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Independent Auditor's Report on Consolidated Financial 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 audited the consolidated financial results of AGC Networks Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2018, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 8 to the consolidated financial results regarding the figures for the quarter ended 31 March 2018 as reported in these consolidated financial results, which are the balancing figures between audited consolidated figures in respect of the full financial year and the published consolidated year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published consolidated year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2018 and our review of consolidated financial results for the nine months period ended 31 December 2017.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

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3. As stated in Note 8 to the consolidated financial results, during the year ended 31 March 2015, the Company had recognised sale of two properties, classified as fixed assets under previous GAAP, having carrying values of Rs. 0.74 crores and Rs. 0.35 crores, and recorded profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores respectively (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores). In our opinion, the significant risks and rewards of ownership of the said properties were not transferred when such sale was recognised. The Company has not rectified the said error in these first Ind AS financial statements, and therefore, 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) 16 'Property, Plant and Equipment'.

Had the Company followed the principles of Ind AS 16 and corrected the error in accordance with Ind AS 101: First-time Adoption of Indian Accounting Standards, the carrying value of current tax assets (net), and property, plant and equipment as at 1 April 2016 would have been higher by Rs. 3.27 crores and Rs. 1.09 crores respectively, and other financial liabilities, current financial asset (receivable for sale of property) and retained earnings as at that date would have been lower by Rs. 0.19 crores, Rs. 47.32 crores and Rs. 42.77 crores respectively.

Further, in our opinion, the significant risks and rewards of ownership in respect of one of the said properties having a carrying value of Rs. 0.35 crores as at 31 March 2015 were transferred in April 2016 while the significant risks and rewards of ownership in respect of the other property having a carrying value of Rs. 0.74 crores as at 31 March 2015 have not been transferred until 31 March 2018.

Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors in accordance with Ind AS 8 in the current year financial statements, other income for the year ended 31 March 2018 would have been higher by Rs. Nil (31 March 2017: Rs. 5.19 crores) while depreciation expense would have been higher by Rs. 0.04 crores (31 March 2017: Rs. 0.05 crores). The carrying value of property, plant and equipment and current tax assets(net) as at 31 March 2018 would have been higher by Rs. 0.74 crores (31 March 2017: Rs. 0.74 crores) and by Rs. 3.27 crores (31 March 2017: Rs. 3.27 crores) respectively. The other financial liabilities and current financial assets (receivable from sale of property) as at 31 March 2018 would have been lower by Rs. 0.16 crores (31 March 2017: Rs. 0.16 crores) and Rs. 23.55 crores (31 March 2017: Rs. 47.32 crores) respectively. The resulting impact of the above correction in errors would have resulted into decrease in retained earnings as at 31 March 2018 by Rs. 37.58 crores (31 March 2017: Rs. 37.58 crores).

Our reports on the consolidated financial results for the year ended 31 March 2016 and 31 March 2017 were also qualified in respect of this matter.

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial results:

   (i) include the financial results for the year ended 31 March 2018, of the following entities:

      a. AGC Networks Pty. Limited, Australia
      b. AGC Networks Pte. Limited, Singapore
      c. AGC Networks, Inc., USA
      d. AGC Networks Philippines, Inc., Philippines
      e. AGC Networks and Cyber Solutions Limited, Kenya
      f. AGCN Solutions Pte. Limited, Singapore
      g. AGC Networks L.L.C., Dubai
      h. AGC Networks L.L.C., Abu Dhabi (w.e.f. 6 June 2017)

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(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard except for the effects of the matter described in paragraph 3; and

(iii) give a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2018 except for the effects of the matter described in paragraph 3.

5. The Holding Company had prepared separate consolidated financial results for the year ended 31 March 2017, based on the consolidated financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and consolidated financial results for the nine months period ended 31 December 2016 prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015, and other accounting principles generally accepted in India, on which we issued auditor's report dated 24 May 2017. These consolidated financial results for the year ended 31 March 2016 have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

