. 0.3 million)]	19	20
	<u>31</u>	<u>103</u>

Schedule 14		
Raw materials and components consumed		
Opening stock	1	2
Add: Purchases during the year	96	198
	<u>97</u>	<u>200</u>
Less: Closing stock	7	1
	<u>90</u>	<u>199</u>

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
Schedule 15		
Manufacturing and Other expenses		
<u>Payments to and provisions for employees:</u>		
Salaries, wages and bonus	496	792
Contribution to provident and other funds	20	41
Staff welfare expenses	21	44
	<u>537</u>	<u>877</u>
Packing materials consumed	1	1
Installation and commissioning expenses	9	25
Power and water charges	9	19
Rent	81	121
Rates and taxes		
— Sales tax	2	2
— Others	3	3
Lease rentals	3	6
Insurance	1	3
Repairs to:		
— machinery	1	1
— others	17	48
	<u>18</u>	<u>49</u>
Travelling and conveyance expenses	46	76
Telephone, telex and fax expenses	15	35
Printing and stationery expenses	3	6
Legal and professional charges (Refer note 7 of Schedule 19)	6	25
Advertisement, publicity and other selling expenses	9	50
Outward freight, clearing and forwarding charges	9	16
Commission to others	2	4
Service charges	398	490
Provision for doubtful debts	3	6
Bad debts	0	1
Other expenses	29	53
Directors' sitting fees	0	1
	<u>1,184</u>	<u>1,869</u>
Schedule 16		
(Increase)/Decrease in stock of finished goods and work-in-progress		
<u>Closing stock</u>		
Finished goods	276	295
Service stock	98	112
Work-in-progress	39	58
	<u>413</u>	<u>465</u>
Less:		
<u>Opening stock</u>		
Finished goods	295	333
Service stock	112	142
Work-in-progress	58	25
	<u>465</u>	<u>500</u>
	<u>52</u>	<u>35</u>

Schedules forming part of Consolidated Profit and Loss Account for the six months period ended March 31, 2011

	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
Schedule 17		
Interest and finance charges		
Finance charges	6	9
Total	6	9

Schedules forming part of the Consolidated accounts for the six months period ended March 31, 2011

Schedule 18

Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in future periods.

(c) Basis of consolidation

- (a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) on 'Consolidated Financial Statements' and on the basis of the separate audited financial statements of AGC Networks Limited and its subsidiary. Reference in the notes to Company / Group shall mean to include AGC Networks Limited / AGC Networks Limited and its subsidiary consolidated in these Financial Statements unless otherwise stated.
- (b) The financial statements of the Group are combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 (AS-21) on 'Consolidated Financial Statements'.
- (c) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, have been made in Consolidated Financial Statements.

Foreign subsidiary considered in the Consolidated Financial Statements

Name of the subsidiary	Country of incorporation	Extent of holding as on March 31, 2011
GlobalConnect Australia Pty Limited*	Australia	100%

* Incorporated on September 03, 2004 under the Corporation Act, 2001, Australia.

Foreign Currency Translation:

The Consolidated Financial Statements are prepared in Indian Rupees which is the reporting currency for AGC Networks Limited.

However, Australian Dollar is the reporting currency for its foreign subsidiary located in Australia. The translation of the reporting currency of the foreign subsidiary into the reporting currency is performed

- (a) for assets and liabilities using the current exchange rate in effect at the balance sheet date,
- (b) for revenues, costs and expenses using average rate prevailing during the reporting months and
- (c) for share capital, using the exchange rate at the date of transaction.

The resultant translation exchange gain/loss has been disclosed as Foreign Currency Translation Reserve under Reserves and Surplus.

(d) Fixed assets

Fixed assets are stated at cost of acquisition or construction (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Assets acquired under finance lease are recognised at the inception of the lease at lower of the fair value or the present value of minimum lease payments. The initial direct costs incurred in connection with finance leases are recognised as an asset under the lease.

(e) Depreciation

Depreciation on fixed assets is provided on straight-line basis in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV to the Act, except in respect of certain fixed assets where higher rates are applicable considering the estimated useful life, which are as follows:

- i) Plant and Machinery - 5 years
- ii) Furniture, Fixtures and Office Equipments - 5 years
- iii) Computers and Computer Software - 4 years
- iv) Cost of leasehold land is amortised over the period of lease.
- v) Vehicles - 4 years
- vi) Assets purchased specifically for projects are depreciated over the life of the projects.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(g) Investments

Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. Provision is made to recognise a decline, if any, other than temporary in the carrying amount of long term investments.

(h) Inventories

Inventories are valued at cost or net realisable value, whichever is lower, except service spares which are valued at cost less amounts charged off to revenue over their evaluated useful life. The cost is determined on weighted average basis, and includes all costs incurred in bringing the inventories to their present location and condition. In case of work-in-progress and finished goods, costs also include costs of conversion.

(i) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provision for warranties

The Company accrues provision for estimated future warranty costs based upon the historical relationship of warranty claims to sales. The Company periodically reviews the adequacy of its product warranties and adjusts, if necessary, the warranty percentage and accrued warranty provision, for actual experience.

(j) Foreign currency translations

Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(k) Revenue Recognition

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

Sale of Goods

Revenue from Products is recognized when the products have been dispatched, in accordance with the sales contract/Purchase order from customer. Sales include excise duty but excludes sales tax.

Income from Services

Services including “installation and commissioning” related to products supplied or on a stand-alone basis are recognized based on substantial completion of services rendered and on completion of the services as per the contractual terms.

Maintenance Income is recognized on pro-rata basis over the period of the contract as defined in the contractual terms.

Service Income is recognized on performance of the services as defined in the contractual terms.

Service Income of a periodical nature which is not accrued during the year is disclosed as Unearned Revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other Income

Other income is accounted on accrual basis except where receipt of income is uncertain.

(l) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right

exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

(m) Leases

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

(n) Employee benefits

1) Post-employment Benefits (AGC Networks Limited)

a) Defined Benefit Plans:

Funded Plans:

The Company has defined benefit plans for Post-employment benefits in the form of:

- (i) Gratuity for all employees which is administered through Life Insurance Corporation of India. Liability for Gratuity is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.
- (ii) Provident Fund for all employees which is administered through Company managed trust. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's contribution and such shortfall are charged to Profit and Loss Account as and when incurred.

