Walker Chandiok & Co LLP

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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of AGC Networks Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('Statement') of AGC Networks Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), (Refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Engagement (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 8 to the Statement, during the year ended 31 March 2015 the Company had recognized sale of two properties having carrying value of Rs. 0.74 crores and Rs. 0.35 crores, respectively, and profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores), respectively, under 'exceptional items'. In our opinion, since the significant risks and rewards for the said properties were not transferred, recognition of such sale and the accounting treatment followed by the Company is not in accordance with the principles laid under Indian Accounting Standard (Ind AS) 18 'Revenue' and Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' as notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) and should have been reversed. Our audit/review reports on the financial statements/financial results of all the corresponding period up to March 2016 were qualified in respect of this matter. Further, during the month of April 2016, significant risks and rewards in

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respect of one of the said property having a carrying value of Rs. 0.35 crores were transferred. Accordingly, in our opinion, sale of this property should have been recognized during the quarter end 30 June 2016, six month ended 30 September 2016 and nine month ended 31 December 2016. Hence our audit/review reports on the financial statements/financial results of all the periods up to March 2017 were qualified to this extent. With respect to the other property having carrying value of Rs. 0.74 crores our review report on the financial results for the quarter and six months ended 30 September 2017 was qualified and continues to be qualified for the quarter and nine months ended 31 December 2017 as the Company has not corrected material prior period error retrospectively as required under Ind AS 8 by restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Had the Company followed the principles of Ind AS 18 and Ind AS 8, the prior period expenses would have been higher by Rs. 40.85 crores for the nine months ended 31 December 2017 and for the quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively and by Rs. 46.04 crores for the nine months ended 31 December 2016; profit on sale of property would be Rs. Nil for the nine months ended 31 December 2017 and quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively and Rs. 5.19 crores for the nine months ended 31 December 2016; profit before tax would have been lower by Rs. 40.85 crores for the nine months ended 31 December 2017 and for the quarters ended 31 December 2017 and 30 September 2017 respectively and profit before tax would have been lower by Rs. 40.85 crores for the nine months and quarter ended 31 December 2016; tax expenses would have been lower by Rs. 3.27 crores for the nine months ended 31 December 2017 and 31 December 2016 respectively and quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively.

4. Based on our review conducted as above except for the effects of the matter described in previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Nagar

per **Nikhilesh Nagar**
Partner
Membership No. 079597

Place: Mumbai
Date: 8 February 2018

Annexure 1

List of entities included in the Statement

1. AGC Networks Pty. Limited, Australia
2. AGC Networks Pte. Limited, Singapore
3. AGC Networks, Inc., USA
4. AGC Networks Philippines, Inc., Philippines
5. AGC Networks and Cyber Solutions Limited, Kenya (w.e.f. 11 August 2016)
6. AGCN Solutions Pte. Limited, Singapore (w.e.f. 18 November 2016)
7. AGC Networks L.L.C., Dubai (w.e.f. 13 February 2017)
8. AGC Networks L.L.C., Abu Dhabi (w.e.f. 6 June 2017)

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AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31 DECEMBER 2017

Rs. in Crore

Sr. No.	Particulars	Quarter ended			Nine months ended	
		Unaudited			Unaudited	
		31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
1	(a) Revenue from operations (inclusive of excise duty)	194.40	172.22	185.61	524.08	587.78
	(b) Other income	0.08	1.62	1.52	4.06	2.60
	Total income	**194.48**	**173.84**	**187.13**	**528.14**	**590.38**
2	**Expenses**					
	a) Cost of materials consumed	0.03	0.06	-	0.67	2.76
	b) Purchase of stock-in-trade	68.51	47.50	51.30	192.68	218.83
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.24	9.04	9.17	(13.19)	(1.08)
	d) Service charge	49.10	48.48	52.13	141.70	146.44
	e) Employee benefits expense (net)	47.43	49.91	44.58	140.28	142.48
	f) Finance costs	6.41	6.79	8.04	19.28	21.37
	g) Depreciation and amortisation expense (Refer note 6)	2.14	1.94	1.55	6.01	5.04
	h) Other expenses	15.69	14.50	18.14	49.51	57.17
	Total Expenses	**190.55**	**178.22**	**184.91**	**536.94**	**593.01**
3	**Profit/(loss) before exceptional items and tax (1-2)**	**3.93**	**(4.38)**	**2.22**	**(8.80)**	**(2.63)**
4	Exceptional items - income (Refer note 7)	(0.77)	(7.06)	-	(19.91)	(9.50)
5	**Profit before tax (3-4)**	**4.70**	**2.68**	**2.22**	**11.11**	**6.87**
6	Tax expense					
	- Current tax	1.18	1.41	-	4.90	1.31
	- (Excess) / short provision for tax	-	-	-	-	(0.82)
7	**Net profit after tax (5-6)**	**3.52**	**1.27**	**2.22**	**6.21**	**6.38**
8	**Other comprehensive loss**	(0.44)	(0.02)	(0.43)	(0.74)	(0.23)
9	**Total comprehensive income for the period (7+8)**	**3.08**	**1.25**	**1.79**	**5.47**	**6.15**
10	Paid-up equity share capital (face value of Rs. 10 each)	28.47	28.47	28.47	28.47	28.47
11	Earnings per share of Rs. 10 each (not annualised):					
	Basic (in Rs.)	1.08	0.44	0.63	1.92	2.16
	Diluted (in Rs.)	1.07	0.44	0.63	1.91	2.16

