



Paving the way for
stakeholder value

ANNUAL REPORT 2015-16
AGC NETWORKS LIMITED

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

The year under review was a challenging year for your company. The eagerness to grab a share of the immense market opportunity was tempered with the need to do business in a manner to build value for the stakeholders of the Company over the long term.

Your Company continues to focus on best governance practices, a clean balance sheet, with a thrust to effectively increase profitability, manage working capital and debt in the best possible manner, and last but most importantly, reduce costs

in a sustainable manner. The effects of this transformation, under the young, yet experienced leadership of Sanjeev Verma, as well as CFO Angshu Sengupta, is aimed at increasing value for all stakeholders, in a consistent and sustainable manner, in the years to come.

A transformation of the magnitude that is underway in your Company does take time, and has challenges, and I am happy to say that the team has risen to the occasion to put in place a plan to ensure reliable cash-flow, profitability, growth and value.

Your Company continues to expand geographically, as planned. CYBER-i, the Cyber Security

division of your Company continued to grow and build skills and partnerships. The Intel Security based Global Security Operations Center (GSoC) of the Company is one of the top SOCs in South Asia.

With the right systems in place, as well as the right attitude and right people, your Company is now ready to take on the dynamic global marketplace with confidence.

Thank you, shareholders, for your continuing support.

With Best Wishes,

Sujay R. Sheth

MESSAGE FROM WHOLE TIME DIRECTOR

In FY 2015-16, my transition from an international landscape to now being at the helm of a Global delivery model across geographies with a renewed focus on India, has been stupendous. My learning, my experiences, my teams have all stood strong to chart AGC's global journey ahead. It has thus far been a transformative journey where we have worked relentlessly in re-igniting our **Relationships** across our ecosystem, recraft our **Relevance** and drive **Results** that have a long term positive impact on our customers and shareholder value.

AGC's presence in the Global ICT space coupled with the right skill and technology partnerships in each

geography sets us apart. We are engaging with more global and cross shore deals that clearly changes the context and puts AGC ahead in delivering superior experiences to our customers and partners. Your organization's emergence as a Global Solution Integrator of choice is showcased through the customer confidence across theatres. AGC's dominance in the Unified Communications space in India has evolved from mere voice solutions to offering superior customer experience through advanced solutions like self-service kiosks to natural language and speech and contextual analytics. The showcase of customer centricity and relevance has been across Cyber Security, Storage and Audio Video solutions in the Middle East and Africa regions, enabling global trade, coupled with the emergence of the Healthcare vertical and the Cloud & Managed service launch in US. Our

investments in APAC are in the right directions and we continue to see positive traction in ANZ and Philippines in the contact center, networking & security solutions.

While the canvas may seem widespread from a geographical reach perspective; our ability to go local is what has been AGC's biggest differentiator.

I see the way ahead for AGC as being the Cloud and Managed Services provider across traditional Capex and Opex models. Our endeavor is to secure the Cyber space across domains and networks with a vision to offer outcome based managed security services across the globe.

We thank you for your continued support.

Warm Regards,

Sanjeev Verma

CORPORATE INFORMATION

Directors

Sujay R. Sheth	Chairman - Independent Non-Executive Director
Jangoo Dalal	Independent Non-Executive Director
Manhar Mandaliya	Independent Non-Executive Director
Shuva Mandal	Independent Non-Executive Director
Sujaya Banerjee	Non-Executive Director
Sanjeev Verma	Whole Time Director (w.e.f. 15th Feb, 2016)

Chief Financial Officer

Amal Thakore (upto 10th July 2016)
Angshu Sengupta (w.e.f. 11th July 2016)

Company Secretary & Compliance Officer

Pratik Bhanushali

Auditors

M/s. Walker Chandiook & Co LLP

Registered Office

Equinox Business Park,
(Peninsula Techno Park),
Off Bandra Kurla Complex,
LBS Marg, Kurla (West),
Mumbai - 400 070