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

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

Place: Mumbai
Date: 29 May 2018

AGC NETWORKS LIMITED

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

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31 MARCH 2018

Rs. in Crore

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31 March 2018 Refer note 2	31 December 2017	31 March 2017 Refer note 2	31 March 2018	31 March 2017
1	(a) Revenue from operations (Inclusive of excise duty)	209.37	194.40	192.80	733.45	780.22
	(b) Other income	0.82	0.08	0.97	4.88	3.57
	Total income	**210.19**	**194.48**	**193.77**	**738.33**	**783.79**
2	**Expenses**					
	a) Cost of materials consumed	-	0.03	-	0.27	2.76
	b) Purchase of stock-in-trade	62.26	68.51	54.01	255.34	272.84
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.06)	1.24	4.48	(13.25)	3.40
	d) Service charge	59.30	49.10	56.27	201.00	202.71
	e) Employee benefits expense (net)	52.46	47.43	49.39	192.74	191.51
	f) Finance costs	5.68	6.41	4.82	24.96	26.19
	g) Depreciation and amortisation expense (Refer note 6)	2.16	2.14	1.52	8.17	6.56
	h) Other expenses	14.54	15.69	17.50	64.05	74.67
	Total expenses	**196.34**	**190.55**	**187.99**	**733.28**	**780.64**
3	**Profit before exceptional items and tax (1-2)**	**13.85**	**3.93**	**5.78**	**5.05**	**3.15**
4	Exceptional items - expenses / (income) (Refer note 7)	5.89	(0.77)	-	(14.02)	(9.50)
5	**Profit before tax (3-4)**	**7.96**	**4.70**	**5.78**	**19.07**	**12.65**
6	Tax expense					
	- Current tax	0.29	1.18	1.83	5.19	3.14
	- Deferred tax Credit	(1.05)	-	-	(1.05)	-
	- (Excess) / Short provision for tax	-	-	-	-	(0.82)
7	**Net Profit for the period (5-6)**	**8.72**	**3.52**	**3.95**	**14.93**	**10.33**
8	**Other Comprehensive Income / (loss)**	0.48	(0.44)	(1.82)	(0.26)	(2.05)
9	**Total Comprehensive Income for the period (7+8)**	9.20	3.08	2.13	14.67	8.28
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.)	3.23	1.08	0.75	5.15	2.91
	Diluted (in Rs.)	3.21	1.07	0.74	5.11	2.89

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AGC Networks Limited Mumbai

Statement of Assets and Liabilities **Rs. in Crore**

Particulars	Consolidated Audited 31 March 2018	Consolidated Audited 31 March 2017
ASSETS		
Non-current assets		
Property, plant and equipment	23.06	23.45
Other Intangible assets	6.74	5.75
Goodwill	83.76	81.65
Financial assets		
Trade receivables	0.32	0.64
Loans	3.10	12.07
Other non-current financial assets	3.43	3.44
Current tax assets (net)	58.49	73.63
Defered tax assets	1.04	-
Other non-current assets	4.38	6.45
Total non-current assets	**184.32**	**207.09**
Current assets		
Inventories	31.01	18.60
Financial assets		
Trade receivables	208.22	206.46
Cash and cash equivalents	9.22	15.96
Other bank balance	2.37	3.56
Loans	2.30	1.74
Other financial assets	39.23	69.71
Other current assets	103.75	65.58
Total current assets	**396.10**	**381.61**
TOTAL ASSETS	**580.42**	**588.69**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	28.47	28.47
Other equity	61.64	41.42
Total equity	**90.11**	**69.89**
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	4.60	8.11
Borrowings	19.76	1.50
Provisions	10.62	6.90
Other non-current liabilities	11.66	10.04
Total non-current liabilities	**46.64**	**26.55**
Current liabilities		
Financial liabilities		
Borrowings	118.39	171.53
Trade payables	138.86	143.25
Other financial liabilities	45.51	43.83
Provisions	4.27	7.11
Other current liabilities	136.64	126.53
Total current liabilities	**443.67**	**492.25**
Total equity and liabilities	**580.42**	**588.69**

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AGC Networks Limited Mumbai

Notes:

1) Results for the year ended 31 March 2018 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) The figures of the last quarter 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 of the current and previous financial year.

3) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 May 2018. These results have been prepared on the basis of audited consolidated financial statement for the year ended 31 March 2018.

4) The Board at its meeting held on 12 August 2014 allotted 15,00,000 1% Non-cumulative Non-convertible redeemable preference shares having face value of Rs. 100 for the period of 7 years. On 30 March 2018, the company received approval from the preference shareholder for extention of term by 5 years post original expiry of 7 years

5) Reconciliation of net profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the year ended 31 March 2017:

The Company has transitioned to Indian Accounting Standard (IND AS) with effect from 1 April 2017. Accordingly, the impact of transition has been provided in the opening reserves as at 1 April 2016 and figures for quarter and year ended 31 March 2017 have been restated accordingly.
The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101
(i) Equity reconciliation
(ii) Total comprehensive income reconciliation

(i) Equity reconciliation

Rs. in Crore

Particulars	Year ended 31 March 2017
Equity under previous GAAP	78.40
Apportionment of compound financial instrument (Preference Share Capital)	(5.59)
Amortization of Preference share liability	(1.45)
Fair valuation of security deposits	(0.82)
Others	(0.65)
Equity as per Ind AS	69.89

(ii) Total comprehensive income reconciliation

Rs. in Crore

Particulars	Quarter ended 31 March 2017	Year ended 31 March 2017
Net profit for the period as per previous Indian GAAP	5.37	12.09
Finance cost recognised on fair valuation of financial liabilities	(0.31)	(1.25)
Impact on fair valuation of Employee Stock Option Plan	(0.03)	(0.01)
Employee defined benefit plans accounted under OCL	(1.06)	(0.40)
Interest income recognised on fair valuation of financial assets	0.18	0.72
Fair valuation of security deposits	(0.20)	(0.82)
Net Profit for the period as per Ind AS	3.95	10.33