AGC Networks Limited Mumbai

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Notes:

1) Results for the quarter/nine months ended 31 December 2017 have been prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, as applicable to the Company for the accounting periods beginning on or after 1 April 2017.

2) These financial results do not include Ind-AS compliant results for the year ended 31 March 2017, as the same are not mandatory as per SEBI's circular dated 5 July 2016.

3) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 February 2018. The statutory auditors of the Company have carried out the limited review of the results for the quarter/nine months ended 31 December 2017.

4) Reconciliation of net profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and nine months ended 31 December 2016:

Rs. in Crore

Particulars	Quarter ended	Nine months ended
	Unaudited	Unaudited
	31/12/2016	31/12/2016
Net Profit for the period as per previous Indian GAAP	**2.25**	**6.72**
Finance cost recognised on fair valuation of financial liabilities	(0.32)	(0.94)
Impact on fair valuation of Employee Stock Option Plan	(0.14)	0.02
Employee defined benefit plans accounted under OCL	0.46	0.66
Interest income recognised on fair valuation of financial assets	0.18	0.54
Rent and other expenses recognised on fair valuation of security deposits	(0.21)	(0.62)
Net Profit for the period as per Ind AS	**2.22**	**6.38**

5) AGC Networks L.L.C. incorporated on 6 June 2017 at Abu Dhabi is a 100% subsidiary of AGC Networks Pte Limited, Singapore.

6) During the quarter ended 30 June 2016, based on an internal technical evaluation, the management reassessed the remaining useful lives of certain plant and equipment with effect from 1 April 2016. Accordingly the useful lives of such plant and equipment have been revised from 3 to 5 years to 15 years.

Had the Company continued with the previously assessed useful lives, depreciation expense would have been higher by Rs. 0.53 Crores for the quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively and higher by Rs. 1.59 Crores and Rs. 1.60 Crores for nine months ended 31 December 2017 and 31 December 2016 respectively. Further the revision of the useful lives will result in the following changes in depreciation expense as compared to depreciation expense based on earlier useful lives.

Rs. in Crore

Financial Years	(Decrease) / Increase in depreciation expense
2017-18	(0.53)
2018-19	(1.61)
Post 2019	5.86

7) **Exceptional items:**

i For the quarter ended 31 December 2017 includes:
(a) Rs. 0.77 crores on account of interest income on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar.

ii. For the quarter ended 30 September 2017 includes :
(a) Rs. 5.21 crores on account of reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor; and
(b) Rs. 1.85 crores on account of interest income on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar.

iii. For the nine months ended 31 December 2017 includes :
(a) Rs. 5.21 crores on account of reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor;
(b) Rs. 2.62 crores on account of interest income on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar; and
(c) Rs. 12.08 crores reversal of inventory provisions made in earlier years to reflect lower of cost and net realisable value. The Company has entered into an agreement with the buyer for sale of these inventories.

iv. For the nine months ended 31 December 2016 represents reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor.

8) During the 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 Rs. 50.52 Crores. During April 2015, the lender to whom these assets were provided as security provided its in-principal approval for the said transfer subject to fulfilment of conditions stated therein. The said transfer was pending approval from the relevant government authority and transfer of legal title that were considered to be procedural in nature. Accordingly, the Company had recognized profit on sale of property, plant and equipment of Rs. 46.04 Crores (net of incidental expenses Rs. 3.39 Crores) during the year ended 31 March 2015. During the year ended 31 March 2016, the Company received approval from the lender for sale of one of the property sold for consideration of Rs. 5.89 crores and also realized part consideration of Rs. 3.20 crores from the buyer. During April 2016, approval from the requisite authorities have also been received and sale deed has been executed between the Company and the buyer for transfer of legal title for one of the property. The Company has also obtained the requisite approvals for the other property and during the nine months ended 31 December 2017 has realized further consideration of Rs. 22.77 Crores. The sale deed for the other property will be executed on simultaneous settlement of balance consideration by the buyer.