2) Other Long-term Employee Benefits:

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. Encashment of leave benefit is payable on death whilst in service, withdrawal from service such as resignation, termination or early retirement or from retirement from service at normal retirement date. In view of increase in salary taking place, salary growth rates have been used to project the salary at the time when encashment of leave is assumed to take place. The assumptions with regard to Mortality rates, Withdrawal rates and Retirement age have been used to construct a suitable multiple decrement service/mortality table which determines the expected time when leave encashment is likely to take place. The accumulated leave may be reduced on account of in-service utilization or encashment if permissible under the rules of leave encashment, or increase on account of leave entitlement every year. The effect of in service utilization or encashment and entitlement will be reflected in year to year balance and the liability will be adjusted accordingly at every periodic actuarial valuation.

- 3) Termination benefits are recognised as an expense as and when incurred.
- 4) The actuarial gains and losses arising during the year are recognised in the Profit and Loss Account of the year without resorting to any amortisation.

Employee benefits (GlobalConnect Australia Pty Limited)

- a) Long service leave : The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.
- b) The Company has Defined Contribution Plan for Post employment benefits in the form of Superannuation Fund for certain management employees. The Company has no further obligation beyond making the contribution. The Company's contributions are charged to Profit and Loss Account as and when incurred.

(o) Earnings Per Share

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

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

(p) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Schedule 19

Notes to accounts

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
1 Estimated amounts of contracts remaining to be executed on capital account and not provided for	44	22
2 Contingent liabilities in respect of disputed demands of:		
(a) Income tax authorities	170	183
(b) Excise and Customs authorities	83	94
(c) Sales tax matters	9	9
(d) Bills Discounted	63	1

Income tax:

The demand is raised mainly on deferral profit due to change in revenue recognition policy for Rs.98 million. This is a timing difference liability and appeal is filed before Commissioner of appeals.

Excise :

The amount is reported as contingent liability as an abundant caution for the appeal filed by the department with higher authority for applicability of custom duty on royalty remittance for Rs.66 million. The order from the lower authority is issued in favour of the Company.

3 (a) Managerial Remuneration		
Salary	8	9
Perquisites	1	2
Other allowances	5	16
Contribution to provident fund	0	0
Contribution to gratuity	0	0
Contribution to superannuation	-	0
Total	<u>15</u>	<u>28</u>

Provision for leave encashment which is based on actuarial valuations done on an overall company basis is not included above.

* For previous year, Directors' remuneration does not include remuneration of Rs.6 million paid to Mr. Niru Mehta pertaining to year ended September 30, 2008 for which Central Government approval was received in May, 2010.

Mr. S. K. Jha was appointed as Managing Director and CEO of the Company, for a period of 5 years, with effect from August 31, 2010 till August 30, 2015, vide Board Meeting held on August 31, 2010, which was approved by the shareholders in Annual General Meeting held on December 20, 2010. He has not drawn any remuneration from the Company during the period.

- 3 (b) Approval from the Central Government of India is awaited for the amount of Rs.5 million paid/payable to the Managing Director for the year ended March 31, 2011 in excess of the limits specified under the Companies Act 1956.
- 4 During the 6 months year ended March 31, 2011, the Company has changed its revenue recognition policy consistent with practice followed in the industry. Had the Company continued with the earlier policy i.e. income from sale of goods/installation & commissioning was recognised on completion of sale/installation and commissioning, the Gross Sales/Income from operations would have been lower by Rs.210 million and Profit after tax would have been lower by Rs.51 million.
- 5 Loans and Advances include amounts due from:-

Rupees in million	
	Amount due
I. Dues from companies under the same management:	
Aegis Limited	1 (-)
Aegis Tech Limited	17 (-)
Global Vantedge Private Ltd	200 (-)

(Figures in brackets are in respect of previous year).

	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
6 Amount of exchange gain/(loss) (net) included in Miscellaneous income in the Profit and Loss Account	1	21
7 <u>Payments to auditors</u>	Rupees in million	Rupees in million
As Auditors	2	3
As adviser, or in any other capacity, in respect of -		
a) Taxation Matters	-	2
b) Management Services	0	-
c) In any other Manner	0	0
Total	2	5

8 **Segment Reporting**

(a) Primary Segment

The Group operates in one business segment i.e., Business Communication Solutions.

(b) Secondary Segment: Geographical segments

Segment Revenues

	Rupees in million	Oct 01, 2009 to Sep 30, 2010 Rupees in million
Revenues - Within India	3,084	4,975
- Australia	184	517
Total	3,269	5,492

Note: All the segment assets and liabilities are located within India, except for the subsidiary's segment assets and liabilities of Rs.101 million and Rs.134 million respectively (previous year Rs.112 million and Rs.135 million respectively) which are located in Australia.

9 Related Party Disclosures

(a) Related party disclosures as required by Accounting Standard -18 (AS-18), “Related Party Disclosures” issued by the Institute of Chartered Accountants of India

Nature of Relationship	Name of Party
Where control exists	Essar Services Holdings Limited - Holding Company (w.e.f. 01.09.2010) Essar Capital Finance Private Limited - (upto 19.01.2011) Aegis Limited - Subsidiary of Holding Company - (w.e.f. 20.01.2011) Essar Global Limited - Ultimate Holding Company (w.e.f. 01.09.2010) Avaya Inc., USA - Ultimate Holding Company (upto 31.08.2010) through its 100% subsidiaries 1) Sierra Communication International LLC (formerly Avaya International, LLC, USA) (upto 31.08.2010) 2) Avaya Mauritius Limited (upto 31.08.2010)
Fellow Subsidiaries (where transactions occurred during the year)	Essar Steel Limited (w.e.f. 01.09.2010) Essar Oil Limited (w.e.f. 01.09.2010) Aegis Limited (w.e.f. 01.09.2010) Aegis Tech Ltd Aegis Tech Singapore Pte. Ltd Aegis Communication Group LLC. Aegis Aspire Consultancy Services Ltd Aegis Servies Australia Essar House Ltd Essar Infrastructure Services Ltd Essar Investment Ltd Essar Power Ltd Essar Power Gujarat Ltd Essar Power MP Ltd Essar Projects (India) Ltd Essar Technology Park BKC PVT. Ltd Global Vantedge Private Ltd Essar Information Technology Ltd Equinox Business Parks Pvt. Ltd Avaya India Private Limited (upto 31.08.2010) Avaya Singapore Pte Ltd (upto 31.08.2010) Avaya International Sales Ltd., Ireland (upto 31.08.2010)
Key Management Personnel	Mr. Anil Nair (w.e.f. 01.01.2009) Mr. S. K. Jha (w.e.f. 01.09.2010)

