

AGC NETWORKS LIMITED

 Registered Office :- Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex,
 LBS Marg, Kurla (West), Mumbai - 400070.

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31 MARCH 2015

₹ in Crores

Sr. No.	Particulars	Quarter ended			Year ended	
		Audited (Refer Note 1(b))	Unaudited	Audited (Refer Note 1(b))	Audited	
		31/03/2015	31/12/2014	31/03/2014	31/03/2015	31/03/2014
1	Gross sales/income from operations	241.61	232.75	176.94	888.78	771.64
	Excise duty	0.33	0.30	0.17	1.15	0.96
	(a) Net sales/Income from operations	241.28	232.45	176.77	887.63	770.68
	(b) Other operating income	0.88	-	0.63	3.18	4.16
	Total income from operations (net)	242.16	232.45	177.40	890.81	774.84
2	Expenses					
	a) Cost of materials consumed	2.18	1.88	0.21	5.63	4.45
	b) Purchase of stock-in-trade	90.40	59.88	117.64	307.17	407.77
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	12.90	29.67	(28.22)	67.18	(18.81)
	d) Service Charge	48.10	65.25	29.72	201.08	161.96
	e) Employee benefits expenses	46.92	45.47	41.60	192.49	221.45
	f) Depreciation and amortisation expense	4.09	4.74	9.54	18.44	40.14
	g) Doubtful debts provided / (written back) (Net)	(0.59)	(0.22)	33.80	(0.08)	62.90
	h) Other expenses	23.71	22.86	23.14	93.17	116.42
	Total expenses	227.71	229.63	227.43	885.08	996.28
3	(Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)	14.45	2.92	(50.03)	5.73	(221.44)
4	Other income	1.77	2.01	3.82	6.28	19.58
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	16.22	4.93	(46.21)	12.01	(201.86)
6	Finance costs	7.04	5.88	8.84	25.92	34.63
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	9.18	(0.95)	(55.05)	(13.91)	(236.49)
8	(a) Exceptional items - expenses / (income)	(40.54)	2.60	-	(33.25)	37.56
	(b) Prior period items - expenses / (income)	-	-	-	1.66	-
9	(Loss)/Profit from ordinary activities before tax (7-8)	49.72	(3.55)	(55.05)	17.68	(274.05)
10	Tax expense	2.71	0.00	0.19	2.91	(2.46)
11	Net (Loss)/Profit from ordinary activities after tax (9-10)	47.01	(3.55)	(55.24)	14.77	(271.59)
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net (Loss)/Profit for the period (11-12)	47.01	(3.55)	(55.24)	14.77	(271.59)
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)	47.01	(3.55)	(55.24)	14.77	(271.59)
17	Net (Loss)/Profit for the period from continuing operations	47.01	(3.55)	(55.24)	14.77	(271.59)
18	Net (Loss)/Profit for the period from discontinuing operations	0.00	0.00	0.00	0.00	(10.60)
19	Paid-up equity share capital (face value of ₹ 10 each)	28.47	28.47	28.47	28.47	28.47
20	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	-	45.50
21	Earnings per share of ₹ 10/- each (not annualised): Basic and Diluted (in ₹)	16.51	(1.25)	(19.41)	5.19	(95.41)
A	PARTICULARS OF SHAREHOLDING (EQUITY)					
1	Public shareholding :					
	Number of shares	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
2	Promoters and Promoter Group Shareholding					
	a) Pledged/Encumbered					
	Number of shares	21,349,848	21,349,848	-	21,349,848	-
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	100.00	100.00	-	100.00	-
	Percentage of shares (as a % of the total share capital of the Company)	75.00	75.00	-	75.00	-
	b) Non-encumbered					
	Number of shares	-	-	21,349,848	-	21,349,848
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	-	-	100.00	-	100.00
	Percentage of shares (as a % of the total share capital of the Company)	-	-	75.00	-	75.00
B	INVESTOR COMPLAINTS					
	Pending at the beginning of the quarter	0				
	Received during the quarter	28				
	Disposed of during the quarter	28				
	Remaining unresolved at the end of the quarter	0				

