

AGC NETWORKS LIMITED

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



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2015

₹ in Crore

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited	Unaudited Refer	Unaudited	Audited	
		30/06/2015	Note 1(b)	30/06/2014	31/03/2015	
1	Gross sales/Income from operations	213.59	241.61	192.06	888.78	
	Excise duty	0.30	0.33	0.20	1.15	
	(a) Net sales/Income from operations	213.29	241.28	191.86	887.63	
	(b) Other operating income	1.07	0.88	0.09	3.18	
	Total income from operations (net)	214.36	242.16	191.95	890.81	
2	Expenses					
	a) Cost of materials consumed	1.31	2.18	0.90	5.63	
	b) Purchase of stock-in-trade	91.21	90.40	83.72	307.17	
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(2.18)	12.90	2.14	67.18	
	d) Service Charge	50.23	48.10	39.23	201.08	
	e) Employee benefits expenses	51.98	46.92	53.00	192.49	
	f) Depreciation and amortisation expense	2.43	4.09	5.12	18.44	
	g) Doubtful debts provided / (written back) (Net)	0.20	(0.59)	(0.84)	(0.08)	
	h) Other expenses	21.14	23.71	21.58	93.17	
	Total expenses	216.32	227.71	204.85	885.08	
3	(Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)	(1.96)	14.45	(12.90)	5.73	
4	Other income	6.13	1.77	1.79	6.28	
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	4.17	16.22	(11.11)	12.01	
6	Finance costs	5.71	7.04	6.63	25.92	
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	(1.54)	9.18	(17.74)	(13.91)	
8	(a) Exceptional items - expenses / (income)	(1.64)	(40.54)	-	(33.25)	
	(b) Prior period items - expenses / (income)	-	-	1.40	1.66	
9	(Loss)/Profit from ordinary activities before tax (7-8)	0.10	49.72	(19.14)	17.68	
10	Tax expense	0.08	2.71	0.35	2.91	
11	Net (Loss)/Profit from ordinary activities after tax (9-10)	0.02	47.01	(19.49)	14.77	
12	Extraordinary items (net of tax expense)	-	-	-	-	
13	Net (Loss)/Profit for the period (11-12)	0.02	47.01	(19.49)	14.77	
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)	0.02	47.01	(19.49)	14.77	
17	Paid-up equity share capital (face value of ₹ 10 each)	28.47	28.47	28.47	28.47	
18	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	58.16	
19	Earnings per share of ₹ 10/- each (not annualised):					
	Basic and Diluted (in ₹)	0.01	16.51	(6.85)	5.19	

Select Information for the quarter ended 30 June 2015					
A	PARTICULARS OF SHAREHOLDING (EQUITY)				
1	Public shareholding :				
	Number of shares	71,16,616	71,16,616	71,16,616	71,16,616
	Percentage of shareholding	25.00	25.00	25.00	25.00
2	Promoters and Promoter Group Shareholding				
	a) Pledged/Encumbered				
	Number of shares	2,13,49,848	2,13,49,848	2,13,49,848	2,13,49,848
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	100.00	100.00	100	100.00
	Percentage of shares (as a % of the total share capital of the Company)	75.00	75.00	75	75.00
	b) Non-encumbered				
	Number of shares	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	-	-	-	-
	Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-
B	INVESTOR COMPLAINTS				
	Pending at the beginning of the quarter	0			
	Received during the quarter	12			
	Disposed of during the quarter	12			
	Remaining unresolved at the end of the quarter	0			



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 5 August 2015.
(b) The figures of the last quarter ended 31 March 2015 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.

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

	Quarter ended			Year ended
	Unaudited	Unaudited (Refer Note 1(b))	Unaudited	Audited
	30/06/2015	31/03/2015	30/06/2014	31/03/2015
Net sales/Income from operations	80.82	96.87	59.99	339.36
Profit / (loss) before tax	(1.57)	42.36	(27.70)	2.33
Net profit / (loss) after tax	(1.57)	39.65	(27.70)	(0.38)

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) During the quarter ended 30 June 2015, the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 14 May 2015 has granted 1,004,866 stock options as per the terms of ESOP Scheme 2015, which will vest over a period of 3 to 5 years.
- 4) On 1 June 2015, AGC Networks Inc. (a step down subsidiary of the Company) acquired the assets and liabilities vide Assets Purchase Agreement (APA) with the Company Ensource Inc. based in Jacksonville, Florida and the acquisition was completely funded through internal operating funds of AGC Networks Inc.