9) In view of various clarification issued and being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, it may be possible that the Interim financials may undergo adjustments on finalization of full year Ind AS financial statement as at and for the year ending 31 March 2018, due to treatment\methods suggested by ITFG on applicability of various Ind AS.

10) The statement of consolidated results are prepared in accordance with the requirements of Ind AS 110 – 'Consolidated Financial Statements' specified under Section 133 of the Companies Act, 2013.

The financial results of the following subsidiaries 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.
AGC Networks and Cyber Solutions Limited, Kenya (w.e.f. 11 August 2016)
AGCN Solutions Pte. Limited (w.e.f. 18 November 2016)
AGC Networks L.L.C., Dubai (w.e.f. 13 February 2017)
AGC Networks L.L.C., Abu Dhabi (w.e.f. 6 June 2017)

11) 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
WHOLE-TIME DIRECTOR
DIN: 06871685

Place: Mumbai
Date : 8 February 2018
CIN : L32200MH1986PLC040652

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CHARTERED ACCOUNTANTS

AGC Networks Limited
Mumbai

AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED CONSOLIDATED SEGMENTAL INFORMATION FOR THE QUARTER/NINE MONTHS ENDED 31 DECEMBER 2017

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended			Nine months ended	
		Unaudited			Unaudited	
		31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
1	**Segment Revenue**					
	India	85.52	65.33	62.09	212.01	186.78
	USA	64.64	62.29	64.25	183.66	206.70
	Rest of the world	46.26	46.27	60.76	138.16	201.19
	Total	196.42	173.89	187.10	533.83	594.67
	Less : Inter-segment	(2.02)	(1.67)	(1.49)	(9.75)	(6.89)
	Revenue from operations (inclusive of excise duty)	**194.40**	**172.22**	**185.61**	**524.08**	**587.78**

Revenue includes : Rs. 66.85 Crores and Rs. 155.23 Crores for nine months ended 31 December 2017 and 31 December 2016 respectively, Rs. 20.12 Crores, Rs. 22.92 Crores and Rs. 48.61 Crores for the quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively for Singapore entity within rest of the world in the above table.

Revenue Includes : Rs. 31.52 Crores and Rs. 34.02 for Nine months ended 31 December 2017 and 31 December 2016 respectively, Rs. 9.40 Crores, Rs. 10.32 Crores and Rs. 9.67 for the quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively for Australia within rest of the world in the above table.

Revenue Includes : Rs. 28.09 Crores and Rs. Nil for Nine months ended 31 December 2017 and 31 December 2016 respectively, Rs. 11.60 Crores, Rs. 8.53 Crores and Rs.Nil for the quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively for Dubai within rest of the world in the above table.

Sr. No.	Particulars	31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
2	**Segment results profit / (loss) before tax and interest**					
	India	10.40	4.84	(0.34)	19.38	(6.64)
	USA	4.90	1.02	4.65	4.66	12.84
	Rest of the world	(4.96)	(3.45)	5.95	(13.56)	12.54
	Total	**10.34**	**2.41**	**10.26**	**10.48**	**18.74**
	Less : Finance cost	(6.41)	(6.79)	(8.04)	(19.28)	(21.37)
	Profit/(Loss) before exceptional items and tax	**3.93**	**(4.38)**	**2.22**	**(8.80)**	**(2.63)**
	Exceptional items - income	0.77	7.06	-	19.91	9.50
	Profit before tax	**4.70**	**2.68**	**2.22**	**11.11**	**6.87**

Profit / loss includes : Loss before tax of Rs. 18.17 Crores for nine months ended 31 December 2017 and profit before tax of Rs. 7.39 Crores for nine months ended 31 December 2016, loss before tax of Rs. 1.90 Crores for quarter ended 31 December 2017 and profit before tax of Rs. 2.80 Crores for the quarter ended 31 December 2016, loss before tax of Rs. 6.51 Crores for quarter ended 30 September 2017 for Singapore entity within rest of the world in the above table.