Statement of Assets and Liabilities

₹ in Crores

Sr. No.	Particulars	Consolidated (Audited)	Consolidated (Audited)
		As at	
		31/03/2015	31/03/2014
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a) Share Capital	43.47	28.47
	b) Reserves and surplus	58.16	45.51
	Sub-total - Shareholders' funds	101.63	73.98
2	Non-current liabilities		
	a) Long-term borrowings	-	1.72
	b) Other long-term liabilities	8.29	6.21
	c) Long-term provisions	6.37	7.12
	Sub-total - Non-current liabilities	14.66	15.05
3	Current liabilities		
	a) Short-term borrowings	144.28	233.81
	b) Trade payables	197.86	282.75
	c) Other current liabilities	168.49	218.46
	d) Short-term provisions	5.15	8.49
	Sub-total - Current liabilities	515.78	743.51
	TOTAL - EQUITY AND LIABILITIES	632.07	832.54
B	ASSETS		
1	Non-current assets		
	a) Tangible assets	18.42	47.12
	b) Intangible assets	71.28	70.25
	c) Capital work-in-progress	-	2.52
	d) Trade receivables	2.09	2.54
	e) Long-term loans and advances	82.29	87.70
	f) Other non-current assets	6.24	6.72
	Sub-total - Non-current assets	180.32	216.85
2	Current assets		
	a) Inventories	26.48	101.01
	b) Trade receivables	246.66	293.82
	c) Cash and cash equivalents	33.70	104.88
	d) Short-term loans and advances	49.50	70.69
	e) Other current assets	95.41	45.29
	Sub-total - Current assets	451.75	615.69
	TOTAL ASSETS	632.07	832.54

Notes:

1) (a) The Company has opted to publish only consolidated financial results which are reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 27 May 2015.

(b) The figures of the last quarter ended 31 March 2015 and 31 March 2014 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 31st December for the respective years which were subjected to limited review

(c) Key numbers of Standalone Financial Results of the Company are as under:

₹ In Crores

	Quarter ended			Year ended	
	Audited (Refer Note 1(b))	Unaudited	Audited (Refer Note 1(b))	Audited	
	31/03/2015	31/12/2014	31/03/2014	31/03/2015	31/03/2014
Net sales/Income from operations	96.87	90.97	63.92	339.36	301.60
Profit / (loss) before tax	42.36	(0.38)	(18.03)	2.33	(144.90)
Net profit / (loss) after tax	39.65	(0.38)	(18.21)	(0.38)	(145.08)

The standalone financial results are available at the company's and stock exchanges' websites.

2) The Company operates in one business segment i.e., Business Communication Solutions and Integration, which is considered as the primary reporting segment.

3) With effect from 01 April 2014, the company's subsidiary, AGC Networks Inc has decided not to amortise goodwill on purchase of business of Transcend United Technologies, LLC, USA (TUT business) in view of estimated period of benefits based on the future projections of the said business. Goodwill which was earlier amortised over a period of 5 years, will now be tested for impairment. As a result of such change, depreciation and amortisation expense and the loss are lower by ₹ 4.33 Crores each for the quarters ended 31st March 2015 and 31st December 2014 respectively and, ₹ 17.32 Crores for the year ended 31 March, 2015. The carrying value of such goodwill as at 31 March, 2015 is higher by ₹ 17.32 Crores.

4) The Board at its meeting held on 12 August 2014 allotted 1,500,000 1% Non-cumulative Non-convertible redeemable preference shares having Face Value of ₹ 100/- at par, for a total consideration of ₹ 15.00 Crores to a group company.

5) Employee benefit expense for the year ended 31 March 2015 includes:-

(a) ₹ 1.07 Crores towards remuneration payable by the Company to its erstwhile Whole-time Director (now a Non-executive Director) for a part of the financial year 2014-15, as per the shareholders' sanction, which exceeds the limits specified under Schedule V to the Companies Act, 2013 by ₹ 0.72 Crores and against which the Company has paid ₹ 0.82 Crores. In absence of profits, the Company filed an application with the Central Government seeking approval for such excess which is awaited till date. Until such time the excess has not been adjusted and is held in trust for the Company by the Director.

(b) ₹ 0.67 Crores towards remuneration payable to the Managing Director for a part of the financial year 2014-15. The remuneration payable as per the shareholders' sanction was ₹ 3.19 Crores against which the Company has paid ₹ 2.01 Crores during the year. In absence of profits, the Company filed an application with the Central Government seeking approval for remuneration sanctioned by the shareholders, which exceeds the limits specified under Schedule V to the Companies Act, 2013. However, it has received an approval, subsequent to the year end for ₹ 0.84 Crores per annum. In view of the same, the excess amount has been reversed and disclosed as excess remuneration recoverable under "Other current assets".

