

**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 AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31 MARCH 2014.**



Sr. No.	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited		Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited	
		31/03/2014	31/12/2013	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/12/2013	31/03/2013	31/03/2014	31/03/2013
1	Gross sales/income from operations	641	737	1,709	3,026	5,910	1,822	1,891	2,839	7,769	10,612
	Excise duty	2	2	12	10	32	2	2	12	10	32
	(a) Net sales/income from operations	639	735	1,697	3,016	5,878	1,820	1,889	2,827	7,759	10,580
	(b) Other operating income	2	1	14	37	66	14	0	21	49	91
	Total income from operations (net)	641	736	1,711	3,053	5,944	1,834	1,889	2,848	7,808	10,671
2	Expenses										
	a) Cost of materials consumed	3	13	66	45	228	2	13	66	44	228
	b) Purchase of stock-in-trade	332	281	948	1,624	3,142	1,195	720	1,915	4,148	6,390
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(56)	95	49	29	(162)	(282)	166	(296)	(188)	(734)
	d) Employee benefits expenses	139	163	312	762	1,142	560	536	692	2,413	2,196
	e) Depreciation and amortisation expense	22	23	27	90	111	95	106	43	401	163
	f) Service Charge	140	260	297	855	998	283	452	499	1,553	1,378
	g) Other expenses	195	184	240	890	737	577	289	462	1,734	1,211
	Total expenses	775	1,019	1,939	4,295	6,196	2,430	2,286	3,381	10,105	10,832
3	(Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)	(134)	(283)	(228)	(1,242)	(252)	(596)	(397)	(533)	(2,297)	(161)
4	Other income	31	43	42	185	421	31	44	43	189	424
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	(103)	(240)	(186)	(1,057)	169	(565)	(353)	(490)	(2,108)	263
6	Finance costs	77	75	98	297	323	93	98	111	364	362
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	(180)	(315)	(284)	(1,354)	(154)	(658)	(451)	(601)	(2,472)	(99)
8	Exceptional items (Refer note 4 below)	-	(164)	-	(95)	-	-	(445)	-	(376)	-
9	(Loss)/Profit from ordinary activities before tax (7-8)	(180)	(479)	(284)	(1,449)	(154)	(658)	(896)	(601)	(2,848)	(99)
10	Tax expense	2	-	106	2	78	2	0	74	(25)	120
11	Net (Loss)/Profit from ordinary activities after tax (9-10)	(182)	(479)	(390)	(1,451)	(232)	(660)	(896)	(675)	(2,823)	(219)
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
13	Net (Loss)/Profit for the period (11-12)	(182)	(479)	(390)	(1,451)	(232)	(660)	(896)	(675)	(2,823)	(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)	(182)	(479)	(390)	(1,451)	(232)	(660)	(896)	(675)	(2,823)	(219)
17	Net (Loss)/Profit for the period from continuing operations	(182)	(479)	(390)	(1,451)	(232)	(660)	(896)	(538)	(2,717)	37
18	Net (Loss)/Profit for the period from discontinuing operations (Refer note 7 below)	-	-	-	-	-	-	-	(137)	(106)	(256)
19	Paid-up equity share capital (face value of ₹ 10 each)	285	285	285	285	285	285	285	285	285	285
20	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	654	2,105	-	-	-	455	2,771
21	Earnings per share of ₹ 10/- each (not annualised): Basic and Diluted (in ₹)	(6)	(17)	(14)	(51)	(8)	(23)	(31)	(24)	(99)	(8)



Sr. No.	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited		Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited	
		31/03/2014	31/12/2013	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/12/2013	31/03/2013	31/03/2014	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	
	Percentage of shareholding	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	
	Promoters and Promoter Group Shareholding										
	a) Pledged/Encumbered										
	Number of shares	-	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	
2	Percentage of shares (as a % of the total share capital of the Company)	-	71.85	71.85	-	71.85	-	71.85	-	71.85	
	b) Non-encumbered										
	Number of shares	21,349,848	897,872	897,872	21,349,848	897,872	21,349,848	897,872	21,349,848	897,872	
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	100.00	4.21	4.21	100.00	4.21	100.00	4.21	100.00	4.21	
	Percentage of shares (as a % of the total share capital of the Company)	75.00	3.15	3.15	75.00	3.15	75.00	3.15	75.00	3.15	
<b>B</b>	<b>INVESTOR COMPLAINTS</b>										
	Pending at the beginning of the quarter	0									
	Received during the quarter	11									
	Disposed of during the quarter	11									
	Remaining unresolved at the end of the quarter	0									