Ensource is an Information, Communication Technology (ICT) solutions integrator focused on the healthcare and public sectors. This combination provides AGC Networks Inc. a strong footprint of enterprise customers and personnel in the southeastern USA and greatly expands the domain expertise in the complex healthcare vertical market.

5) Exceptional items:

(i) During the quarter and year ended 31 March 2015, the Company 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, 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". For the year ended 31 March 2015, the statutory auditors of the Company have qualified their audit report and their review report for the quarter ended 30 June 2015 in respect of this matter. The company is in the process of obtaining requisite approvals which are still awaited as of date.

(ii) Further the company has recognised interest income amounting to ₹ 1.64 Crores during quarter ended 30 June 2015 on sale consideration receivable from the buyer towards assignment of land and building situated at Gandhinagar, referred above, which has been disclosed under "Exceptional Items".

(iii) Provision for Inventory which has been identified as obsolete/slow moving/non-moving aggregating to ₹ 12.79 Crores for the quarter and year ended 31 March 2015

- 6) Note appearing in the results of earlier periods have been reproduced for information to the extent relevant

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

(i) ₹ 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.

(ii) ₹ 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".

- b) 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 focusing on its core business of providing networking solutions to its customers.

- 7) The statement of consolidated results are prepared in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

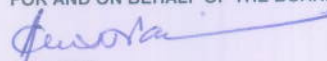
The financial results of the following entities have been consolidated with the financial results of the Company:

- AGC Networks Australia Pty Limited
- AGC Networks Pte Limited, Singapore
- AGC Networks, Inc., USA
- AGC Networks Philippines, Inc.

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

Place: Mumbai
Date : 05 AUGUST 2015
CIN : L32200MH1986PLC040652

FOR AND ON BEHALF OF THE BOARD


ANIL NAIR
MANAGING DIRECTOR & CEO



Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
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Review Report

To the Board of Directors of AGC Networks Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of AGC Networks Limited ("the Company") for the quarter ended 30 June 2015, 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 audited 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in Note 5 (i) to the Statement, during the quarter and year ended 31 March 2015 the Company had recognized sale of properties having aggregate carrying value of Rs 1.09 crores and profit on such sale amounting to Rs.46.04 crores (net of incidental selling expenses amounting to Rs 3.39 crores) under 'exceptional items'. In our opinion, as the significant risks and rewards for the said properties have not yet been transferred, recognition of such sale is not in accordance with the principles laid under Accounting Standard (AS) 9 Revenue Recognition. Our audit opinion on the financial statements for the year ended 31 March 2015 was qualified in respect of this matter. Had the Company followed the principles of AS 9, for the quarter ended 30 June 2015 the prior period expense and loss before tax would have been higher by Rs 46.04 crores each and tax expense for the said quarter would have been lower by Rs 3.27 crores. Similarly, tax expense for the quarter and year ended 31 March 2015 would have been lower by Rs 3.27 crores and profit before tax for the quarter and year ended 31 March 2015 would have been lower by Rs. 46.04 crore each.
4. Based on our review conducted as above, except for the effects of our qualification as described in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) 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.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

Adi P. Sethna
per Adi P. Sethna
Partner
Membership No.108840

Place: Mumbai
Date: 5 August 2015

AGC NETWORKS LIMITED

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



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2015

₹ in Crore

Sr. No.	Particulars	Quarter ended			Year ended
		Unaudited	Unaudited Refer note (2)	Unaudited	Audited
		30/06/2015	31/03/2015	30/06/2014	31/03/2015
1	Gross sales/Income from operations	81.12	97.20	60.17	340.51
	Excise duty	0.30	0.33	0.18	1.15
	(a) Net sales/Income from operations	80.82	96.87	59.99	339.36
	(b) Other operating income	0.26	0.53	0.09	0.76
	Total Income from operations (net)	81.08	97.40	60.08	340.12
2	Expenses				
	a) Cost of materials consumed	1.31	2.18	0.94	5.63
	b) Purchase of stock-in-trade	38.57	24.16	32.68	103.94
	c) Change in inventories of finished goods, work-in-progress and stock-in-trade	(0.20)	16.28	(8.37)	38.27
	d) Service Charge	18.68	23.97	17.97	87.68
	e) Employee benefits expenses	15.07	11.05	18.04	57.82
	f) Depreciation and amortisation expense	1.27	1.35	1.37	5.13
	g) Doubtful debts provided / (written back) (Net)	-	(1.44)	7.95	5.35
	h) Other expenses	10.71	12.62	11.74	54.20
	Total expenses	85.41	90.17	82.32	358.02
3	(Loss)/Profit from operations before other income, finance costs and exceptional items (1-2)	(4.33)	7.23	(22.24)	(17.90)
4	Other income	6.60	1.57	1.70	10.71
5	(Loss)/Profit from ordinary activities before finance costs and exceptional items (3+4)	2.27	8.80	(20.54)	(7.19)
6	Finance costs	5.48	6.98	5.76	24.17
7	(Loss)/Profit from ordinary activities after finance costs but before exceptional items (5-6)	(3.21)	1.82	(26.30)	(31.36)
8	(a) Exceptional items - expenses / (income)	(1.64)	(40.54)	-	(35.35)
	(b) Prior period items - expenses / (income)	-	-	1.40	1.66
9	(Loss)/Profit from ordinary activities before tax (7-8)	(1.57)	42.36	(27.70)	2.33
10	Tax expense	-	2.71	-	2.71
11	Net (Loss)/Profit from ordinary activities after tax (9-10)	(1.57)	39.65	(27.70)	(0.38)
12	Extraordinary items (net of tax expense)	-	-	-	-
13	Net (Loss)/Profit for the period (11-12)	(1.57)	39.65	(27.70)	(0.38)
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)	(1.57)	39.65	(27.70)	(0.38)
17	Paid-up equity share capital (face value of ₹ 10 each)	28.47	28.47	28.47	28.47
18	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	65.04
19	Earnings per share of ₹ 10/- each (not annualised): Basic and Diluted (in ₹)	(0.55)	13.93	(9.73)	(0.13)

Select information for the quarter ended 30 June 2015				
A	PARTICULARS OF SHAREHOLDING (EQUITY)			
1	Public shareholding :			
	Number of shares	71,16,616	71,16,616	71,16,616
	Percentage of shareholding	25.00	25.00	25.00
2	Promoters and Promoter Group Shareholding			
	a) Pledged/Encumbered			
	Number of shares	2,13,49,848	2,13,49,848	2,13,49,848
	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	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and Promoter group)	-	-	-
	Percentage of shares (as a % of the total share capital of the Company)	-	-	-
B	INVESTOR COMPLAINTS			
	Pending at the beginning of the quarter	0		
	Received during the quarter	12		
	Disposed of during the quarter	12		
	Remaining unresolved at the end of the quarter	0		



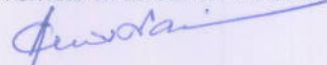
Notes:

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 5 August 2015
- 2) The figures of the last quarter ended 31 March 2015 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 Integration, which is considered as the primary reporting segment.
- 4) During the quarter ended 30 June 2015, the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 14 May 2015 has granted 1,004,866 stock options as per the terms of ESOP Scheme 2015, which will vest over a period of 3 to 5 years.
- 5) Exceptional items:
 - (i) During the quarter and year ended 31 March 2015, the Company 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, 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". For the year ended 31 March 2015, the statutory auditors of the Company have qualified their audit report and their review report for the quarter ended 30 June 2015 in respect of this matter. The company is in the process of obtaining requisite approvals which are still awaited as of date.
 - (ii) Further the company has recognised interest income amounting to ₹ 1.64 Crores during quarter ended 30 June 2015 on sale consideration receivable from the buyer towards assignment of land and building situated at Gandhinagar, referred above, which has been disclosed under "Exceptional Items".
 - (iii) Provision for Inventory which has been identified as obsolete/slow moving/non-moving aggregating to ₹ 10.69 Crores for the quarter and year ended 31 March 2015
- 6) Note appearing in the results of earlier periods have been reproduced for information to the extent relevant
Employee benefit expense for the year ended 31 March 2015 includes:-
 - (i) ₹ 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.
 - (ii) ₹ 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".
- 7) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

Place: Mumbai
Date : 05 AUGUST 2015
CIN : L32200MH1986PLC040652



FOR AND ON BEHALF OF THE BOARD


ANIL NAIR
MANAGING DIRECTOR & CEO