Schedule 19**Notes to accounts****9 Related Party Disclosures (Continued)****(b) Transactions with related parties as per the books of account during the six months period ended March 31, 2011**

Nature of transaction	Rupees in million
Purchases of goods	
Aegis Tech Singapore Pte Ltd	38 (-)
Avaya International Sales Ltd., Ireland	- (1,515)
Avaya Singapore Pte. Ltd.	- (13)
Avaya Australia Pty Ltd	- (15)
Sale of goods (Based on Invoicing done during the period)	
Aegis Communication Group LLC.	5 (-)
Aegis Limited	71 (1)
Aegis Tech Ltd	5 (-)
Aegis Tech Singapore Pte Ltd	72 (-)
Essar House Ltd	28 (-)
Essar Infrastructure Services Ltd	1 (-)
Essar Power MP Ltd	2 (-)
Essar Projects (India) Ltd	13 (-)
Essar Steel Limited	1 (1)
Aegis Services Australia	1 (2)
Avaya India Private Limited	- (3)
Avaya Australia Pty Ltd	- (0)
Purchase of Capital Goods	
Aegis Tech Ltd	12 (-)
Avaya International Sales Ltd., Ireland	- (12)
Services rendered	
Aegis Communication Group LLC.	3 (-)

Schedule 19

Notes to accounts

9 Related Party Disclosures (Continued)

(b) Transactions with related parties as per the books of account during the six months period ended March 31, 2011

Nature of transaction	Rupees in million
Aegis Limited	30
	(-)
Essar Steel Limited	0
	(2)
Avaya India Private Limited	-
	(79)
Services received	
Avaya India Private Limited	-
	(88)
Equinox Business Parks Pvt. Ltd	17
	(-)
Dividend	
Essar Services Holdings Limited	19
	(38)
Essar Capital Finance Private Limited	-
	(13)
Aegis Limited	6
	(-)
Managerial Remuneration	
Mr. Anil Nair	15
	(22)
Mr. Niru Mehta	-
	(6)
Expenses reimbursement received	
Essar Information Technology Ltd	1
	(-)
Aegis Limited	1
	(-)
Aegis Tech Ltd	17
	(-)
Avaya International Sales Limited, Ireland	-
	(14)
Avaya India Private Limited	-
	(8)
Inter-Corporate Deposits placed	
Aegis Limited	800
	(-)
Global Vantage Private Ltd	400
	(-)
Inter-Corporate Deposits withdrawn	
Aegis Limited	800
	(-)

Schedule 19**Notes to accounts****9 Related Party Disclosures (Continued)****(b) Transactions with related parties as per the books of account during the six months period ended March 31, 2011**

Nature of transaction	Rupees in million
Global Vantage Private Ltd	200
	(-)
Interest received/receivable	
Aegis Limited	10
	(-)
Global Vantage Private Ltd	4
	(-)
Investments purchased	
Aegis Limited	800
	(-)

Figures in brackets are in respect of previous year.

(c) Amounts outstanding for related parties as per the books of account as at March 31, 2011

Particulars	Rupees in million
Receivables against sale of goods and services (Gross of Provisions for Doubtful Debts Rs.2 million)	
Aegis Limited	110
	(0)
Aegis Communications Group LLC.	7
	(-)
Aegis Tech Ltd	5
	(-)
Aegis Tech Singapore Pte.Ltd.	35
	(-)
Aegis Services Australia	0
	(2)
Essar House Ltd	28
	(-)
Essar Infrastructure Services Ltd	1
	(-)
Essar Power MP Ltd	2
	(-)
Essar Projects (India) Ltd	9
	(-)
Essar Steel Limited	1
	(2)
Advances recoverable in cash or in kind	
Aegis Limited	1
	(-)
Aegis Tech Ltd	17
	(-)

Schedule 19

Notes to accounts

9 Related Party Disclosures (Continued)

(c) Amounts outstanding for related parties as per the books of account as at March 31, 2011

Particulars	Rupees in million
Investment made	
Aegis Limited	800 (-)
Inter-Corporate Deposits receivable	
Global Vantedge Private Ltd	200 (-)
Payables	
Aegis Tech Ltd	12 (-)
Aegis Tech Singapore Pte Ltd	38 (-)
Mr. Anil Nair	15 (9)

Note:

Figures in brackets are in respect of previous year.

10 Lease transactions

Operating leases

- The Company has taken various residential, office, warehouse premises and vehicles under operating lease or leave and licence agreements. These range between 11 months to 4 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms.
- Lease payments are recognised in the Profit and Loss Account under 'Rent' and 'Lease rentals' in Schedule 15.
- The future minimum lease payments under non-cancellable operating leases are:-

Due		Oct 01, 2009 to Sep 30, 2010
Not later than 1 year	67	18
Later than 1 year but not later than 5 years	198	17
	<u>265</u>	<u>35</u>

- Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

		Oct 01, 2009 to Sep 30, 2010
Profit after tax (Rupees in million)	132	346
Weighted average number of equity shares outstanding during the year	1,42,33,232	1,42,33,232
Basic and Diluted Earnings per Share (in Rupees)	9.24	24.31
Nominal Value per Share (in Rupees)	10.00	10.00

12 Disclosure as per Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by Institute of Chartered Accountants of India.

Provision for Warranty		Rupees in million	
Particulars	Oct 01, 2010 to Mar 31, 2011	Oct 01, 2009 to Sep 30, 2010	
Opening Balance	28	31	
Additions	-	-	
Utilisations	(1)	(3)	
Closing Balance	27	28	

Provisions for Warranty is based on the estimate made by the Company considering the historical relationship of warranty claims to sales. The timing and the amount of cash flows that will arise from these matters will be determined only on receipt of actual claims from the respective parties.