6) During the quarter ended 30 June 2016, based on an internal technical evaluation, the management reassessed the remaining useful lives of certain Property, 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, 31 March 2017 and 31 March 2018 respectively and higher by Rs. 2.12 Crores and Rs. 2.12 Crores for year ended 31 March 2017 and 31 March 2018 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
2018-19	(1.61)
Post 2019	5.86

7) **Exceptional items:**

i. For the quarter ended 31 March 2018 includes:
(a) Rs. 0.61 Crores on account of interest income on sale consideration receivable from the buyer towards assignment of properties situated at Gandhinagar.
(b) Rs. 6.50 Crores on account of write off of old receivable balances against sale of fixed assets to Aegis Global Inc.

ii. 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.

iii. For the year ended 31 March 2018 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. 3.23 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.
(d) Rs. 6.50 Crores on account of write off of old receivable balances against sale of fixed assets.

iv. For the year ended 31 March 2017, Rs. 9.50 Crores 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 year ended 31 March 2018 has realized further consideration of Rs. 23.77 Crores. The sale deed for the other property will be executed on simultaneous settlement of balance consideration by the buyer.

9) **Tax adjustments relating to earlier years:**
For the year ended 31 March 2017 represents provision made in earlier year, no longer required relating to Australia subsidiary.

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 : 29 May 2018
CIN : L32200MH1986PLC040652

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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 AUDITED CONSOLIDATED SEGMENTAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31 March 2018 Refer note 2	31 December 2017	31 March 2017 Refer note 2	31 March 2018	31 March 2017
1	**Segment revenue**					
	India	91.38	85.52	59.36	303.39	245.96
	USA	67.33	64.64	68.60	250.99	275.30
	Rest of the world	54.87	46.26	68.41	193.03	269.42
	Total	213.58	196.42	196.37	747.41	790.68
	Less : Inter-segment	(4.21)	(2.02)	(3.57)	(13.96)	(10.46)
	Revenue from operations (inclusive of excise duty)	**209.37**	**194.40**	**192.80**	**733.45**	**780.22**

Revenue includes : Rs. 89.17 Crores and Rs. 202.33 Crores for year ended 31 March 2018 and 31 March 2017 respectively, Rs.22.32 Crores, Rs. 20.12 Crores and Rs. 47.10 Crores for the quarters ended 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Singapore entity within rest of the world in the above table.

Revenue Includes : Rs. 47.60 Crores and Rs. 44.82 for year ended 31 March 2018 and 31 March 2017 respectively, Rs.16.08 Crores, Rs. 9.40 Crores and Rs. 10.80 Crores for the quarters ended 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Australia within rest of the world in the above table.

Revenue Includes : Rs. 39.77 Crores and Rs. Nil for year ended 31 March 2018 and 31 March 2017 respectively, Rs.11.68 Crores, Rs. 11.60 Crores and Rs. Nil Crores for the quarters ended 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Dubai within rest of the world in the above table.

(Rs. in Crore)

Sr. No.	Particulars	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
2	**Segment results profit / (loss) before tax and interest**					
	India	12.74	10.40	2.45	32.12	(4.19)
	USA	8.89	4.90	3.11	13.55	15.95
	Rest of the world	(2.10)	(4.96)	5.04	(15.66)	17.58
	Total	**19.53**	**10.34**	**10.60**	**30.01**	**29.34**
	Less : Finance cost	(5.68)	(6.41)	(4.82)	(24.96)	(26.19)
	Profit/(Loss) before exceptional items and tax	**13.85**	**3.93**	**5.78**	**5.05**	**3.15**
	Exceptional items - income	(5.89)	0.77	-	14.02	9.50
	Profit before tax	**7.96**	**4.70**	**5.78**	**19.07**	**12.65**

Profit / loss includes : Loss before tax of Rs. 17.45 Crores for year ended 31 March 2018 and profit before tax of Rs. 15.57 Crores profit for year ended 31 March 2017, profit before tax of Rs. 0.72 Crores for quarter ended 31 March 2018 and loss before tax of Rs. 1.90 Crores for the quarter ended 31 December 2017, profit before tax of Rs. 8.18 Crores for quarter ended 31 March 2017 for Singapore entity within rest of the world in the above table.

Profit / loss includes : Loss before tax of Rs. 4.29 Crores for year ended 31 March 2018 and loss before tax of Rs. 0.31 Crores for year ended 31 March 2017, loss before tax of Rs. 0.70 Crores for quarter ended 31 March 2018 and loss before tax of Rs. 2.52 Crores for the quarter ended 31 December 2017, loss before tax of Rs. 2.45 Crores for quarter ended 31 March 2017 for Australia entity within rest of the world in the above table.