6) The Company decided not to pursue a project, given its non viability, during the quarter end 31 December, 2014. Other expenses for the quarter ended 31 December 2014 include a charge of ₹ 2.78 Crores in this regard.

7) During the year ended 31 March 2015 AGC Networks Inc has entered into an Asset Transfer Agreement to sell its entire fixed assets, at their carrying value of ₹ 14.36 Crores to a party with which it has entered into a Master Service Agreement for use of the same / similar assets to support its operations. The Company believes this arrangement would enable it to obtain significant advantages in the nature of maintenance / capacity enhancement of such assets and reduction in technology risk while focussing on its core business of providing networking solutions to its customers.

8) Exceptional items include the following:

(i) During the year the Company has entered into deeds of assignment to transfer all the rights, title and obligations of its land and building situated at Gandhinagar to another company for a consideration of ₹ 50.52 Crores. Subsequent to the year end, the lender to whom these assets were provided as security, has provided its in-principal approval for the said transfer subject to fulfillment of conditions stated therein. The said transfer is pending approval from the relevant government authority and transfer of legal title, that are considered to be procedural in nature. Company has recognised profit on sale of Fixed Assets of ₹ 46.04 Crores (net of incidental expenses ₹ 3.39 Crores) disclosed under the head "Exceptional Item". The statutory auditors of the Company have qualified their report in respect of this matter.

The "Short term borrowings" includes Working capital loan of ₹ 45 Crores secured against the above mentioned property as the Company intends to expire the borrowing either by way of assignment to the buyer of the aforesaid property or by way of repayment of the loan from the sale consideration.

(ii) Provision for Inventory which has been identified as obsolete/slow moving/non-moving aggregating to ₹ 12.79 Crores (as at 31 March 2014 ₹ 21.00 Crores)

(iii) Amounts arising out of vendor reconciliations aggregating to ₹ Nil (as at 31 March 2014 ₹ 23.50 Crores for amounts pertaining to earlier years).

(iv) On 23 September 2013, the Company entered into an agreement with a group company, whereby it sold certain trade receivables totaling to ₹ 17.79 Crores at a discounted value for cash consideration of ₹ 14.51 Crores on a fully non-recourse basis. Of the total receivables sold, ₹ 10.22 Crores 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 ₹ 6.94 Crores (net of discount of ₹ 3.29 Crores) as an exceptional item in the statement of unaudited financial results.

- 9) Net sales/Income from operations for year ended 31 March 2014 is net of reversal of sales pertaining to earlier year ₹ 21.73 Crores on consolidated basis.
- 10) On 08 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\$ 1,000. For year ended 31 March 2014, income from operations is ₹ 5.32 Crores and loss before and after tax is ₹ 10.61 Crores.
- 11) The statement of consolidated audited results for the quarter and twelve months ended 31 March 2015 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
AGC Networks Philippines, Inc.

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

Place: Mumbai
Date : 27 MAY 2015
CIN : L32200MH1986PLC040652

FOR AND ON BEHALF OF THE BOARD



ANIL NAIR
MANAGING DIRECTOR & CEO

AGC NETWORKS LIMITED

Registered Office :- Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex,
LBS Marg, Kurla (West), Mumbai - 400070.