13 Sundry creditors include –

		Rupees in million	
	Oct 01, 2010 to Mar 31, 2011	Oct 01, 2009 to Sep 30, 2010	
Total outstanding dues of micro and small enterprises	2	0	

Details of amounts due under the Micro, Small and Medium Enterprises Development Act, 2006 are as under:-

		Oct 01, 2010 to Mar 31, 2011	Oct 01, 2009 to Sep 30, 2010
		Rupees in million	Rupees in million
1 The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.	a. Principal	2	0
	b. Interest	0	0
	Total	2	0
2 The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	a. Principal	1	1
	b. Interest	-	-
	Total	1	1
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.			
4 The amount of interest accrued and remaining unpaid at the end of the year.	a. Total Interest accrued	0	0
	b. Total Interest unpaid	0	0
5 The amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Included in S. No. 4(b) above is Rs. NIL being interest on amounts outstanding as at the beginning of the accounting year.		

14 Disclosures in accordance with Revised AS - 15 on "Employee Benefits"

- 1 Defined Contribution Plan – The Company has recognised the following amounts in the Profit and Loss Account for the six months period ended:

Rupees in million	
Particulars	Total
Contribution to Management Superannuation Fund	- (30)
Total	- (30)

(Figures in brackets are in respect of previous year).

- 2 Defined Benefit Plans –

The following figures (except provident fund contributions) are as per actuarial valuation as at the Balance Sheet date carried out by an independent actuary.

- a A reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation (DBO) :

Rupees in million		
Sr.No.	Particulars	Gratuity
i)	Opening DBO as on 1st October 2010	53 (53)
ii)	Current Service Cost	5 (5)
iii)	Interest Cost	2 (4)
iv)	Actuarial (Gains)/Losses	9 (-3)
v)	Benefits Paid	(4) (-7)
vi)	Closing DBO as on 31st March 2011	65 (53)

(Figures in brackets are in respect of previous year).

- b A reconciliation of the opening and closing balances of the fair value of Plan Assets.

Rupees in million		
Sr.No.	Particulars	Gratuity
i)	Opening Fair Value of Plan Assets	53 (54)
ii)	Expected return on Plan Assets	2 (5)
iii)	Actuarial Gains/(Losses)	(0) -
iv)	Contribution by the employer	- (0)
v)	Benefits Paid	(4) (-7)
vi)	Closing Fair Value of Plan Assets as on 31st March 2011	52 (53)

- c Amount recognised in Balance Sheet including a reconciliation of the present value of defined obligation in (a) and the fair value of plan assets in (b) to the assets and liabilities recognised in the Balance Sheet :

Rupees in million

Sr.No.	Particulars (Gratuity)	2010-11	2009-10	2008-09	2007-08	2006-07
i)	Present Value of Funded Obligations	52	53	53	58	54
ii)	Fair Value of Plan Assets	52	53	54	58	44
iii)	Present Value of Unfunded Obligations	13	-	(1)	0	11
iv)	Net Liability/(Asset) recognised in the Balance Sheet	13	-	(1)	0	11

- d The total expense / (income) recognised in the Profit & Loss Account:

Rupees in million

Sr.No.	Particulars	Gratuity
i)		
i)	Current Service Cost	5 (5)
ii)	Interest Cost	2 (4)
iii)	Expected return on Plan Assets	(2) (-5)
iv)	Actuarial (Gains)/Losses	9 (-3)
vi)	Net Employee Benefit Expense / (Income)	13 (2)

- ii) The total expense recognised in the Profit & Loss Account includes Rs.14 million (previous year Rs.24 million) as contribution to provident funds.

All the above have been included in the line item 'Contribution to provident and other funds' in schedule 15 of the Profit & Loss Account.

- e Fair Value of Plan Assets - 100% is administered by Insurer Managed Funds.
 f The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
 g The Actual Return on Plan Assets is as follows:

Rupees in million

Sr.No.	Particulars	Gratuity
i)	Actual Return on Plan Assets	2 (5)

- h Following are the principal Actuarial Assumptions used as at the Balance Sheet date:

Particulars	Gratuity (%)
Discount Rate	8.36 (8.38)
Expected Rate of Return on Plan Assets	9.25 (9.25)
Salary escalation Rate - Management Staff	6.00 (6.00)
Salary escalation Rate - Non Management Staff	6.00 (6.00)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

i **Experience Adjustments**

Experience Adjustments on Plan Assets - Nil (PY - Nil)

Experience Adjustments on Plan liabilities - Nil (PY - Nil)

15 Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Foreign Currency	Rupees in million	Foreign Currency	Rupees in million
Payables	13,252,003 USD	591	8,103,443 USD	364
	- GBP	-	21,027 GBP	2
	753 EURO	0	3,249 EURO	0
	3,289,993 AUD	152	3,514,865 AUD	153
Bank Balances	800,814 USD	36	2,096,701 USD	94
	2,294,152 AUD	106	2,297,990 AUD	100
Receivables	8,662,731 USD	386	3,827,131 USD	172
	- GBP	-	4,299 GBP	0
	1,932,132 AUD	89	2,253,087 AUD	98

16 The figures of previous year were audited by a firm of Chartered Accountants other than S. R. Batliboi & Associates. Previous year figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

Since the Company has changed its year end from September end to March end, current period Profit and Loss Account is for six months period ended March 31, 2011 and is not comparable to previous year figures which is for the year ended September 30, 2010.

17 All amounts are Rupees (In million) except otherwise stated specifically - "0" denotes amounts less than a million rupees.

