

**AGC NETWORKS LIMITED**

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/NINE MONTHS ENDED 31 DECEMBER 2013**



Sr. No.	Particulars	Standalone						Consolidated					
		Quarter ended			Nine months ended			Quarter ended			Nine months ended		
		Unaudited			Unaudited			Unaudited			Unaudited		
		31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013	31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013
1	Gross sales/income from operations	737	874	1,345	2,385	4,200	5,910	1,891	2,135	2,493	5,947	7,773	10,612
	Excise duty	2	3	7	8	20	32	2	3	7	8	20	32
	(a) Net sales/income from operations	735	871	1,338	2,377	4,180	5,878	1,889	2,132	2,486	5,939	7,753	10,580
	(b) Other operating income	1	24	1	35	60	66	0	24	1	35	77	91
	Total income from operations (net)	736	895	1,339	2,412	4,240	5,944	1,889	2,156	2,487	5,974	7,830	10,671
2	Expenses												
	a) Cost of materials consumed	13	12	47	42	161	228	13	12	47	42	161	228
	b) Purchase of stock-in-trade	281	361	795	1,292	2,244	3,142	720	925	1,478	2,953	4,526	6,390
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	95	115	(172)	85	(234)	(162)	168	186	(247)	94	(461)	(734)
	d) Employee benefits expenses	163	181	280	623	830	1,142	538	563	564	1,853	1,504	2,196
	e) Depreciation and amortisation expense	23	21	19	68	58	111	106	100	31	306	92	163
	f) Service Charge	260	320	293	715	700	998	452	520	338	1,270	878	1,378
	g) Other expenses	184	211	204	695	505	737	289	306	307	1,157	757	1,211
	Total expenses	1,019	1,221	1,466	3,520	4,264	6,196	2,286	2,612	2,516	7,675	7,457	10,832
3	(Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)	(283)	(326)	(127)	(1,108)	(24)	(252)	(397)	(456)	(29)	(1,701)	373	(161)
4	Other income	43	54	294	154	378	421	44	56	295	158	380	424
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	(240)	(272)	167	(954)	354	169	(353)	(400)	268	(1,543)	753	263
6	Finance costs	75	75	89	220	225	323	98	90	98	271	252	362
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	(315)	(347)	78	(1,174)	129	(154)	(451)	(490)	168	(1,814)	501	(99)
8	Exceptional items (Refer note 3 below)	(164)	69	-	(95)	-	-	(445)	69	-	(376)	-	-
9	(Loss)/Profit from ordinary activities before tax (7-8)	(479)	(278)	78	(1,269)	129	(154)	(896)	(421)	168	(2,190)	501	(99)
10	Tax expense	-	-	1	-	(29)	78	0	2	29	(27)	46	120
11	Net (Loss)/Profit from ordinary activities after tax (9-10)	(479)	(278)	77	(1,269)	158	(232)	(896)	(423)	139	(2,163)	455	(219)
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-
13	Net (Loss)/Profit for the period (11-12)	(479)	(278)	77	(1,269)	158	(232)	(896)	(423)	139	(2,163)	455	(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)	(479)	(278)	77	(1,269)	158	(232)	(896)	(423)	139	(2,163)	455	(219)
17	Net (Loss)/Profit for the period from continuing operations	(479)	(278)	77	(1,269)	158	(232)	(896)	(423)	216	(2,057)	574	37
18	Net (Loss)/Profit for the period from discontinuing operation(Refer note 6 below)	-	-	-	-	-	-	-	-	(77)	(106)	(119)	(256)
19	Paid-up equity share capital (face value of ₹ 10 each)	285	285	285	285	285	285	285	285	285	285	285	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 ₹)	(17)	(10)	3	(45)	6	(8)	(31)	(15)	5	(76)	16	(8)

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Sr. No.	Particulars	Standalone						Consolidated					
		Quarter ended			Nine months ended		Year ended	Quarter ended			Nine months ended		Year ended
		Unaudited			Unaudited		Audited	Unaudited			Unaudited		Audited
		31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013	31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>												
1	Public shareholding :												
	Number of shares	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	7,116,616	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
	<b>Promoters and Promoter Group Shareholding</b>												
	<b>a) Pledged/Encumbered</b>												
	Number of shares	20,451,976	20,451,976	20,451,976	20,451,976	20,451,976	20,451,976	20,451,976	20,451,976	20,451,976	20,451,976	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
2	Percentage of shares (as a % of the total share capital of the Company)	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85	71.85
	<b>b) Non-encumbered</b>												
	Number of shares	897,872	897,872	897,872	897,872	897,872	897,872	897,872	897,872	897,872	897,872	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
	Percentage of shares (as a % of the total share capital of the Company)	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
<b>B</b>	<b>INVESTOR COMPLAINTS</b>												
	Pending at the beginning of the quarter	2											
	Received during the quarter	8											
	Disposed of during the quarter	10											
	Remaining unresolved at the end of the quarter	0											

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Notes:

- 1) The results for the quarter ended 31 December 2013 have been subjected to limited review by the 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 February 2014.
- 2) The Company operates in one business segment i.e., Business Communication Solutions and Integrators.
- 3) Exceptional items include:
  - for the quarter/nine months ended 31 December 2013:
    - (a) Provision for Inventory which has been identified as obsolete/slow moving/non-moving aggregating to ₹ 110 million on standalone basis and ₹ 210 million on consolidated basis.
    - (b) Amounts arising out of vendor reconciliations aggregating to ₹ 54 million on standalone basis and ₹ 235 million on consolidated basis (including amounts pertaining to earlier years ₹ 54 million and ₹ 229 million respectively)
  - for the quarter ended 30 September 2013 and nine months ended 31 December 2013 :
 

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.
- 4) Net sales/income from operations for the quarter/nine months ended 31 December 2013 is net of reversal of sales amounting to ₹ 52 million pertaining to earlier year on standalone and consolidated basis.
- 5) The Company has certain trade and other receivables aggregating to ₹ 219 million on standalone basis and ₹ 610 million on consolidated basis in respect of which the management is confident of their realisability and hence no provision has been considered necessary for the same. The statutory auditors of the Company have modified their report for non-recovery of these receivables.
- 6) 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:

₹ in Millions						
	Consolidated					
	Quarter ended			Nine months ended		Year ended
	Unaudited			Unaudited		Audited
Key Financial Numbers of Discontinuing Operations	31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013
Income from operations	-	-	75	53	131	168
(Loss)/Profit before tax	-	-	(77)	(106)	(119)	(256)
(Loss)/Profit after tax	-	-	(77)	(106)	(119)	(256)

- 7) The statement of consolidated unaudited financial results for quarter/nine months ended 31 December 2013 is 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


- 8) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

Place: Mumbai  
Date : 14 February 2014

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FOR AND ON BEHALF OF THE BOARD

  
S. K. JHA  
MANAGING DIRECTOR & CEO