Regional Offices - India

Bengaluru, Chennai,
Gandhinagar, Gurgaon,
Hyderabad, Kolkata,
Mumbai, Pune

Global Presence

Australia, Kenya, New Zealand,
Philippines, Singapore,
UAE, UK, USA

Bankers

Yes Bank Limited,
IDBI Bank Limited,
Bank of India

Registered and Share Transfer Agents

Datamatics Financial Services Limited,
Plot No. B5, MIDC, Part B Cross Lane,
Andheri (East), Mumbai - 400 093

Audit Committee

Sujay R. Sheth (Chairman)
Manhar Mandaliya
Shuva Mandal

Stakeholders Relationship Committee

Sujay R. Sheth (Chairman)
Sanjeev Verma

Ethics and Compliance Committee

Shuva Mandal (Chairman)
Sujay R. Sheth

Nomination and Remuneration Committee

Shuva Mandal (Chairman)
Sujay R. Sheth
Manhar Mandaliya

Executive Committee

Sanjeev Verma (Chairman)
Amal Thakore
Animesh Shrivastava
Atul Khatavkar

Corporate Social Responsibility Committee

Sujay R. Sheth (Chairman)
Shuva Mandal
Sanjeev Verma

Risk Management Committee

Sujay R. Sheth (Chairman)
Sanjeev Verma
Amal Thakore

The above data is as of 31st March 2016.

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of **AGC NETWORKS LIMITED** will be held on Wednesday, September 28, 2016 at 11.00 A.M. at Banquet Hall, Equinox Business Park, Off B.K.C, LBS Marg, Kurla West, Mumbai 400070 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016, the Profit & Loss Account for the year ended on that date together with the Schedules attached thereto and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. (Dr.) Sujaya Banerjee (DIN 06814544), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify appointment of the retiring Auditors M/s. Walker Chandio & Co. LLP, Chartered Accountants (ICAI Registration No. 001076N) as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution, with or without modifications(s):

“RESOLVED THAT M/s. Walker Chandio & Co. LLP , Chartered Accountants (ICAI Registration No. 001076N), be and are hereby re-appointed Auditors of the Company, to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors in addition to reimbursement of out-of-pocket expenses in connection with the work of audit to be carried out by them.”

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification the following resolution as **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and such other approvals, permissions and sanctions, as may be required, subject to approval of the Central Government, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Sanjeev Verma (DIN: 06871685) as Executive Director to be designated as Whole time Director of the Company for a period of three years with effect from February 15, 2016 to February 14, 2019, without remuneration or any other perks and perquisites, but may be paid Consultancy fees up to Rs. 25,00,000 (Rupees Twenty Five Lakhs only) per annum w.e.f. 1st April, 2016, for Business related consultancy, and also reimbursement of reasonable expenses incurred for rendering his services to the Company, and he shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT Mr. Sanjeev Verma shall have the right to exercise such powers of Management of the Company as may be delegated to him by the Board of Directors, from time to time.

RESOLVED FURTHER THAT Mr. Sanjeev Verma will continue to be based and operate out of Dallas, US.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and are hereby authorized severally to do all such deeds, acts, things and matters as may be incidental or ancillary to give effect to the resolution.

**By order of the Board of Directors,
For AGC Networks Limited**

Sd/–

Pratik Bhanushali

Company Secretary & Compliance officer
Membership No. F8538

Place: Mumbai.