Signatures to schedules 1 to 19

For S. R. Batliboi & Associates

Firm Registration Number: 101049W
Chartered Accountants

per **SHYAMSUNDAR PACHISIA**

Partner

Membership No.- 49237

**For and on behalf of the Board
of Directors of AGC Networks Limited**

S. K. JHA

MD & CEO

ANIL NAIR

JMD & President

VISHAL KOHLI

Company Secretary

AMAL THAKORE

V. P. & Head (Finance)

Mumbai
23 May 2011

Mumbai
May 21 2011

Consolidated Cash Flow Statement for the six months period ended March 31, 2011

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	192	524
Adjustments for:		
Depreciation	38	78
Interest expense	6	9
Loss /(profit) on Sale / Write-off of Fixed Assets	0	(10)
Provision for warranties	(1)	(3)
Provision for doubtful debts (net)	3	6
Bad Debts	0	1
Liabilities for earlier years no longer required written back	(4)	(8)
Interest income	(24)	(72)
Unrealised foreign exchange loss (net)	8	0
Exchange Difference on Translation	3	2
	<u>29</u>	<u>3</u>
Operating profit before working capital changes	221	527
Increase/ (decrease) in current liabilities	287	(38)
Increase/ (decrease) in provisions	22	(10)
(Increase)/ decrease in sundry debtors	(682)	(61)
(Increase)/ decrease in inventories	46	37
(Increase)/ decrease in loans and advances	(26)	70
	<u>(353)</u>	<u>(2)</u>
Cash generated from operations	(132)	525
Income tax paid	(79)	(127)
NET CASH FROM OPERATING ACTIVITIES	(211)	398
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(44)	(103)
Sale of fixed assets	1	12
Interest received	24	72
Investments in Inter Corporate Deposits	(200)	-
Disposal of Investments	-	5
Purchase of Investments	(805)	-
NET CASH FROM INVESTING ACTIVITIES	(1,024)	(14)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(6)	(9)
Corporate Dividend tax paid	(11)	(8)
Dividend paid	(63)	(50)
NET CASH FROM FINANCING ACTIVITIES	(80)	(67)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,315)	317
Cash and cash equivalents as at beginning of period	1,545	1,228
Cash and cash equivalents as at end of period	230	1,545
	<u>(1,315)</u>	<u>317</u>

	<u>Rupees in million</u>	<u>Oct 01, 2009 to Sep 30, 2010 Rupees in million</u>
Cash and cash equivalents comprise of		
Cheques on hand and remittance in transit	25	44
Balances with scheduled banks		
— In Unclaimed Dividend Accounts (Restricted) *	3	3
* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.		
— In Deposit Accounts	6	928
— In Current Accounts	66	458
Balances in other banks		
— In Current Accounts	19	6
— In Guarantee Accounts	8	8
— In Saving Accounts	91	87
Cash and Bank Balances as per Schedule 8	<u>218</u>	<u>1,534</u>
Less: Fixed Deposits not considered as Cash Equivalents	-	-
Sub-total	218	1,534
Add: Effect of Exchange Differences on Cash and Cash Equivalents held in Foreign Currency	12	11
Cash & Cash Equivalents in Cash Flow Statement:	<u>230</u>	<u>1,545</u>

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under Section 211(3C) of the Companies Act, 1956.
 - 2 Figures in brackets indicate cash outflow.
 - 3 Previous year figures have been regrouped / reclassified wherever necessary.
- This is the Cash Flow Statement referred to in our report of even date.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per SHYAMSUNDAR PACHISIA
Partner
Membership No.- 49237

**For and on behalf of the Board
of Directors of AGC Networks Limited**

S. K. JHA
MD & CEO

ANIL NAIR
JMD & President

VISHAL KOHLI
Company Secretary

AMAL THAKORE
V. P. & Head (Finance)

Mumbai
23 May 2011

Mumbai
May 21 2011

GLOBALCONNECT

Australia Pty Limited

ABN 29 110 810 298

ANNUAL REPORT

for the year ended 31 March 2011

Contents	Page No.
Directors' Report	106-107
Auditors Independence Declaration	107
Statement of Comprehensive Income	108
Statement of Financial Position	109
Statement of Changes in Equity	109
Statement of Cash Flows	110
Notes to the Financial Statements	111-120
Directors' Declaration	121
Independence Audit Report	122

Directors' Report

Directors' Report

Your directors present their report on the company for the period ended 31 March 2011.

Directors

The following persons were directors of GlobalConnect Australia Pty Limited during the whole of the financial period and up to the date of this report:

Pushkar Taneja

Anil Govindan Nair

Principal Activities

During the period the principal continuing activities of the company consisted of:

- (a) The marketing, installation, sales and maintenance of *voice* and data communications systems to enterprise customers; and
- (b) Providing support and maintenance for enterprise customers,

Dividends

No dividend was paid during the period and the directors do not recommend the payment of a final dividend.

Review of operations

A summary of revenue and results is set out below:

	6 months 2011 \$	Year ended 30/09/2010 \$
Revenue	4,084,724	10,724,313
Profit/(loss) for the period	<u>92,412</u>	<u>(87,690)</u>

Significant changes in the state of affairs

The immediate parent entity incorporated in India, changed its name from Avaya GlobalConnect Ltd to AGC Networks Ltd. The ultimate parent has changed from Avaya Inc., incorporated in the USA to Essar Services Holdings Limited, incorporated in Mauritius.

There were no other significant changes to the state of affairs during the financial period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 March 2011 that has significantly affected, or may significantly affect:

- (a) the company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the company's state of affairs in future financial years.

Likely developments and expected results of operations

Further information on likely developments in the operations of the company and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any particular or significant environmental regulation.

