

AGC/PB/SE/2013/045

November 14, 2013

Corporate Relationship Department Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Fort, Mumbai - 400 001	Corporate Relationship Department National Stock Exchange Limited Exchange plaza, Bandra Kurla complex, Bandra (E) Mumbai 400051
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Dear Sir,

Sub.: Outcome of the Board meeting of the Company held on 14th November, 2013 & un-audited financial results of the Company (stand-alone and consolidated) for the quarter ended 30th September, 2013 along with limited review report

Ref.: Script code BSE 500463/NSE AGCNET

This is to inform you that the Board of AGC Networks Limited at its meeting held on Thursday, 14th November, 2013 at registered office of the Company, inter-alia considered and approved the un-audited financial results of the Company (stand-alone and consolidated) for the quarter ended 30th September, 2013. Signed copies of the same along with the copy of Limited Review Report from the statutory auditors of the Company for the quarter ended 30th September, 2013 are attached herewith.

The Board also approved the appointment of Mr. V Srinivasa Raghavan as Chief Financial Officer (CFO) of the Company with immediate effect. Mr. V Srinivasa Raghavan is a Cost Accountant & Chartered Accountant. He has over 23 years of vast professional experience including senior management positions in IT, ITES and Manufacturing industries. His expertise lies in the



fields of corporate finance, M&A, start up, and business support/growth.

This is for your information, record and necessary action.

Thanking You,

For AGC Networks Limited



Pratik Bhanushali
Company Secretary

Encl.: A./a.

Registered Office : Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai - 400070.
STATEMENT OF STANDALONE/CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/SIX MONTHS ENDED 30 SEPTEMBER 2013

Sr. No.	Particulars	Standalone						Consolidated					
		Quarter ended			Six months ended			Quarter ended			Six months ended		
		30/09/2013	30/06/2013	30/09/2012	30/09/2012	30/09/2012	31/03/2013	30/09/2013	30/06/2013	30/09/2012	30/09/2012	30/09/2012	31/03/2013
1	Gross sales/income from operations	874	774	1,422	1,648	2,856	5,910	2,135	1,921	2,822	4,056	5,280	10,612
	Excise duty	3	3	9	6	13	32	3	3	9	6	13	32
	(a) Net sales/income from operations	871	771	1,413	1,642	2,843	5,878	2,132	1,918	2,813	4,050	5,267	10,580
	(b) Other operating income	24	10	59	34	60	66	24	11	76	35	77	91
	Total income from operations (net)	895	781	1,472	1,676	2,903	5,944	2,156	1,929	2,889	4,085	5,344	10,671
2	Expenses												
	a) Cost of materials consumed	12	17	71	29	115	228	12	17	71	29	114	228
	b) Purchase of stock-in-trade	361	650	689	1,011	1,449	3,142	925	1,308	1,458	2,233	3,049	6,390
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	115	(125)	(8)	(10)	(62)	(162)	186	(260)	(4)	(74)	(214)	(734)
	d) Employee benefits expenses	181	279	270	460	550	1,142	563	752	504	1,315	940	2,196
	e) Depreciation and amortisation expense	21	19	45	39	39	111	100	100	31	200	61	163
	f) Service Charge	320	135	202	455	406	988	520	298	315	818	540	1,378
	g) Other expenses	211	300	153	511	303	737	306	562	282	868	452	1,211
	Total expenses	1,221	1,280	1,396	2,501	2,800	6,196	2,612	2,777	2,657	5,389	4,942	10,832
3	(Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)	(326)	(499)	76	(825)	103	(252)	(456)	(848)	232	(1,304)	402	(161)
4	Other income	54	57	49	111	84	421	56	58	49	114	85	424
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	(272)	(442)	125	(714)	187	169	(400)	(790)	281	(1,190)	487	263
6	Finance costs	75	70	94	145	136	323	90	83	106	173	153	362
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	(347)	(512)	31	(859)	51	(154)	(490)	(873)	175	(1,363)	334	(99)
8	Exceptional items (Refer note 4 below)	69	-	-	69	-	-	69	-	-	69	-	-
9	(Loss)/Profit from ordinary activities before tax (7-8)	(278)	(512)	31	(790)	51	(154)	(421)	(873)	175	(1,294)	334	(99)
10	Tax expense	-	11	-	(30)	(30)	78	2	(29)	39	(27)	18	120
11	Net (Loss)/Profit from ordinary activities after tax (9-10)	(278)	(512)	20	(790)	81	(232)	(423)	(844)	136	(1,267)	316	(219)
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-
13	Net (Loss)/Profit for the period (11-12)	(278)	(512)	20	(790)	81	(232)	(423)	(844)	136	(1,267)	316	(219)
14	Share of profit/(loss) of associates	-	-	-	-	-	-	-	-	-	-	-	-
15	Minority interest	-	-	-	-	-	-	-	-	-	-	-	-
16	Net (Loss)/Profit after taxes, minority interest and share of profit of associates (13+14+15)	(278)	(512)	20	(790)	81	(232)	(423)	(844)	136	(1,267)	316	(219)
17	Net (Loss)/Profit for the period from continuing operations	(278)	(512)	20	(790)	81	(232)	(423)	(844)	136	(1,267)	316	(219)
18	Net (Loss)/Profit for the period from discontinuing operations	-	-	-	-	-	-	-	-	-	-	-	-
19	Paid-up equity share capital (face value of ₹ 10 each)	285	285	142	285	142	285	285	285	142	285	142	285
20	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	-	-	2,105	-	-	-	-	-	2,771
21	Earnings per share of ₹ 10/- each (not annualised): Basic and Diluted (in ₹)	(10)	(18)	1	(28)	3	(8)	(15)	(30)	5	(45)	11	(8)



SIGNED FOR IDENTIFICATION

BY

S.R. Batliboi

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI

Sr. No.	Particulars	Standalone										Consolidated					
		Quarter ended				Six months ended				Year ended		Quarter ended		Six months ended		Year ended	
		Unaudited		Unaudited		Unaudited		Unaudited		Audited		Unaudited		Unaudited		Audited	
		30/09/2013	30/06/2013	30/09/2012	30/06/2012	30/09/2013	30/06/2013	30/09/2012	30/06/2012	30/09/2013	30/06/2013	30/09/2013	30/06/2013	30/09/2012	30/06/2012	30/09/2012	30/06/2012
A	PARTICULARS OF SHAREHOLDING																
	Public shareholding :																
	1 Number of shares	7,116,616	7,116,616	3,558,308	3,558,308	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	3,558,308	3,558,308	7,116,616	7,116,616
	Percentage of shareholding	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
2	Promoters and Promoter Group Shareholding																
	a) Pledged/Encumbered																
	Number of shares	20,451,976	20,451,976	10,225,988	10,225,988	20,451,976	20,451,976	10,225,988	10,225,988	20,451,976	20,451,976	20,451,976	20,451,976	10,225,988	10,225,988	20,451,976	20,451,976
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79	95.79
2	b) Non-encumbered																
	Number of shares	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85
	Percentage of shares (as a % of the total share capital of the Company)	897.872	897.872	448.936	448.936	897.872	897.872	448.936	448.936	897.872	897.872	897.872	897.872	448.936	448.936	897.872	897.872
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21
B	INVESTOR COMPLAINTS																
	Pending at the beginning of the quarter	4															
	Received during the quarter	26															
	Disposed of during the quarter	28															
	Remaining unresolved at the end of the quarter	2															



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BY *SRA*
S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI

Statement of Assets and Liabilities

Sr. No.	Particulars	Standalone (Unaudited)		Standalone (Audited)	
		As at 30/09/2013	31/03/2013	As at 30/09/2013	31/03/2013
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	a) Share Capital	285	285	285	285
	b) Reserves and surplus	1,315	2,105	2,035	2,771
	Sub-total - Shareholders' funds	1,600	2,390	2,320	3,056
2	Non-current liabilities				
	a) Long-term borrowings	15	21	29	37
	b) Deferred tax liabilities	-	-	-	28
	c) Long-term provisions	70	77	73	79
	Sub-total - Non-current liabilities	85	98	102	144
3	Current liabilities				
	a) Short-term borrowings	2,197	2,322	3,265	3,127
	b) Trade payables	1,748	1,935	3,071	3,604
	c) Other current liabilities	1,321	1,046	2,344	1,969
	d) Short-term provisions	52	52	92	132
	Sub-total - Current liabilities	5,318	5,355	8,772	8,832
	TOTAL - EQUITY AND LIABILITIES	7,003	7,843	11,194	12,032
B	ASSETS				
1	Non-current assets				
	a) Tangible assets	184	213	600	512
	b) Intangible assets	3	12	791	775
	c) Capital work-in-progress	21	-	21	-
	d) Non-current investments	492	492	5	5
	e) Trade receivables	27	-	27	-
	f) Long-term loans and advances	844	689	902	701
	g) Other non-current assets	19	11	20	11
	Sub-total - Non-current assets	1,590	1,417	2,366	2,004
2	Current assets				
	a) Inventories	778	778	1,497	1,432
	b) Trade receivables	2,244	3,169	3,933	5,720
	c) Cash and cash equivalents	1,060	937	1,339	1,155
	d) Short-term loans and advances	1,251	1,465	1,978	1,644
	e) Other current assets	80	77	81	77
	Sub-total - Current assets	5,413	6,426	8,828	10,028
	TOTAL ASSETS	7,003	7,843	11,194	12,032

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Notes:

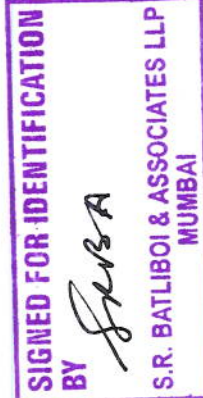
- 1) The results for the quarter ended 30 September, 2013 have been subjected to limited review by statutory auditors of the Company and have been reviewed by the audit committee and approved by the Board of Directors at its meeting held on 14 November 2013.
- 2) The Company operates in one business segment i.e., Business Communication Solutions and Integrators.
- 3) On 8 July 2013, the Board of Directors of the Company's subsidiary, AGC Networks Inc, approved the demerger of its Specialized Managed Services Division (the "Captive Division") with effect from 01 April 2012. In accordance with the demerger agreement, on 08 July 2013 the Company transferred the Captive Division along with specified assets and liabilities to Aegis Global Inc., a group company, for cash consideration of US\$ 1000. At the date of transfer, the Captive Division had a net liability of ₹ 393 million which has been recorded by the Company as a credit to reserves. Discontinued operations disclosure with respect to the Captive Division as required under Accounting Standard - 24 is given below:

	Consolidated						₹ in Millions
	Quarter ended			Six months ended			
	Unaudited			Unaudited			
	30/09/2013	30/06/2013	30/09/2012	30/09/2013	30/09/2012	31/03/2013	
Key Financial Numbers of Discontinuing Operations							
Income from operations	-	53	56	53	56	168	
(Loss)/Profit before tax	-	(106)	(42)	(106)	(42)	(256)	
(Loss)/Profit after tax	-	(106)	(42)	(106)	(42)	(256)	

- 4) On 23 September 2013, the Company entered into an agreement with a group company, whereby it sold certain trade receivables totaling to ₹ 178 million at a discounted value for cash consideration of ₹ 145 million on a fully non-recourse basis. Of the total receivables sold, ₹ 102 million represented old overdue balances for which the Company had previously recorded an allowance for doubtful debts. As a result of this sale of accounts receivable in the current quarter, the Company reversed the doubtful debt provision and recorded ₹ 69 million (net of discount of ₹ 33 million) as an exceptional item in the statement of unaudited financial results.
 - 5) Standalone other operating expenses includes exchange loss/(gain) of ₹ 66 million and ₹ 173 million for the quarter and six months ended 30 September 2013 respectively, ₹ 43) million and ₹ 1) million for quarter and six month ended 30 September 2012 respectively and ₹ 25 million for year ended 31 March 2013. Consolidated other operating expenses include Exchange loss/(gain) of ₹ 66 million and ₹ 173 million for quarter and six ended 30 September 2013 respectively, ₹ 42) million and ₹ 1) million for quarter and six month ended September 2012 respectively and ₹ 26 million for year ended 31 March 2013.
 - 6) The statement of consolidated unaudited results for quarter/six months ended 30 September 2013 are prepared in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006 (as amended).
- The financial results of the following entities have been consolidated with the financial results of the Company:
- AGC Networks Pty Limited, Australia
AGC Networks Pte Limited, Singapore
AGC Networks, Inc., USA
- 7) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

Place: Mumbai

Date : 14 November 2013



FOR AND ON BEHALF OF THE BOARD



S. K. JHA
MANAGING DIRECTOR & CEO

Limited Review Report**Review Report to
The Board of Directors
AGC Networks Limited**

1. We have reviewed the accompanying statement of unaudited financial results of AGC Networks Limited ('the Company') for the quarter ended September 30, 2013 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 (Interim Financial Reporting) notified under the provisions of the Companies Act, 1956, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

**per Shyamsundar Pachisia**

Partner

Membership No.: 49237



Place: Mumbai

Date: 14 November 2013

Limited Review Report**Review Report to
The Board of Directors
AGC Networks Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of AGC Networks Group comprising AGC Networks Limited ('the Company') and its subsidiaries (together, 'the Group'), for the quarter ended September 30, 2013 (the "Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 (Interim Financial Reporting) notified under the provisions of the Companies Act, 1956, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W

**per Shyamsundar Pachisia**
Partner
Membership No.: 49237

Place: Mumbai

Date: 14 November 2013