Dated: August 12, 2016

Registered Office:–

Equinox Business Park
(Peninsula Techno Park),
Off Bandra Kurla Complex,
LBS Marg, Kurla West,
Mumbai – 400 070.
www.agcnetworks.com

NOTES

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy should however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- 2) Corporate Members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.
- 3) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 4) Members are requested to bring their attendance slip along with their copy of annual report to the Annual General Meeting.
- 5) Members who wish to obtain information on the Company or view the accounts for the financial year ended March 31, 2016, may visit the company's corporate website www.agcnetworks.com or send their queries at least 10 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.
- 6) All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all the working days between 11.00 AM to 1.00 PM up to the date of the Annual General Meeting.
- 7) The Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from 22.09.2016 (Thursday) to 28.09.2016 (Wednesday) (both days inclusive) for the purpose of Annual General Meeting.
- 8) M/s. Datamatics Financial Services Limited (DFSL) is "Registrar and Share Transfer Agent" of the Company. All members and investors are hereby advised to contact DFSL at the following address for any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, dividend payments and other query / grievance relating to the shares of the Company:
M/s. Datamatics Financial Services Limited,
Plot No. B-5, Part B Crosslane,
MIDC, Marol, Andheri (East), Mumbai – 40093
Tel : +91 22 6671 2151 to 6671 2156
Fax : +91 22 6671 2209
E-mail : agcinvestors@dfssl.com
- 9) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. Nomination forms can be obtained from the registrars of the Company.
- 10) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 11) As per the requirement of the SEBI (LODR) Regulations, 2015 on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors are given below.

- 12) Members are hereby informed that Dividend which remains unclaimed/ un-encashed over a period of Seven years, has to be transferred as per the provisions of the Companies Act, 2013 by the Company to “The Investor Education & Protection Fund” constituted by the Central Government. It may please be noted that once unclaimed/ un- en-cashed dividend is transferred to “Investor Education & Protection Fund” as above, no claims shall lie in respect of such amount by the Shareholder.
- 13) Members who have not registered their e-mail addresses so far are requested to register their email address so that they can get the all the information of the Company at the click of the mouse.**
- 14) As the members are aware, your Company’s shares are tradable compulsorily in electronic form. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company’s shares on either of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins at 9.00 AM on 25.09.2016 and ends at 5.00 PM on 27.09.2016. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 21.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <AGC Networks Limited> on which you choose to vote.
- (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (x) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (XI) Shareholders can also cast their vote using CDSL’s mobile app m–Voting available for android based mobiles. The m–Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xi) **Note for Non – Individual Shareholders and Custodians**
 - Non–Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xii) In case you have any queries or issues regarding e–voting, you may refer the Frequently Asked Questions (“FAQs”) and e–voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Sanjeev Verma was appointed as Whole Time Director of the Company for a period of 5 (five) year with effect from 15th May, 2014. Mr. Verma resigned from the whole–time Directorship of the Company with effect from 20th October, 2014, and continued to be Non–executive Director of the Company since then. Mr. Verma has also been handling International Business of the Company based out of Dallas, US.

Mr. Verma is a Technology Veteran with over 22 years of extensive global experience in the ICT domain. He has highly successful track record in diverse set of management and leadership roles in the areas of business operations, sales and marketing, consulting, M & A and startup operations.

At this crucial juncture, the Board, as per the recommendation from the Nomination and Remuneration Committee of the Company, considered and decided to entrust Mr. Sanjeev Verma with increased role and responsibility by elevating him as Executive Director to be designated as Whole time Director (WTD) of the Company. The term of his appointment as Whole Time Director will be 3 years with effect from 15th February, 2016 to February 14, 2019. Mr. Sanjeev Verma is also holding employment and Directorship with AGC Networks INC, US, and draws remuneration from there. At present, no remuneration is proposed to be paid to Mr. Verma for his services pursuant to such appointment as WTD of the Company. However, Mr. Verma may be paid Consultancy fees up to Rs. 25,00,000 (Rupees Twenty Five Lakhs only) per annum w.e.f. 1st April, 2016, for Business related consultancy, and also reimbursement of reasonable expenses incurred for rendering his services to the Company

The Board recommends this Resolution for approval.

No Director, other key managerial personnel or their relatives, except Mr. Sanjeev Verma is concerned or interested financially or otherwise in this Resolution.