Insurance of officers

During the financial period, the directors and senior management of GlobalConnect Australia Pty Ltd were

Directors' Report (Continued)

covered under a worldwide insurance policy of Essar Services Holdings Limited, the ultimate parent entity.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor

Ernst and Young

Directors' Signatures

This report of Directors' is signed in accordance with a resolution of the Directors':

Anil Govindan Nair

Director

India

20 April 2011

Pushkar Taneja

Director

Sydney

20 April 2011

Auditors Independence Declaration

To The Directors of GlobalConnect Australia Pty Limited

In relation to our audit of the financial report of GlobalConnect Australia Pty Limited for the period ended 31 March 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

David McGregor
Partner

Melbourne
20 April 2011

Statement of Comprehensive Income

For the period ended 31 March 2011

	Note	6 months 2011 \$	Year ended 30/09/2010 \$
Revenue from continuing operations	3	4,084,724	10,724,313
Raw materials and consumables used		(1,727,029)	(5,088,278)
Employee benefits expense	4	(1,721,034)	(4,292,282)
Depreciation and amortisation expense	9	(29,376)	(80,184)
Professional services expenses		(36,371)	(85,988)
Travel and entertainment		(90,648)	(218,349)
Other expenses		(387,854)	(1,046,922)
Profit/(loss) before income tax		92,412	(87,690)
Income tax expense	5	—	—
Profit/(loss) for the period		92,412	(87,690)
Other comprehensive income for the period		—	—
Total comprehensive income/(loss) for the period	3	92,412	(87,690)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 March 2011

	Note	6 months 2011 \$	Year ended 30/09/2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,552,472	2,320,610
Trade and other receivables	7	1,932,132	2,253,087
Inventories	8	214,849	233,933
Total Current Assets		<u>4,699,453</u>	<u>4,807,630</u>
Non-Current Assets			
Property plant and equipment	9	51,838	87,328
Total Non-Current Assets		<u>51,838</u>	<u>87,328</u>
TOTAL ASSETS		<u>4,751,291</u>	<u>4,894,958</u>
LIABILITIES			
Current Liabilities			
Trade and other Payables	10	2,113,289	1,725,285
Deferred income	11	1,176,703	1,800,786
Total Current Liabilities		<u>3,289,992</u>	<u>3,526,071</u>
Total Liabilities		<u>3,289,992</u>	<u>3,526,071</u>
Net Assets		<u>1,461,299</u>	<u>1,368,887</u>
EQUITY			
Contributed equity	12	4,224,993	4,224,993
Accumulated losses	13	(2,763,694)	(2,856,106)
Total Equity		<u>1,461,299</u>	<u>1,368,887</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the period ended 31 March 2011

	Contributed equity \$	Accumulated losses \$	Total \$
Balance at 1 October 2009	4,224,993	(2,768,416)	1,456,577
Total comprehensive loss for the period	—	(87,690)	(87,690)
Balance at 30 September 2010	<u>4,224,993</u>	<u>(2,856,106)</u>	<u>1,368,887</u>
Balance at 1 October 2010	4,224,993	(2,856,106)	1,368,887
Total comprehensive income for the period	—	92,412	92,412
Balance at 31 March 2011	<u>4,224,993</u>	<u>(2,763,694)</u>	<u>1,461,299</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the period ended 31 March 2011

	Note	6 months 2011 \$	Year ended 30/09/2010 \$
Cash Flows from Operating Activities			
Receipts from customers (inclusive of goods and services tax)		4,056,691	11,352,288
Payments to suppliers and employees (inclusive of goods and services tax)		(3,866,926)	(11,722,509)
		189,765	(370,221)
Interest received		46,688	61,519
Net cash outflow (inflow) from operating activities	19	<u>236,453</u>	<u>(308,702)</u>
Cash flows from investing activities			
Payments for plant and equipment	9	(4,591)	(32,460)
Proceeds from sale of plant and equipment		—	10,170
Net cash (outflow) inflow from investing activities		<u>(4,591)</u>	<u>(22,290)</u>
Net (decrease) increase in cash and cash equivalents			
		231,862	(330,992)
Cash and cash equivalents at the beginning of the financial period		2,320,610	2,651,602
Cash and cash equivalents at end of period	6	<u><u>2,552,472</u></u>	<u><u>2,320,610</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Period Ended 31 March 2011

1 Summary of significant accounting policies

(a) Basis of preparation of Accounts

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

Historical cost convention

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Financial statement presentation

The company has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a Statement of comprehensive income and a Statement of changes in equity. All non-owner changes in equity must now be presented in the Statement of comprehensive income. As a consequence, the company had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

The reporting date for the company has been moved to 31 March 2011 in order to synchronise its balance date with its parent entity, AGC Networks Ltd. Financial results are for the 6 month period to 31 March 2011.

(b) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the company's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

(i) *Sale of telecommunications equipment*

Revenue is recognised on customer acceptance pursuant to sales order and when associated risks have passed to the customer.

(ii) *Service*

Revenue includes installation, ad hoc and maintenance services. Installation and ad hoc revenues are

1 Summary of significant accounting policies (Continued)

recognised upon certification by the Project Manager that all service deliverables pursuant to the customer's purchase order have been met. Maintenance revenue is recognised on a monthly basis over the life of the service contract and costs are recognised as an expense when incurred.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(e) Leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases (note 17). Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

(f) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their fair value as at the acquisition date based on the best available evidence of the price at which the instruments could be exchanged between knowledgeable, willing parties in an arm's length transaction. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the company's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss, but only after a reassessment of the identification and measurement of the net assets acquired.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they

1 Summary of significant accounting policies (Continued)

might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(i) Trade receivables

Trade receivables are recognised initially at the amounts receivable as they are generally due for settlement in no more than 45 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in profit or loss.

(j) Inventories

Raw materials and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to stock on hand at balance date on the basis of actual cost. The cost of imported inventories included invoice price, freight, duty and other landing charges.

(k) Property, plant and equipment

Depreciation is calculated on a straight line basis to write-off the net cost of each item of property over its expected useful life to the company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

— Furniture and fittings	5 years
— Computer equipment	4 years
— Motor vehicle	4 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(l) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1 Summary of significant accounting policies (Continued)

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

(n) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when employee benefits to which they relate are recognised as liabilities.

(p) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds, incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

1 Summary of significant accounting policies (Continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2011 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

- (i) **AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements** (effective from 1 July 2013) On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. GlobalConnect Australia Pty Limited is not a reporting entity and is preparing a special purpose financial report as explained in note 1(a). At this stage, the new regime won't affect GlobalConnect Australia Pty Limited's financial statements. While the AASB had initially proposed that all entities that lodge financial statements with ASIC should be deemed reporting entities and prepare general purpose financial statements, this proposal is still being considered by the Board. The AASB has agreed to undertake further research on the application of the reporting entity concept and will reconsider the issue in phase 2 of its review of the differential reporting framework.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Estimated impairment of goodwill*

The company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(l).