Profit / loss includes : Loss before tax of Rs. 3.59 Crores for nine months ended 31 December 2017 and profit before tax of Rs. 2.14 Crores for nine months ended 31 December 2016, loss before tax of Rs. 2.52 Crores for quarter ended 31 December 2017 and profit before tax of Rs. 1.06 Crores for the quarter ended 31 December 2016, loss before tax of Rs. 1.22 Crores for quarter ended 30 September 2017 for Australia entity within rest of the world in the above table.

Profit / loss includes : profit before tax of Rs. 8.17 Crores and Rs. Nil for the nine months ended 31 December 2017 and 31 December 2016 respectively, loss before tax of Rs. 0.73 Crores for quarter ended 31 December 2017 and profit before tax of Rs. Nil and Rs. 4.62 Crores for the quarters ended 31 December 2016 and 30 September 2017 for Dubai entity within rest of the world in the above table.

Sr. No.	Particulars	31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
3	**Capital employed**					
	India	72.02	65.97	49.59	72.02	49.59
	USA	(4.54)	(7.61)	(6.81)	(4.54)	(6.81)
	Rest of the world	8.27	14.27	25.25	8.27	25.25
	Capital employed	**75.75**	**72.63**	**68.03**	**75.75**	**68.03**

Capital employed includes : Rs. 3.20 Crores, Rs. 18.33 Crores, Rs. 5.01 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Singapore entity within rest of the world in the above table.

Capital employed includes : Rs. 0.19 Crores, Rs. 5.60 Crores, Rs. 2.39 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Australia within rest of the world in the above table.

Capital employed includes : Rs. 6.26 Crores, Rs. Nil , Rs. 8.09 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Dubai within rest of the world in the above table.

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AGC Networks Limited Mumbai

AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED CONSOLIDATED SEGMENTAL INFORMATION FOR THE QUARTER/NINE MONTHS ENDED 31 DECEMBER 2017

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended			Nine months ended	
		Unaudited			Unaudited	
		31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
4	**Segment assets**					
	India	320.96	328.95	329.79	320.96	329.79
	USA	203.21	178.26	216.06	203.21	216.06
	Rest of the world	232.80	230.10	239.85	232.80	239.85
	Less: Inter segment	(141.84)	(149.92)	(152.85)	(141.84)	(152.85)
	Total assets	**615.13**	**587.39**	**632.85**	**615.13**	**632.85**

Segment asset includes : Rs. 149.89 Crores, Rs. 191.81 Crores, Rs. 159.69 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Singapore entity within rest of the world in the above table.

Segment assets include : Rs. 33.87 Crores, Rs. 37.96 Crores, Rs. 36.82 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Australia within rest of the world in the above table.

Segment assets include : Rs. 31.77 Crores, Rs. Nil , Rs. 17.75 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Dubai within rest of the world in the above table.

Sr. No.	Particulars	31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
5	**Segment liabilities**					
	India	248.94	262.98	280.20	248.94	280.20
	USA	207.75	185.87	222.87	207.75	222.87
	Rest of the world	224.53	215.83	214.60	224.53	214.60
	Less: Inter segment	(141.84)	(149.92)	(152.85)	(141.84)	(152.85)
	Total liabilities	**539.38**	**514.76**	**564.82**	**539.38**	**564.82**
	Capital employed	**75.75**	**72.63**	**68.03**	**75.75**	**68.03**

Segment liabilities includes : Rs. 146.69 Crores, Rs. 173.48 Crores, Rs. 154.68 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Singapore entity within rest of the world in the above table.

Segment liabilities include : Rs. 33.68 Crores, Rs. 32.36 Crores, Rs. 34.43 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Australia within rest of the world in the above table.

Segment liabilities include : Rs. 25.51 Crores, Rs. Nil , Rs. 9.66 Crores is as on 31 December 2017, 31 December 2016 and 30 September 2017 respectively for Dubai within rest of the world in the above table.

Notes on Segment Information :

Based on the "management approach" as defined in Ind AS 108 - 'Operating segments', the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by geographical region.