Annexure to Notice

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting

[Pursuant to SEBI (LODR) Regulations, 2015]

Name of Director	Mr. Sanjeev Verma
Date of Birth	20th July, 1967
Date of Appointment	15th February, 2016
Expertise in specific functional areas and Qualifications	As mentioned in statement under Section 102 of the Companies Act, 2013 of this Notice
List of other Companies in which Directorship held as on 15th February, 2016	NIL
Shareholding in the Company as on 15th February, 2016	NIL

Name of Director	Mrs. (Dr.) Sujaya Banerjee
Date of Birth	25th November, 1966
Date of Appointment	12th March, 2015
Expertise in specific functional areas and Qualifications	<p>Dr. Sujaya Banerjee has been a Human Resources professional for over 24 years and has transformed the HR function in several leading organizations during her career.</p> <p>She has set up world class Performance and Talent Management programs through her assignments at ADNOC and as Head at HR at Lowe Lintas and Partners and Director HR of British Gas. Sujaya has also been listed among the Top 40 HR professionals in Asia, has won the Youth Icon Award for 2009 and the Contribution to HR Community Award given by the Government of Malaysia in 2012, besides winning several International accolades like the Learning Elite Award – CLO USA, Best Business Adoption Award–Success Factors (2011) and the SAP Ace Award 2013. She currently works with the Essar Group.</p> <p>She has presented white papers and chaired conferences around the world at GE's John F. Welch Leadership Center (Crotonville), at the CLO Summit–Harvard Business School, ASTD Denver Conference 2012, SkillSoft Perspectives Florida and Success Connect Sydney. She also chairs the Emerging Markets HR Summit in the UK every year.</p>
List of other Companies in which Directorship held as on 12th March, 2015	Capstone People Consulting Private Limited
Shareholding in the Company as on 12th March, 2015	NIL

DIRECTORS' REPORT

The Directors hereby present the 30th Annual Report and the audited financial statements of the Company for the year ended March 31 2016.

1. Financial Results

The results of the Company on a standalone and Consolidated basis are as given below:

₹/Cr

	Standalone		Consolidated	
	Year ended 31/03/2016	Year ended 31/03/2015	Year ended 31/03/2016	Year ended 31/03/2015
Sales & Services (Gross)	314.57	341.27	882.76	892.04
Sales & Services (Net)	320.04	350.83	886.89	897.17
Profit before interest, depreciation & tax (EBIDA)	-7.38	31.63	12.83	62.04
Less : Interest and finance charges (Net)	24.10	24.17	26.68	25.92
Less : Depreciation	5.23	5.13	8.50	18.44
Profit before tax from continuing operations	-36.71	2.33	-22.35	17.68
Less : Provision for tax (including Deferred tax)	0.00	2.71	12.24	2.91
Profit after tax from continuing operations	-36.71	-0.38	-34.59	14.77
Profit after tax from discontinuing operations	0.00	0.00	0.00	0.00
Profit after tax	-36.71	-0.38	-34.59	14.77
Balance brought forward from previous year	-90.28	-89.90	-134.12	-148.30
Amount available for appropriation	-126.99	-90.28	-168.71	-133.53
Appropriations :				
Profit on Demerger/Additional Depreciation	0.00	0.00	0.00	0.59
Transfer to General Reserve	0.00	0.00	0.00	0.00
Balance carried to Balance Sheet	-126.99	-90.28	-168.71	-134.12

2. Dividend

In view of the losses, your Directors have not recommended any dividend for the financial year ended March 31, 2016.

3. Financial Performance

The Company, for the year ended March 31, 2016 recorded a gross turnover of ₹ 314.57 Crores as against ₹ 341.27 Crores for the period ended March 31, 2015. The net loss is ₹ 34.59 Crores for the financial year ended March 31, 2016, as against the net profit of ₹ 14.77 Crores for the financial year ended March 31, 2015.