Profit / loss includes : Profit before tax of Rs. 6.58 Crores for year ended 31 March 2018 and profit before tax of Rs. Nil for year ended 31 March 2017, loss before tax of Rs. 1.59 Crores for quarter ended 31 March 2018 and loss before tax of Rs. 0.73 Crores for the quarter ended 31 December 2017, and Rs. Nil for quarter ended 31 March 2017 for Dubai entity within rest of the world in the above table.

(Rs. in Crore)

Sr. No.	Particulars	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
3	**Capital employed**					
	India	85.51	72.02	49.11	85.51	49.11
	USA	(1.63)	(4.54)	(7.14)	(1.63)	(7.14)
	Rest of the world	6.23	8.27	27.92	6.23	27.92
	Capital employed	**90.11**	**75.75**	**69.89**	**90.11**	**69.89**

Capital employed includes :Rs. 3.40 Crores, Rs. 3.20 Crores, Rs. 23.69 Crores is as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Singapore entity within rest of the world in the above table.

Capital employed includes : Rs. 0.54 Crores, Rs. 0.19 Crores, Rs. 4.16 Crores is as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Australia within rest of the world in the above table.

Capital employed includes : Rs. 4.77 Crores, Rs. 6.26 Crores, Rs. Nil Crores is as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Dubai within rest of the world in the above table.

WALKER CHANDIOK & Co LLP MUMBAI 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 AUDITED CONSOLIDATED SEGMENTAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31 March 2018 Refer note 2	31 December 2017	31 March 2017 Refer note 2	31 March 2018	31 March 2017
						(Rs. in Crore)
4	**Segment assets**					
	India	338.63	320.96	327.16	338.63	327.16
	USA	177.41	203.21	176.56	177.41	176.56
	Rest of the world	232.03	232.80	240.24	232.03	240.24
	Less: Inter segment	(167.66)	(141.84)	(155.27)	(167.66)	(155.27)
	Total assets	**580.42**	**615.13**	**588.69**	**580.42**	**588.69**

Segment asset includes : Rs. 149.30 Crores, Rs. 149.89 Crores, Rs. 193.77 Crores is as on as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Singapore entity within rest of the world in the above table.

Segment assets include : Rs. 35.14 Crores, Rs. 33.87 Crores, Rs. 36.27 Crores is as on as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Australia within rest of the world in the above table.

Segment assets include : Rs. 30.51 Crores, Rs. 31.77 Crores, Rs. Nil,Crores is as on as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively respectively for Dubai within rest of the world in the above table.

(Rs. in Crore)

Sr. No.	Particulars	31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
5	**Segment liabilities**					
	India	253.12	248.94	278.05	253.12	278.05
	USA	179.04	207.75	183.70	179.04	183.70
	Rest of the world	225.81	224.53	212.32	225.81	212.32
	Less: Inter segment	(167.66)	(141.84)	(155.27)	(167.66)	(155.27)
	Total liabilities	**490.31**	**539.38**	**518.80**	**490.31**	**518.80**
	Capital employed	**90.11**	**75.75**	**69.89**	**90.11**	**69.89**

Segment liabilities includes : Rs. 145.91 Crores, Rs. 146.69 Crores, Rs. 170.08 Crores is as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Singapore entity within rest of the world in the above table.

Segment liabilities include : Rs. 34.61 Crores, Rs. 33.68 Crores, Rs.32.11 Crores is as on 31 March 2018, 31 December 2017 and 31 March 2017 respectively for Australia within rest of the world in the above table.

Segment liabilities include : Rs. 25.75 Crores, Rs. 25.51 Crores, Rs. Nil Crores is as on 31 March 2018, 31 December 2017 and 31 March 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.

WALKER CHANDIOK & Co LLP
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AGC Networks Limited
Mumbai

Annexure I

Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Consolidation)