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Mumbai

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Independent Auditor's Review Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of AGC Networks Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of AGC Networks Limited ('the Company') for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Engagement (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 8 to the Statement, during the year ended 31 March 2015 the Company had recognized sale of two properties having carrying value of Rs. 0.74 crores and Rs. 0.35 crores, respectively, and profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores), respectively, under 'exceptional items'. In our opinion, since the significant risks and rewards for the said properties were not transferred, recognition of such sale and the accounting treatment followed by the Company is not in accordance with the principles laid under Indian Accounting Standard (Ind AS) 18 'Revenue' and Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' as notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) and should have been reversed. Our audit/review reports on the financial statements/financial results of all

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the corresponding period up to March 2016 were qualified in respect of this matter. Further, during the month of April 2016, significant risks and rewards in respect of one of the said property having a carrying value of Rs. 0.35 crores were transferred. Accordingly, in our opinion, sale of this property should have been recognized during the quarter ended 30 June 2016, six months ended 30 September 2016 and nine months ended 31 December 2016. Hence our audit/review reports on the financial statements/financial results of all the periods up to March 2017 were qualified to this extent. With respect to the other property having carrying value of Rs. 0.74 crores our review report on the financial results for the quarter and six months ended 30 September 2017 was qualified and continues to be qualified for the quarter and nine months ended 31 December 2017 as the Company has not corrected material prior period error retrospectively as required under Ind AS 8 by restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Had the Company followed the principles of Ind AS 18 and Ind AS 8, the prior period expenses would have been higher by Rs. 40.85 crores for the nine months ended 31 December 2017 and for the quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively and by Rs. 46.04 crores for the nine months ended 31 December 2016; profit on sale of property would be Rs. Nil for the nine months ended 31 December 2017 and quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively and Rs. 5.19 crores for the nine months ended 31 December 2016; profit before tax would have been lower by Rs. 40.85 crores for the nine months ended 31 December 2017 and for the quarters ended 31 December 2017 and 30 September 2017 respectively and loss before tax would have been higher by Rs. 40.85 crores for the nine months and quarter ended 31 December 2016; tax expenses would have been lower by Rs. 3.27 crores for the nine months ended 31 December 2017 and 31 December 2016 respectively and quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively.

4. Based on our review conducted as above, except for the effects of the matter described in previous paragraph nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Nagar

per **Nikhilesh Nagar**
Partner
Membership No. 079597

Place: Mumbai
Date: 8 February 2018

AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31 DECEMBER 2017

Rs. in Crore

Sr. No.	Particulars	Quarter ended			Nine months ended	
		Unaudited			Unaudited	
		31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
1	(a) Revenue from operations (inclusive of excise duty)	85.52	65.33	62.09	212.01	186.78
	(b) Other income	0.44	1.40	1.84	5.27	3.74
	Total income	**85.96**	**66.73**	**63.93**	**217.28**	**190.52**
2	**Expenses**					
	a) Cost of materials consumed	0.03	0.06	-	0.67	2.76
	b) Purchase of stock-in-trade	33.53	14.09	13.69	92.86	70.86
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.59	9.84	7.81	(10.56)	(0.47)
	d) Service charge	21.20	19.38	20.91	58.13	54.17
	e) Employee benefits expense (net)	12.10	11.64	11.39	33.11	33.87
	f) Finance costs	5.24	5.76	6.07	15.95	17.67
	g) Depreciation and amortisation expense (Refer note 6)	0.50	0.50	0.57	1.58	1.91
	h) Other expenses	6.61	6.38	9.90	22.11	34.06
	Total expenses	**80.80**	**67.65**	**70.34**	**213.85**	**214.83**
3	**Profit/(loss) before exceptional items and tax (1-2)**	**5.16**	**(0.92)**	**(6.41)**	**3.43**	**(24.31)**
4	Exceptional items - income (Refer note 7)	(0.77)	(7.06)	-	(19.91)	(9.50)
5	**Profit/(loss) before tax (3-4)**	**5.93**	**6.14**	**(6.41)**	**23.34**	**(14.81)**
6	Tax expense					
	- Current tax	-	-	-	-	-
	- (Excess) / short provision for tax	-	-	-	-	-
7	**Net profit/(loss) after tax (5-6)**	**5.93**	**6.14**	**(6.41)**	**23.34**	**(14.81)**
8	**Other comprehensive income/ (loss)**	0.09	0.03	(0.46)	(0.81)	(0.66)
9	**Total comprehensive income / (loss) for the period (7+8)**	6.02	6.17	(6.87)	22.53	(15.47)
10	Paid-up equity share capital (face value of Rs. 10 each)	28.47	28.47	28.47	28.47	28.47
11	Earnings per share of Rs. 10 each (not annualised):					
	Basic (in Rs.)	2.11	2.17	(2.41)	7.91	(5.43)
	Diluted (in Rs.)	2.10	2.15	(2.41)	7.85	(5.43)

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

AGC Networks Limited Mumbai

Notes:

1) Results for the quarter/nine months ended 31 December 2017 have been prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, as applicable to the Company for the accounting periods beginning on or after 1 April 2017.