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31 MARCH 2015

₹ in Crores

Sr. No.	Particulars	Quarter ended			Year ended	
		Audited (Refer Note 2)	Unaudited	Audited (Refer Note 2)	Audited	
		31/03/2015	31/12/2014	31/03/2014	31/03/2015	31/03/2014
1	Gross sales/Income from operations	97.20	91.29	64.11	340.51	302.56
	Excise duty	0.33	0.32	0.19	1.15	0.96
	(a) Net sales/Income from operations	96.87	90.97	63.92	339.36	301.60
	(b) Other operating income	0.53	(0.02)	0.18	0.76	3.67
	Total income from operations (net)	97.40	90.95	64.10	340.12	305.27
2	Expenses					
	a) Cost of materials consumed	2.18	1.89	0.21	5.63	4.45
	b) Purchase of stock-in-trade	24.16	16.99	33.16	103.94	162.39
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	16.28	14.25	(5.52)	38.27	2.93
	d) Service Charge	23.97	27.58	14.05	87.68	85.52
	e) Employee benefits expenses	11.05	13.29	13.46	57.82	73.97
	f) Depreciation and amortisation expense	1.35	1.13	2.25	5.13	9.04
	g) Doubtful debts provided / (written back) (Net)	(1.44)	(1.02)	9.80	5.35	23.50
	h) Other expenses	12.62	14.59	10.31	54.20	68.10
	Total expenses	90.17	88.70	77.72	358.02	429.90
3	(Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)	7.23	2.25	(13.62)	(17.90)	(124.63)
4	Other income	1.57	5.41	3.07	10.71	18.48
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	8.80	7.66	(10.55)	(7.19)	(106.15)
6	Finance costs	6.98	5.44	7.48	24.17	29.29
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	1.82	2.22	(18.03)	(31.36)	(135.44)
8	(a) Exceptional items - expenses / (income)	(40.54)	2.60	-	(35.35)	9.46
	(b) Prior period items - expenses / (income)	-	-	-	1.66	-
9	(Loss)/Profit from ordinary activities before tax (7-8)	42.36	(0.38)	(18.03)	2.33	(144.90)
10	Tax expense	2.71	-	0.18	2.71	0.18
11	Net (Loss)/Profit from ordinary activities after tax (9-10)	39.65	(0.38)	(18.21)	(0.38)	(145.08)
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net (Loss)/Profit for the period (11-12)	39.65	(0.38)	(18.21)	(0.38)	(145.08)
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)	39.65	(0.38)	(18.21)	(0.38)	(145.08)
17	Paid-up equity share capital (face value of ₹ 10 each)	28.47	28.47	28.47	28.47	28.47
18	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	65.04	65.42
19	Earnings per share of ₹ 10/- each (not annualised): Basic and Diluted (in ₹)	13.93	(0.13)	(6.40)	(0.13)	(50.97)
A	PARTICULARS OF SHAREHOLDING (EQUITY)					
1	Public shareholding :					
	Number of shares	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
2	Promoters and Promoter Group Shareholding					
	a) Pledged/Encumbered					
	Number of shares	21,349,848	21,349,848	-	21,349,848	-
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	100.00	100.00	-	100.00	-
	Percentage of shares (as a % of the total share capital of the Company)	75.00	75.00	-	75.00	-
	b) Non-encumbered					
	Number of shares	-	-	21,349,848	-	21,349,848
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	-	-	100.00	-	100.00
	Percentage of shares (as a % of the total share capital of the Company)	-	-	75.00	-	75.00
B	INVESTOR COMPLAINTS					
	Pending at the beginning of the quarter	0				
	Received during the quarter	28				
	Disposed of during the quarter	28				
	Remaining unresolved at the end of the quarter	0				

Statement of Assets and Liabilities

₹ in Crores

Sr. No.	Particulars	Standalone (Audited)	
		As at	
		31/03/2015	31/03/2014
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a) Share Capital	43.47	28.47
	b) Reserves and surplus	65.04	65.42
	Sub-total - Shareholders' funds	108.51	93.89
2	Non-current liabilities		
	a) Long-term borrowings	-	0.92
	b) Other long-term liabilities	1.65	3.37
	c) Long-term provisions	5.88	6.73
	Sub-total - Non-current liabilities	7.53	11.02
3	Current liabilities		
	a) Short-term borrowings	136.14	145.79
	b) Trade payables	115.56	174.98
	c) Other current liabilities	54.71	107.15
	d) Short-term provisions	0.52	3.69
	Sub-total - Current liabilities	306.93	431.61
	TOTAL - EQUITY AND LIABILITIES	422.97	536.52
B	ASSETS		
1	Non-current assets		
	a) Tangible assets	10.61	16.05
	b) Intangible assets	1.60	2.51
	c) Capital work-in-progress	-	2.52
	d) Non-current investments	48.72	48.72
	e) Trade receivables	2.09	2.54
	f) Long-term loans and advances	75.31	81.31
	g) Other non-current assets	4.68	5.85
	Sub-total - Non-current assets	143.01	159.50
2	Current assets		
	a) Inventories	18.09	61.61
	b) Trade receivables	124.19	168.80
	c) Cash and cash equivalents	4.75	72.09
	d) Short-term loans and advances	67.48	66.16
	e) Other current assets	65.45	8.36
	Sub-total - Current assets	279.96	377.02
	TOTAL ASSETS	422.97	536.52