Statement on Impact of Audit Qualification for the Financial Year ended 31 March 2018
[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	752.35	752.35
	2	Total Expenditure	737.68	737.72
	3	Net Profit/(Loss)	14.67	14.63
	4	**Earnings per Share**		
		Basic	5.15	5.14
		Dilutive	5.11	5.10
	5	Total Assets	580.42	542.67
	6	Total Liabilities	490.31	490.14
	7	Net Worth	90.11	52.53
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Auditor's qualification**			
	a.	Details of Audit Qualification:	**(i) Auditor's qualification on annual audited financial results (consolidation)** As stated in Note 8 to the consolidated financial results, during the year ended 31 March 2015, the Company had recognised sale of two properties, classified as fixed assets under previous GAAP, having carrying values of Rs. 0.74 crores and Rs. 0.35 crores, and recorded profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores respectively (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores). In our opinion, the significant risks and rewards of ownership of the said properties were not transferred when such sale was recognised. The Company has not rectified the said error in these first Ind AS financial statements, and therefore, 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) 16 'Property, Plant and Equipment'. Had the Company followed the principles of Ind AS 16 and corrected the error in accordance with Ind AS 101: First-time Adoption of Indian Accounting Standards, the carrying value of current tax assets (net), and property, plant and equipment as at 1 April 2016 would have been higher by Rs. 3.27 crores and Rs. 1.09 crores respectively, and other financial liabilities, current financial asset (receivable for sale of property) and retained earnings as at that date would have been lower by Rs. 0.19 crores, Rs. 47.32 crores and Rs. 42.77 crores respectively. Further, in our opinion, the significant risks and rewards of ownership in respect of one of the said properties having a carrying value of Rs. 0.35 crores as at 31 March 2015 were transferred in April 2016 while the significant risks and rewards of ownership in respect of the other property having a carrying value of Rs. 0.74 crores as at 31 March 2015 have not been transferred until 31 March 2018. Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors in accordance with Ind AS 8 in the current year financial statements, other income for the year ended 31 March 2018 would have been higher by Rs. Nil (31 March 2017: Rs. 5.19 crores) while depreciation expense would have been higher by Rs. 0.04 crores (31 March 2017: Rs. 0.05 crores). The carrying value of property, plant and equipment and current tax assets(net) as at 31 March 2018 would have been higher by Rs. 0.74 crores (31 March 2017: Rs. 0.74 crores) and by Rs. 3.27 crores (31 March 2017: Rs. 3.27 crores) respectively. The other financial liabilities and current financial assets (receivable from sale of property) as at 31 March 2018 would have been lower by Rs. 0.16 crores (31 March 2017: Rs. 0.16 crores) and Rs. 23.55 crores (31 March 2017: Rs. 47.32 crores) respectively. The resulting impact of the above correction in errors would have resulted into decrease in retained earnings as at 31 March 2018 by Rs. 37.58 crores (31 March 2017: Rs. 37.58 crores).	
			(ii) Auditor's Qualification on the Internal Financial Controls relating to above matter In our opinion, according to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's IFCoFR as at 31 March 2018: The Holding Company's internal financial control over evaluation of accounting of non-routine transactions was not operating effectively. During the year, this has resulted in non-reversal of transaction for sale of one property for risk and rewards were not transferred till the reporting date, due to inappropriate evaluation of timing of transfer of risk and reward during an earlier year. This has led to misstatements of current tax assets (net), property, plant and equipment, current financial assets, other financial liabilities, other income, depreciation and resultant impact on the retained earnings as at 31 March 2018. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at and for the year ended 31 March 2018, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.	
	b.	Type of Audit Qualification:	Qualified Opinion	

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	c.	Frequency of Qualification:	Auditor's qualification on annual audited financial results (consolidation) has been appearing from the year ended 31 March 2015 and Auditor's qualification on the Internal Financial Controls in relation to that matter has been appearing from the year ended 31 March 2016.
	d.	For Audit Qualification (s) where the impact is quantified by the auditor, Management views:	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 Fixed Assets of Rs. 46.04 Crores (net of incidental expenses Rs. 3.39 Crores) during the year ended 31 March 2015. During the previous 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 year ended 31 March 2018 has realized further consideration of Rs. 23.77 Crores. The sale deed for the other property will be executed on simultaneous settlement of balance consideration by the buyer. Accordingly management believes that the Internal Financial Controls are operating effectively.
	e.	For Audit Qualification (s) where the impact is not quantified by the auditor:	NA
		i) Management's estimation on the impact of audit qualification:	NA
		ii) If management is unable to estimate the impact, reasons for the same:	NA
		iii) Auditors' comments on (i) or (ii) above	NA

III Signatories:

For **AGC Networks Limited**

SANJEEV VERMA
WHOLE TIME DIRECTOR

DEEPAK KUMAR BANSAL
CFO

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

Nikhilesh Nagar
Partner
Membership No.: 079597

SUJAY SHETH
AUDIT COMMITTEE CHAIRMAN

Place: Mumbai
Date: 29 May 2018

Walker Chandiok & Co LLP
16th Floor, Tower II
Indiabulls Finance Centre
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India

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Independent Auditor's Report on Standalone Financial 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 audited the standalone financial results of AGC Networks Limited ('the Company') for the year ended 31 March 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 2 to the standalone financial results regarding the figures for the quarter ended 31 March 2018 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2018 and our review of standalone financial results for the nine month period ended 31 December 2017.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as standalone financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

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3. As stated in Note 8 to the financial results, during the year ended 31 March 2015, the Company had recognised sale of two properties, classified as fixed assets under previous GAAP, having carrying values of Rs. 0.74 crores and Rs. 0.35 crores, and recorded profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores respectively (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores). In our opinion, the significant risks and rewards of ownership of the said properties were not transferred when such sale was recognised. The Company has not rectified the said error in these first Ind AS financial statements, and therefore, 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) 16 'Property, Plant and Equipment'.