2) These financial results do not include Ind-AS compliant results for the year ended 31 March 2017, as the same are not mandatory as per SEBI's circular dated 5 July 2016.

3) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8 February 2018. The statutory auditors of the Company have carried out the limited review of the results for the quarter/nine months ended 31 December 2017.

4) Reconciliation of net loss as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter and nine months ended 31 December 2016:

Rs. in Crore

Particulars	Quarter ended	Nine months ended
	Unaudited	Unaudited
	31/12/2016	31/12/2016
Net loss for the period as per previous Indian GAAP	**(6.38)**	**(14.47)**
Finance cost recognised on fair valuation of financial liabilities	(0.32)	(0.94)
Impact on fair valuation of Employee Stock Option Plan	(0.14)	0.02
Employee defined benefit plans accounted under OCL	0.46	0.66
Interest income recognised on fair valuation of financial assets	0.18	0.54
Rent and other expenses recognised on fair valuation of security deposits	(0.21)	(0.62)
Net loss for the period as per Ind AS	**(6.41)**	**(14.81)**

5) AGC Networks L.L.C. incorporated on 6 June 2017 at Abu Dhabi is a 100% subsidiary of AGC Networks Pte Limited, Singapore.

6) During the quarter ended 30 June 2016, based on an internal technical evaluation, the management reassessed the remaining useful lives of certain plant and equipment with effect from 1 April 2016. Accordingly the useful lives of such plant and equipment have been revised from 3 to 5 years to 15 years.

Had the Company continued with the previously assessed useful lives, depreciation expense would have been higher by Rs. 0.53 Crores for the quarters ended 31 December 2017, 30 September 2017 and 31 December 2016 respectively and higher by Rs. 1.59 Crores and Rs. 1.60 Crores for nine months ended 31 December 2017 and 31 December 2016 respectively. Further the revision of the useful lives will result in the following changes in depreciation expense as compared to depreciation expense based on earlier useful lives.

Rs. in Crore

Financial Years	(Decrease) / Increase in depreciation expense
2017-18	(0.53)
2018-19	(1.61)
Post 2019	5.86

7) **Exceptional items:**

i For the quarter ended 31 December 2017 includes:
(a) Rs. 0.77 crores on account of interest income on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar.

ii. For the quarter ended 30 September 2017 includes :
(a) Rs. 5.21 crores on account of reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor; and
(b) Rs. 1.85 crores on account of interest income on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar.

iii. For the nine months ended 31 December 2017 includes :
(a) Rs. 5.21 crores on account of reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor;
(b) Rs. 2.62 crores on account of interest income on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar; and
(c) Rs. 12.08 crores reversal of inventory provisions made in earlier years to reflect lower of cost and net realisable value. The Company has entered into an agreement with the buyer for sale of these inventories.

iv For the nine months ended 31 December 2016 represents reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor.

8) During the 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 Rs. 50.52 Crores. During April 2015, the lender to whom these assets were provided as security provided its in-principal approval for the said transfer subject to fulfilment of conditions stated therein. The said transfer was pending approval from the relevant government authority and transfer of legal title that were considered to be procedural in nature. Accordingly, the Company had recognized profit on sale of property, plant and equipment of Rs. 46.04 Crores (net of incidental expenses Rs. 3.39 Crores) during the year ended 31 March 2015. During the year ended 31 March 2016, the Company received approval from the lender for sale of one of the property sold for consideration of Rs. 5.89 crores and also realized part consideration of Rs. 3.20 crores from the buyer. During April 2016, approval from the requisite authorities have also been received and sale deed has been executed between the Company and the buyer for transfer of legal title for one of the property. The Company has also obtained the requisite approvals for the other property and during the nine months ended 31 December 2017 has realized further consideration of Rs. 22.77 Crores. The sale deed for the other property will be executed on simultaneous settlement of balance consideration by the buyer.

9) In view of various clarification issued and being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, it may be possible that the Interim financials may undergo adjustments on finalization of full year Ind AS financial statement as at and for the year ending 31 March 2018, due to treatment\methods suggested by ITFG on applicability of various Ind AS.

10) 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
WHOLE-TIME DIRECTOR
DIN: 06871685

Place: Mumbai
Date : 8 February 2018
CIN : L32200MH1986PLC040652

AGC Networks Limited Mumbai

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS