

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		
		Unaudited			Unaudited			Unaudited			Unaudited		
		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	Year ended Audited 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			Quarter ended			Six months ended		
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30/09/2013	30/06/2013	30/09/2012	30/09/2013	30/09/2012	31/03/2013	30/09/2013	30/06/2013	30/09/2012	30/09/2013	30/09/2012	31/03/2013
A	PARTICULARS OF SHAREHOLDING												
	Public shareholding :												
	Number of shares	7,116,616	7,116,616	3,558,308	7,116,616	3,558,308	7,116,616	7,116,616	7,116,616	3,558,308	7,116,616	3,558,308	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
1	Promoters and Promoter Group Shareholding												
	a) Pledged/Encumbered												
	Number of shares	20,451,976	20,451,976	10,225,988	20,451,976	10,225,988	20,451,976	20,451,976	20,451,976	10,225,988	20,451,976	10,225,988	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	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
	Percentage of shares (as a % of the total share capital of the Company)	897.872	897.872	448.936	897.872	448.936	897.872	897.872	897.872	448.936	897.872	448.936	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
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											



SIGNED FOR IDENTIFICATION
BY *S.R.A*
S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI

Statement of Assets and Liabilities

Statement of Assets and Liabilities		₹ in Millions	
Sr. No.	Particulars	Standalone (Unaudited) As at 30/09/2013	Standalone (Audited) 31/03/2013
A	EQUITY AND LIABILITIES		
	1 Shareholders' funds		
	a) Share Capital	285	285
	b) Reserves and surplus	1,315	2,105
	Sub-total - Shareholders' funds	1,600	2,390
2	Non-current liabilities		
	a) Long-term borrowings	15	21
	b) Deferred tax liabilities	-	-
	c) Long-term provisions	70	77
	Sub-total - Non-current liabilities	85	98
3	Current liabilities		
	a) Short-term borrowings	2,197	2,322
	b) Trade payables	1,748	1,935
	c) Other current liabilities	1,321	1,046
	d) Short-term provisions	52	52
	Sub-total - Current liabilities	5,318	5,355
	TOTAL - EQUITY AND LIABILITIES	7,003	7,843
B	ASSETS		
	1 Non-current assets		
	a) Tangible assets	184	213
	b) Intangible assets	3	12
	c) Capital work-in-progress	21	-
2	Current assets		
	d) Non-current investments	492	492
	e) Trade receivables	27	-
	f) Long-term loans and advances	844	689
	g) Other non-current assets	19	11
	Sub-total - Non-current assets	1,590	1,417
	Current assets		
	a) Inventories	778	778
	b) Trade receivables	2,244	3,169
	c) Cash and cash equivalents	1,060	937
	d) Short-term loans and advances	1,251	1,465
	e) Other current assets	80	77
	Sub-total - Current assets	5,413	6,426
	TOTAL ASSETS	7,003	7,843

SIGNED FOR IDENTIFICATION
BY

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI



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

SIGNED FOR IDENTIFICATION
BY *S.R. Batliboi*
S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI



FOR AND ON BEHALF OF THE BOARD

S.K. Jha

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



AGC Networks Announces Results for the Quarter ended September 30, 2013

Mumbai, 14th November 2013: AGC Networks Limited, (BSE: 500463 and NSE: AGCNET), a Global ICT Solutions Provider and Integrator in Unified Communications, Network Infrastructure, Data Centre & Virtualization and Enterprise Applications and a subsidiary of Aegis Limited, an Essar enterprise, today announced financial results for Q2 FY 2014.

Key Consolidated Financial & Operational Highlights for Q2 FY 2014

Financial highlights

- Revenue for Q2 FY 2014 increased by 11% from Rs 192 cr to Rs 213 cr over the previous quarter of Q1 FY 2014. Persisting macroeconomic concerns compounded with sluggish economic growth highlights weak demand impacting spending patterns on technology solutions across various industry verticals

	Q2'14	Q2'13	Q1'14
Total Revenue	213	282	192
PBT	(42)	18	(87)
PAT	(42)	14	(84)
EPS (in Rs)	(15)	5	(30)

- Operations in the North America geography have stabilized contributing significantly to revenues and growth for the Quarter in that market. The acquisition of the business of Transcend has helped access reach to more than 1500 customers and across various states in the US
- Operating Expenses decreased in comparison to Q1 FY 2014, on account of rationalization in costs and a focus on operational efficiencies
- In line with the adopted approach last quarter, we have continued to adapt conservative practices and estimates towards building a stronger balance sheet with sustained earnings.

Business highlights

- AGC Networks expanded its portfolio of Technology offerings with cloud based Managed Network Security solution offering

- Highlights of India business
 - Uptake of demand and engagements in the select verticals of IT / ITeS, BFSI, Hospitality/ Healthcare and Education
 - Significant elongation of the decision making cycle.
- Emphasizing on customer centricity as the core, AGC Networks has had some significant wins in the quarter in the India theatre
 - A single sign on solution, that can handle up to 2lakh concurrent sessions, provided to one of India's leading investment bank & project advisor
 - Deployed a unique Trunk-and-Tank locking system to control pilferage for a Fortune 500 Oil and Natural gas company
 - Delivered around 100 video endpoints connecting all offices for one of Nepal's first private mobile operator
 - A win in the Data Center and Virtualization practice for Servers, Storage and Data Center for a Electricity regulation board.
- Highlights of the US business
 - Strong increase in demand of products and services within the IT / ITeS domain
 - Increased revenue share from non-UC (Unified Communication) quadrant
 - Expansion of solution portfolio from existing customers
 - US business profitable on a standalone basis
 - North America continues to be an evolving contributor to AGC's global 10³ strategy. A major win being the start of the theatre's largest managed services contract for one the largest US banks.
- Highlights of MEA business
 - The Middle East market has been a steady contributor with some wins such as
 - The Data Center and Virtualization and Business Applications business growth with wins across verticals
 - Breakthrough in two large banks in Kenya and Zambia with security solutions.
- Highlights of the ANZ business
 - Expansion of solution offerings to existing customers and appropriate strategies have made the overall business profitable in Australia
 - Tony Heywood on board as 'Vice President & Country Head' bringing in significant experience in AGC's line of Solution Integration.
- Other highlights include, AGC Networks being awarded '**Industry Partner of the Year – FY 2013' by Microsoft** in the BFSI segment towards improving the focus on customer service.

Speaking on the occasion, **Mr. S. K. Jha, MD & CEO, AGC Networks** said "The sluggish business environment has affected the Indian ICT industry. However, together with our strong emphasis on customer-centricity, partner alliance network and technology expertise we will continue to gain client-stickiness and focus in proving best-in-class returns to our stakeholders, in the upcoming quarters."

About AGC Networks:

AGC Networks (AGC) is a Global ICT Solutions Provider and Integrator seamlessly delivering technology based solutions across global markets and verticals layered with a spectrum of applications and services in Unified Communications, Network Infrastructure, Data Center & Virtualization and Enterprise Applications. Being a leader in Enterprise Communications in India and spanning the Middle East, North America, Australia, New Zealand and Africa, AGC Networks has a differentiated approach to Solutions Integration and offers domain-focused, flexible and customized solutions to customers across the globe. Equipped with Global technology alliance partners like Avaya, Juniper, NICE Systems, Aspect, HP, Polycom, Cisco, Microsoft, Verint, NEC, Sony, Plantronics, EMC, Dialogic, NetApp, Checkpoint and Jabra among others. AGC 'Experience specialists' deliver ICT solutions. AGC Networks is a subsidiary of Aegis Limited, an Essar Enterprise. For more information log on to www.agcnetworks.com

Media contacts:**AGC Networks**

Neelam Kapoor Tel: +91 98197 30611 E-mail: neelam.kapoor@agcnetworks.com

20:20 MSL

Mou Chakravorty : Cell# 8454042392 E-mail: mou.chakravorty@2020msl.com

Investor Contacts:

Kashmeera Chhabra Tel: +99301 36721 Email: Kashmeera.chhabra@agcnetworks.com