   Had the Company followed the principles of Ind AS 16 and corrected the error in accordance with Ind AS 101: First-time Adoption of Indian Accounting Standards, the carrying value of current tax assets (net), and property, plant and equipment as at 1 April 2016 would have been higher by Rs. 3.27crores and Rs. 1.09 crores respectively, and other financial liabilities, current financial asset (receivable for sale of property) and retained earnings as at that date would have been lower by Rs. 0.19 crores, Rs. 47.32 crores and Rs. 42.77 crores respectively.

   Further, in our opinion, the significant risks and rewards of ownership in respect of one of the said properties having a carrying value of Rs. 0.35 crores as at 31 March 2015 were transferred in April 2016 while the significant risks and rewards of ownership in respect of the other property having a carrying value of Rs. 0.74 crores as at 31 March 2015 have not been transferred until 31 March 2018.

   Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors in accordance with Ind AS 8 in the current year financial statements, other income for the year ended 31 March 2018 would have been higher by Rs. Nil (31 March 2017: Rs. 5.19 crores) while depreciation expense would have been higher by Rs. 0.04 crores (31 March 2017: Rs. 0.05 crores). The carrying value of property, plant and equipment and current tax assets(net) as at 31 March 2018 would have been higher by Rs. 0.74 crores (31 March 2017: Rs. 0.74 crores) and by Rs. 3.27 crores (31 March 2017: Rs. 3.27 crores) respectively. The other financial liabilities and current financial assets (receivable from sale of property) as at 31 March 2018 would have been lower by Rs. 0.16 crores (31 March 2017: Rs. 0.16 crores) and Rs. 23.55 crores (31 March 2017: Rs. 47.32 crores) respectively. The resulting impact of the above correction in errors would have resulted into decrease in retained earnings as at 31 March 2018 by Rs. 37.58 crores (31 March 2017: Rs. 37.58 crores).

   Our reports on the financial results for the year ended 31 March 2016 and 31 March 2017 were also qualified in respect of this matter.

4. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:

   (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard except for the effects of the matter described in paragraph 3; and

   (ii) give a true and fair view of the standalone net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2018 except for the effects of the matter described in paragraph 3.

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5. The Company had prepared separate standalone financial results for the year ended 31 March 2017, based on the standalone financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and standalone financial results for the nine months period ended 31 December 2016 prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015, and other accounting principles generally accepted in India, on which we issued auditor's report dated 24 May 2017. These standalone financial results for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

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

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

Place: Mumbai
Date: 29 May 2018

AGC NETWORKS LIMITED

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

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31 MARCH 2018

(Rs.in crores)

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31 March 2018 Refer note 2	31 December 2017	31 March 2017 Refer note 2	31 March 2018	31 March 2017
1	(a) Revenue from operations (Inclusive of excise duty)	91.38	85.52	59.36	303.39	245.96
	(b) Other income	0.03	0.44	1.76	5.30	5.50
	Total income	**91.41**	**85.96**	**61.12**	**308.69**	**251.46**
2	**Expenses**					
	a) Cost of materials consumed	-	0.03	-	0.27	2.76
	b) Purchase of stock-in-trade	36.29	33.53	19.14	129.55	90.00
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.90)	1.59	0.86	(11.46)	0.39
	d) Service charge	23.66	21.20	19.76	81.79	73.93
	e) Employee benefits expense (net)	13.16	12.10	10.06	46.27	43.75
	f) Finance costs	4.95	5.24	3.92	20.90	21.59
	g) Depreciation and amortisation expense (Refer note 6)	0.55	0.50	0.48	2.13	2.39
	h) Other expenses	5.91	6.61	8.37	28.02	42.43
	Total expenses	**83.62**	**80.80**	**62.59**	**297.47**	**277.24**
3	**Profit/(loss) before exceptional items and tax (1-2)**	**7.79**	**5.16**	**(1.47)**	**11.22**	**(25.78)**
4	Exceptional items - (income) (Refer note 7)	(0.61)	(0.77)	-	(20.52)	(9.50)
5	**Profit/(loss) before tax (3-4)**	**8.40**	**5.93**	**(1.47)**	**31.74**	**(16.28)**
6	Tax expense					
	- Current tax	-	-	-	-	-
	- (Excess) / short provision for tax	-	-	-	-	-
7	**Net Profit/(Loss) for the period (5-6)**	**8.40**	**5.93**	**(1.47)**	**31.74**	**(16.28)**
8	**Other Comprehensive (Loss)/income**	(0.09)	0.09	1.06	(0.90)	0.40
9	**Total Comprehensive Income / (loss) for the period (7+8)**	8.31	6.02	(0.41)	30.84	(15.88)
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.)	2.92	2.11	(0.14)	10.83	(5.58)
	Diluted (in Rs.)	2.90	2.10	(0.14)	10.74	(5.58)

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

AGC Networks Limited Mumbai

Statement of Assets and Liabilities **Rs. in Crore**

Particulars	Standalone Audited 31 March 2018	Standalone Audited 31 March 2017
ASSETS		
Non-current assets		
Property, plant and equipment	7.89	9.30
Other Intangible assets	1.47	2.12
Financial assets		
Investment in subsidiaries	48.72	48.72
Trade receivables	0.32	0.64
Loans	2.60	10.34
Other non-current financial assets	3.43	3.44
Current tax assets (net)	57.19	71.71
Other non-current assets	5.06	6.28
Total non-current assets	**126.68**	**152.55**
Current assets		
Inventories	22.45	11.83
Financial assets		
Trade receivables	103.64	76.31
Cash and cash equivalents	0.86	1.08
Other bank balance	0.84	2.45
Loans	2.05	1.49
Other financial assets	36.11	55.05
Other current assets	46.00	26.40
Total current assets	**211.95**	**174.61**
TOTAL ASSETS	**338.63**	**327.16**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	28.47	28.47
Other equity	57.04	20.64
Total equity	**85.51**	**49.11**
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	5.50	8.11
Provisions	6.69	5.46
Other non-current liabilities	5.09	6.83
Total non-current liabilities	**17.28**	**20.40**
Current liabilities		
Financial liabilities		
Borrowings	117.27	134.33
Trade payables	64.78	66.20
Other financial liabilities	18.64	17.51
Provisions	0.79	0.55
Other current liabilities	34.36	39.06
Total current liabilities	**235.84**	**257.65**
Total equity and liabilities	**338.63**	**327.16**

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

AGC Networks Limited Mumbai

Notes:

1) Results for the year ended 31 March 2018 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) The figures of the last quarter 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 of the current and previous financial year.

3) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 May 2018. These results have been prepared on the basis of audited standalone financial statement for the year ended 31 March 2018.

4) The Board at its meeting held on 12 August 2014 allotted 15,00,000 1% Non-cumulative Non-convertible redeemable preference shares having face value of Rs. 100 for the period of 7 years. On 30 March 2018, the company received approval from the preference shareholder for extention of term by 5 years post original expiry of 7 years.

5) Reconciliation of net loss as previously reported on account of transition from the previous Indian GAAP to Ind AS for the year ended 31 March 2017:

The Company has transitioned to Indian Accounting Standard (IND AS) with effect from 1 April 2017. Accordingly, the impact of transition has been provided in the opening reserves as at 1 April 2016 and figures for quarter and year ended 31 March 2017 have been restated accordingly.

The following reconcilitions provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101
(i) Equity reconciliation
(ii) Total comprehensive income reconciliation

(i) Equity reconciliation

Rs. in Crore

Particulars	Year ended 31 March 2017
Equity under previous GAAP	57.62
Apportionment of compound financial instrument (Preference Share Capital)	(5.59)
Amortisation of Preference share liability	(1.45)
Fair valuation of security deposits	(0.82)
Others	(0.65)
Equity as per Ind AS	49.11

(ii) Total comprehensive income reconciliation

Rs. in Crore

Particulars	Quarter ended 31 March 2017	Year ended 31 March 2017
Net loss for the period as per previous Indian GAAP	**(0.05)**	**(14.52)**
Finance cost recognised on fair valuation of financial liabilities	(0.31)	(1.25)
Impact on fair valuation of Employee Stock Option Plan	(0.03)	(0.01)
Employee defined benefit plans accounted under OCI	(1.06)	(0.40)
Interest income recognised on fair valuation of financial assets	0.18	0.72
Fair valuation of security deposits	(0.20)	(0.82)
Net loss for the period as per Ind AS	**(1.47)**	**(16.28)**

6) During the quarter ended 30 June 2016, based on an internal technical evaluation, the management reassessed the remaining useful lives of certain Property, plant and equipments with effect from April 2016. Accordingly the useful lives of such plant and equipments 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, 31 March 2017 an 31 March 2018 respectively and higher by Rs. 2.12 Crores for year ended 31 March 2017 and 31 March 2018 respectively. Further the revision of the useful lives will result in the following changes i depreciation expense as compared to depreciation expense based on earlier useful lives.

Rs. in Crore

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

7) **Exceptional items:**

i For the quarter ended 31 March 2018 includes:
(a) Rs. 0.61 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 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.

iii. For the year ended 31 March 2018 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. 3.23 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 thes inventories.

iv For the year ended 31 March 2017, Rs. 9.50 Crores 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 compar 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 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, th Company had recognised 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 ende 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 th 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 th property. The Company has also obtained the requisite approvals for the other property and during the year ended 31 March 2018 has realized further consideration of Rs. 23.77 Crores. The sale dee for the other property will be executed on simultaneous settlement of balance consideration by the buyer.

9) 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

Place: Mumbai
Date : 29 May 2018
CIN : L32200MH1986PLC040652

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN: 06871685

AGC Networks Limited
Mumbai

Annexure I

Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Standalone)

Statement on Impact of Audit Qualification for the Financial Year ended 31 March 2018
[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	328.79	328.79
	2	Total Expenditure	297.95	297.99
	3	Net Profit/(Loss)	30.84	30.80
	4	Earnings per Share		
		Basic	10.83	10.82
		Dilutive	10.74	10.73
	5	Total Assets	338.64	300.89
	6	Total Liabilities	253.13	252.97
	7	Net Worth	85.51	47.93
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Auditor's qualification			
	a.	Details of Audit Qualification:	**(i) Auditor's qualification on annual audited financial results (standalone)** As stated in Note 8 to the financial results, during the year ended 31 March 2015, the Company had recognised sale of two properties, classified as fixed assets under previous GAAP, having carrying values of Rs. 0.74 crores and Rs. 0.35 crores, and recorded profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores respectively (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores). In our opinion, the significant risks and rewards of ownership of the said properties were not transferred when such sale was recognised. The Company has not rectified the said error in these first Ind AS financial statements, and therefore, 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) 16 'Property, Plant and Equipment'. Had the Company followed the principles of Ind AS 16 and corrected the error in accordance with Ind AS 101: First-time Adoption of Indian Accounting Standards, the carrying value of current tax assets (net), and property, plant and equipment as at 1 April 2016 would have been higher by Rs. 3.27crores and Rs. 1.09 crores respectively, and other financial liabilities, current financial asset (receivable for sale of property) and retained earnings as at that date would have been lower by Rs. 0.19 crores, Rs. 47.32 crores and Rs. 42.77 crores respectively. Further, in our opinion, the significant risks and rewards of ownership in respect of one of the said properties having a carrying value of Rs. 0.35 crores as at 31 March 2015 were transferred in April 2016 while the significant risks and rewards of ownership in respect of the other property having a carrying value of Rs. 0.74 crores as at 31 March 2015 have not been transferred until 31 March 2018. Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors in accordance with Ind AS 8 in the current year financial statements, other income for the year ended 31 March 2018 would have been higher by Rs. Nil (31 March 2017: Rs. 5.19 crores) while depreciation expense would have been higher by Rs. 0.04 crores (31 March 2017: Rs. 0.05 crores). The carrying value of property, plant and equipment and current tax assets(net) as at 31 March 2018 would have been higher by Rs. 0.74 crores (31 March 2017: Rs. 0.74 crores) and by Rs. 3.27 crores (31 March 2017: Rs. 3.27 crores) respectively. The other financial liabilities and current financial assets (receivable from sale of property) as at 31 March 2018 would have been lower by Rs. 0.16 crores (31 March 2017: Rs. 0.16 crores) and Rs. 23.55 crores (31 March 2017: Rs. 47.32 crores) respectively. The resulting impact of the above correction in errors would have resulted into decrease in retained earnings as at 31 March 2018 by Rs. 37.58 crores (31 March 2017: Rs. 37.58 crores).	
			(ii) Auditor's Qualification on the Internal Financial Controls relating to above matter In our opinion, according to the information and explanations given to us and based on our audit, the following material weakness has have been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2018: The Company's internal financial control over evaluation of accounting of non-routine transactions was not operating effectively. This has, during the year, resulted in non-reversal of transaction for sale of one property for which risks and rewards not transferred till the reporting date, due to inappropriate evaluation of timing of transfer of risk and reward during an earlier year. This has led to misstatements of long-term loans and advances, tangible assets, other current assets, other current liabilities, prior period items, profit on sale of property, tax expense and resultant impact on the loss before tax and the reserves and surplus as at and for the year ended 31 March 2018. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2018, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.	
	b.	Type of Audit Qualification:	Qualified Opinion	

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

	c.	Frequency of Qualification:	Auditor's qualification on annual audited financial results (standalone) has been appearing from the year ended 31 March 2015 and Auditor's qualification on the Internal Financial Controls in relation to that matter has been appearing from the year ended 31 March 2016.
	d.	For Audit Qualification (s) where the impact is quantified by the auditor, Management views:	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 Fixed Assets of Rs. 46.04 Crores (net of incidental expenses Rs. 3.39 Crores) during the year ended 31 March 2015. During the previous 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 year ended 31 March 2018 has realized further consideration of Rs. 23.77 Crores. The sale deed for the other property will be executed on simultaneous settlement of balance consideration by the buyer. Accordingly management believes that the Internal Financial Controls are operating effectively.
	e.	For Audit Qualification (s) where the impact is not quantified by the auditor:	NA
		i) Management's estimation on the impact of audit qualification:	NA
		ii) If management is unable to estimate the impact, reasons for the same:	NA
		iii) Auditors' comments on (i) or (ii) above	NA

III. Signatories:

For **AGC Networks Limited**

SANJEEV VERMA
WHOLE TIME DIRECTOR

DEEPAK KUMAR BANSAL
CFO

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

Nikhilesh Nagar
Partner
Membership No.: 079597

SUJAY SHETH
AUDIT COMMITTEE CHAIRMAN

Place: Mumbai

Date: 29 May 2018