The recoverable amount has been determined based on value-in-use calculations. These calculations require the use of assumptions.

In terms of calculating the impairment of goodwill, management have assessed that the company as a whole is one cash generating unit (CGU), and the entire balance for property, plant and equipment and intangible assets is allocated to this CGU for the purpose of impairment testing.

No impairment charge has been recognised in the current financial period (2010: \$nil).

Notes to the Financial Statement (Continued)
Period Ended 31 March, 2011

3 Revenue

	6 months 2011	Year ended 30/09/2010
	\$	\$
From continuing operations		
Sales revenue		
Sale of goods	1,531,696	5,460,731
Service Revenue	2,506,340	5,202,063
Other revenue	<u>4,038,036</u>	<u>10,662,794</u>
Interest	46,688	61,519
	<u>4,084,724</u>	<u>10,724,313</u>

4. Expenses

Profit before income tax includes the following specific expenses:

Depreciation		
Furniture and fittings	14,029	40,697
Computer equipment	15,316	39,487
Motor vehicle	31	—
Total depreciation	<u>29,376</u>	<u>80,184</u>
Net loss on disposal of property, plant and equipment	<u>10,705</u>	<u>1,996</u>
Rental expense relating to operating leases		
Minimum lease payments	209,176	502,714
Superannuation contribution expense	151,312	369,298

5. Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

(Loss)/profit from continuing operations before income tax expense	92,412	(87,690)
Tax at the Australian tax rate of 30% (2010 - 30%)	27,724	(26,307)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Goodwill impairment	—	—
Non-deductible expenses	858	2,226
Temporary differences	206	16,045
Tax losses not recognised	—	8,036
Previously unrecognised tax losses now recouped to reduce current tax expense	<u>(28,788)</u>	<u>—</u>
Total income tax expense	<u>—</u>	<u>—</u>

(b) Tax losses

The company has Australian capital tax losses for which no deferred tax asset is recognised on the statement of financial position of \$843,665 (2010: \$872,453) which are available indefinitely for offset against future capital gains subject to continuing to meet relevant statutory tests.

Notes to the Financial Statement (Continued)
Period Ended 31 March, 2011

	6 months 2011	Year ended 30/09/2010
	\$	\$
6. Current Assets- Cash and cash equivalents		
Cash at bank and in hand	<u>2,552,472</u>	<u>2,320,610</u>
The deposits are bearing floating interest rates between 4.75% and 6% (2010 - 3.7% and 6.0%).		
7. Current assets - Trade and other receivables		
Trade receivables	1,919,242	2,241,805
Prepayments	<u>12,890</u>	<u>11,282</u>
	<u>1,932,132</u>	<u>2,253,087</u>
8. Current assets - Inventories		
Inventories on hand		
- at cost	<u>214,849</u>	<u>233,933</u>
	<u>214,849</u>	<u>233,933</u>

Inventory expense

Inventories recognised as expense during the period ended 31 March 2011 amounted to \$1,715,799 (2010: \$5,072,046).

Notes to the Financial Statement (Continued)
Period Ended 31 March, 2011

9. Property, Plant & Equipment

	Motor vehicles \$	Furniture and fittings \$	Computer equipment \$	Total \$
Year ended 30 September 2010				
Opening net book amount	31	80,975	66,212	147,218
Additions	—	7,732	24,728	32,460
Disposals	—	(11,660)	(506)	(12,166)
Depreciation charge	—	(40,697)	(39,487)	(80,184)
Closing net book amount	<u>31</u>	<u>36,350</u>	<u>50,947</u>	<u>87,328</u>
At 30 September 2010				
Cost	2,000	307,572	234,433	544,005
Accumulated depreciation	(1,969)	(271,222)	(183,486)	(456,677)
Net book amount	<u>31</u>	<u>36,350</u>	<u>50,947</u>	<u>87,328</u>
Period ended 31 March 2011				
Opening net book amount	31	36,350	50,947	87,328
Additions	—	—	4,591	4,591
Disposals	—	(9,016)	(1,689)	(10,705)
Depreciation charge	(31)	(14,029)	(15,316)	(29,376)
Closing net book amount	<u>—</u>	<u>13,305</u>	<u>38,533</u>	<u>51,838</u>
At 31 March 2011				
Cost	2,000	281,494	220,005	503,499
Accumulated depreciation	(2,000)	(268,189)	(181,472)	(451,661)
Net book amount	<u>—</u>	<u>13,305</u>	<u>38,533</u>	<u>51,838</u>

Notes to the Financial Statement (Continued)
Period Ended 31 March, 2011

10. Current liabilities - Trade and other payables

	6 months 2011	Year ended 30/09/2010
	\$	\$
Trade payables	586,256	607,537
Employee entitlements	372,004	417,112
Other payables	1,155,029	700,636
	<u>2,113,289</u>	<u>1,725,285</u>

11. Current liabilities - Deferred income

Trade payables	<u>1,176,703</u>	<u>1,800,786</u>
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12. Contributed equity

	2011 Shares	2010 Shares	6 months 2011	Year ended 30/09/2010
			\$	\$
(a) Share capital				
Ordinary shares				
Full paid	<u>4,224,993</u>	<u>4,224,993</u>	<u>4,224,993</u>	<u>4,224,993</u>

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

13. Accumulated losses

	6 months 2011	Year ended 30/09/2010
	\$	\$
Opening accumulated losses	(2,856,106)	(2,768,416)
Net Profit/(loss) for the period	92,412	(87,690)
Balance 31 March 2011 / 30 September 2010	<u>(2,763,694)</u>	<u>(2,856,106)</u>

14 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the company:

(a) Ernst and Young Australia

Audit and other assurance services

Audit and review of financial reports

Other assurance services	32,000	45,120
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IFRS accounting services	—	19,740
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Total remuneration for audit and other assurance services	<u>32,000</u>	<u>64,860</u>
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Notes to the Financial Statement (Continued)
Period Ended 31 March, 2011

15. Contingencies

Guarantees

Guarantees given in respect of the company's leases of premises at North Ryde, Sydney accounting to \$175,540 (2010: \$192,296).

The guarantees may give rise to liabilities if the company does not meet its obligations under the terms of the leases subject to the guarantees.

No material losses are anticipated in respect of any of the above contingent liabilities.

16. Commitments

The company leases offices and a warehouse under non-cancellable operating leases expiring within four years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	6 months	Year ended
	2011	30/09/2010
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	166,890	337,775
Later than one year but not later than five years	—	—
Commitments not recognised in the financial statements	<u>166,890</u>	<u>337,775</u>

17. Parent entities

The immediate parent of the entity is AGC Networks Ltd (formerly known as Avaya GlobalConnect Ltd), incorporated in India, which at 31 March 2011 owns 100% (2010: 100% owned by Avaya GlobalConnect Ltd) of the issued ordinary shares of GlobalConnect Australia Pty Limited. The ultimate parent of the company is Essar Services Holdings Limited, incorporated in Mauritius.

18. Events occurring after the balance sheet date

No significant events have occurred since 31 March 2011 that require disclosure in this report.

19. Reconciliation of profit after income tax to net cash inflow from operating activities

	6 months	Year ended
	2011	30/09/2010
	\$	\$
Profit/(loss) for the period	92,412	(87,690)
Depreciation and amortisation	29,376	80,184
Net loss on disposal of non-current assets	10,705	1,996
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	320,955	(429,303)
Decrease in inventories	19,084	109,887
(Decrease)/increase in trade and other payables	(21,281)	62,836
(Decrease) in employee provision	(45,108)	(24,627)
(Decrease) in other liabilities	(169,690)	(21,985)
Net cash inflow/(outflow) from operating activities	<u>236,453</u>	<u>(308,702)</u>

Directors' Declaration

In accordance with a resolution of the directors of GlobalConnect Australia Pty Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes set out on pages 106 to 120 are in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the *Corporations Regulations 2001*; and
 - (ii) Giving a true and fair view of the company's financial position as at 31 March 2011 and of its performance for the financial period ended on that date, and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Anil Govindan Nair

Director

India

20 April 2011

Pushkar Taneja

Director

Sydney

20 April 2011

Independent Audit Report To the members of GlobalConnect Australia Pty Limited

Report on the financial report

We have audited the accompanying financial report of GlobalConnect Australia Pty Limited, (the company), which comprises the balance sheet as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for GlobalConnect Australia Pty Limited.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which they were prepared.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion, the financial report of GlobalConnect Australia Pty Limited is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 31 March 2011 and of its performance for the period ended on that date in accordance with the accounting policies described in note 1, and
- (b) Complying with Australian Accounting Standards to the extent described in note 1 and complying with the *Corporations Regulations 2001*.

Ernst & Young

David McGregor

Partner

Melbourne

20 April 2011

Financial Highlights – Consolidated

PARTICULARS	Rs. in Million									
	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
Fixed Assets (Net) and Investment	1,026	217	199	272	264	322	267	298	335	301
Net Current Assets	1,463	2,191	1,937	1,739	1,642	1,315	1,179	1,239	989	877
Total Capital Employed	2,627	2,530	2,257	2,154	2,040	1,733	1,513	1,573	1,332	1,192
Shareholders' Funds										
I Equity	142	142	142	142	142	142	142	142	142	142
II Reserves & Surplus	2,485	2,388	2,115	2,010	1,892	1,579	1,349	1,189	935	789
Total	2,627	2,530	2,257	2,152	2,034	1,721	1,491	1,331	1,077	932
Sales (including excise)	3,255	5,404	5,584	6,372	9,247	4,779	3,386	4,019	3,257	2,632
Other Income	31	103	42	34	83	166	48	770	13	14
Profit Before Tax	192	524	232	286	690	523	363	527	300	243
Provision for Tax										
I Current Tax	76	178	51	108	282	227	160	228	110	85
II Deferred Tax	(16)	-	21	(9)	(36)	(29)	(30)	(27)	5	1
II Fringe Benefit Tax	-	-	5	12	17	17	-	-	-	-
Profit After Tax	132	346	155	175	427	309	233	327	186	157
Dividend (%)	22.50	45.00	35.00	35.00	67.50	45.00	45.00	45.00	25.00	20.00
Debt Equity Ratio	-	-	-	-	-	0.01	0.01	0.02	0.04	0.04
Assets Cover Ratio	-	-	-	-	146.59	83.76	31.20	23.92	22.64	20.77
Earning per share (Rs.)	9.24	24.31	10.90	12.30	30.01	21.69	16.39	22.96	13.04	11.02
Cash Earning per share (Rs.)	11.94	29.79	18.13	20.80	42.29	29.25	23.90	31.29	16.68	14.28
Book Value per share (Rs.)	184.57	177.78	158.60	151.21	142.91	120.94	104.77	93.77	75.85	65.61

AGC NETWORKS LIMITED

Regd. Office: Equinox Business Park (Peninsula Techno Park),
Off Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400 070.

Attendance Slip

[Empty box for stamp or signature]

I hereby record my presence at the TWENTY-FIFTH ANNUAL GENERAL MEETING of the Company at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021 at 11:00 a.m. on Friday, 29th July, 2011.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

Notes:

- 1. Member / Proxyholder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.
- 2. Member / Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

Shareholders are requested to claim dividend for the years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 if not claimed so far.

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Proxy

I/Weof
..... in the district of being a
member / members of the above named Company, hereby appoint
..... of in the district of or failing him / her
..... of in the district of
..... as my / our Proxy to attend and vote for me / us and on
my / our behalf at the Twenty-Fifth Annual General Meeting of the Company, to be held on Friday, 29th July, 2011
and at any adjournment thereof.

Signed this day of 2011.

Reference Folio _____
Client ID No. _____
DP ID _____
No. of Shares held _____

Signature _____
Affix Re. one revenue stamp

This form is to be used _____ * In favour of _____ the resolution. Unless otherwise instructed, the Proxy will act as he / she thinks fit. _____ * against _____

* Strike out whichever is not desired.

Note: The Proxy must be returned so as to reach the Registered Office of the Company at Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400 070 not less than FORTY-EIGHT HOURS before the time for holding the meeting.



www.agcnetworks.com

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