Notes:

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 27 May 2015.
- 2) The figures of the last quarter ended 31 March 2015 and 31 March 2014 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 31st 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 Integration, which is considered as the primary reporting segment.
- 4) The Board at its meeting held on 12 August 2014 allotted 1,500,000 1% Non-cumulative Non-convertible redeemable preference shares having Face Value of ₹ 100/- at par, for a total consideration of ₹ 15.00 Crores to a group company.
- 5) Employee benefit expense for the year ended 31 March 2015 includes:-
 - (a) ₹ 1.07 Crores towards remuneration payable by the Company to its erstwhile Whole-time Director (now a Non-executive Director) for a part of the financial year 2014-15, as per the shareholders' sanction, which exceeds the limits specified under Schedule V to the Companies Act, 2013 by ₹ 0.72 Crores and against which the Company has paid ₹ 0.82 Crores. In absence of profits, the Company filed an application with the Central Government seeking approval for such excess which is awaited till date. Until such time the excess has not been adjusted and is held in trust for the Company by the Director.
 - (b) ₹ 0.67 Crores towards remuneration payable to the Managing Director for a part of the financial year 2014-15. The remuneration payable as per the shareholders' sanction was ₹ 3.19 Crores against which the Company has paid ₹ 2.01 Crores during the year. In absence of profits, the Company filed an application with the Central Government seeking approval for remuneration sanctioned by the shareholders, which exceeds the limits specified under Schedule V to the Companies Act, 2013. However, it has received an approval, subsequent to the year end for ₹ 0.84 Crores per annum. In view of the same, the excess amount has been reversed and disclosed as excess remuneration recoverable under "Other current assets".
- 6) The Company decided not to pursue a project, given its non viability, during the quarter end 31 December, 2014. Other expenses for the quarter ended 31 December 2014 include a charge of ₹ 2.78 Crores in this regard.
- 7) Exceptional items include the following:
 - (i) During the year the Company has entered into deeds of assignment to transfer all the rights, title and obligations of its land and building situated at Gandhinagar to another company for a consideration of ₹ 50.52 Crores. Subsequent to the year end, the lender to whom these assets were provided as security, has provided its in-principal approval for the said transfer subject to fulfillment of conditions stated therein. The said transfer is pending approval from the relevant government authority and transfer of legal title, that are considered to be procedural in nature. Company has recognised profit on sale of Fixed Assets of ₹ 46.04 Crores (net of incidental expenses ₹ 3.39 Crores) disclosed under the head "Exceptional Item". The statutory auditors of the Company have qualified their report in respect of this matter.

The "Short term borrowings" includes Working capital loan of ₹ 45 Crores secured against the above mentioned property as the Company intends to expire the borrowing either by way of assignment to the buyer of the aforesaid property or by way of repayment of the loan from the sale consideration.
 - (ii) Provision for Inventory which has been identified as obsolete/slow moving/non-moving aggregating to ₹ 10.69 Crores (as at 31 March 2014 ₹ 11.00 Crores)
 - (iii) Amounts arising out of vendor reconciliations aggregating to ₹ Nil (as at 31 March 2014 ₹ 5.40 Crores for amount pertaining to earlier years)
 - (iv) On 23 September 2013, the Company entered into an agreement with a group company, whereby it sold certain trade receivables totaling to ₹ 17.79 Crores at a discounted value for cash consideration of ₹ 14.51 Crores on a fully non-recourse basis. Of the total receivables sold, ₹ 10.22 Crores 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 ₹ 6.94 Crores (net of discount of ₹ 3.29 Crores) as an exceptional item in the statement of audited financial results.
- 8) Net sales/Income from operations for year ended 31 March 2014 is net of reversal of sales pertaining to earlier year ₹ 18.12 Crores on standalone basis
- 9) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

Place: Mumbai
Date : 27 MAY 2015
CIN : L32200MH1986PLC040652

FOR AND ON BEHALF OF THE BOARD


ANIL NAIR
MANAGING DIRECTOR & CEO