**Statement of Assets and Liabilities**

₹ in Millions

Sr. No.	Particulars	Standalone (Audited)		Consolidated (Audited)	
		As at		As at	
		31/03/2014	31/03/2013	31/03/2014	31/03/2013
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	a) Share Capital	285	285	285	285
	b) Reserves and surplus	654	2,105	455	2,771
	<b>Sub-total - Shareholders' funds</b>	<b>939</b>	<b>2,390</b>	<b>740</b>	<b>3,056</b>
<b>2</b>	<b>Non-current liabilities</b>				
	a) Long-term borrowings	9	21	17	37
	b) Other long-term liabilities	34	-	34	-
	c) Deferred tax liabilities	-	-	-	28
	d) Long-term provisions	67	77	71	79
	<b>Sub-total - Non-current liabilities</b>	<b>110</b>	<b>98</b>	<b>122</b>	<b>144</b>
<b>3</b>	<b>Current liabilities</b>				
	a) Short-term borrowings	1,458	2,322	2,338	3,127
	b) Trade payables	1,575	1,935	2,639	3,604
	c) Other current liabilities	1,110	1,046	2,412	1,969
	d) Short-term provisions	37	52	74	132
	<b>Sub-total - Current liabilities</b>	<b>4,180</b>	<b>5,355</b>	<b>7,463</b>	<b>8,832</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>5,229</b>	<b>7,843</b>	<b>8,325</b>	<b>12,032</b>
<b>B</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	a) Tangible assets	161	213	470	512
	b) Intangible assets	25	12	703	775
	c) Capital work-in-progress	25	-	25	-
	d) Non-current investments	487	492	0	5
	e) Trade receivables	25	-	25	-
	f) Long-term loans and advances	813	689	877	701
	g) Other non-current assets	59	11	59	11
	<b>Sub-total - Non-current assets</b>	<b>1,595</b>	<b>1,417</b>	<b>2,159</b>	<b>2,004</b>
<b>2</b>	<b>Current assets</b>				
	a) Inventories	637	778	1,409	1,432
	b) Trade receivables	1,688	3,169	2,938	5,720
	c) Cash and cash equivalents	721	937	1,049	1,155
	d) Short-term loans and advances	525	1,465	707	1,644
	e) Other current assets	63	77	63	77
	<b>Sub-total - Current assets</b>	<b>3,634</b>	<b>6,426</b>	<b>6,166</b>	<b>10,028</b>
	<b>TOTAL ASSETS</b>	<b>5,229</b>	<b>7,843</b>	<b>8,325</b>	<b>12,032</b>





Notes:

- 1) The above results have been reviewed by the audit committee and approved by the Board of Directors at its meeting held on 30 May 2014.
- 2) The figures of the last quarter ended 31 March 2014 and 31 March 2013 are the balancing figures between the audited figures in respect of the full financial years and the unaudited published year-to-date figures up to the third quarter ended 31 December for the respective years which were subjected to limited review.
- 3) The Company operates in one business segment i.e., Business Communication Solutions and Integrators.
- 4) Exceptional items include:
  - for the quarter ended 31 December 2013 and year ended 31 March 2014:
    - (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 year ended 31 March 2014 :
    - 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, 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) Net sales/income from operations for the year ended 31 March 2014 is net of reversal of sales pertaining to earlier years aggregating to ₹ 180 million on standalone basis and ₹ 217 million on consolidated basis.
- 6) The Company has certain trade and other receivables from related parties aggregating to ₹ 85 million on standalone basis and ₹ 386 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.
- 7) 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			Year ended	
	Unaudited			Audited	
Key Financial Numbers of Discontinuing Operations	31/03/2014	31/12/2013	31/03/2013	31/03/2014	31/03/2013
Income from operations	-	-	37	53	168
(Loss)/Profit before tax	-	-	(137)	(106)	(256)
(Loss)/Profit after tax	-	-	(137)	(106)	(256)

- 8) The statement of consolidated audited results for quarter/year ended 31 March 2014 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 Australia Pty Limited  
AGC Networks Pte Limited, Singapore  
AGC Networks, Inc., USA
- 9) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.



FOR AND ON BEHALF OF THE BOARD

SANJEEV VERMA  
DIRECTOR