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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 accompanying 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 2019, 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 2 to the consolidated financial results which states that the figures for the quarter ended 31 March 2019 as reported in these consolidated financial results, 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 2019 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 Circular 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 2019 and our review of consolidated financial results for the nine-months period ended 31 December 2018.

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 financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as 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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MUMBAI
CHARTERED ACCOUNTANTS

AGC Networks Limited
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

3. As stated in Note 7 to the accompanying financial results, during the year ended 31 March 2015, the Company had recognised sale of a property, classified as fixed assets under previous GAAP, having carrying value of Rs. 0.74 crores, and recorded profit on such sale amounting to Rs. 40.85 crores (net of incidental selling expenses amounting to Rs. 3.04 crores). In our opinion, the significant risks and rewards of ownership of the said property were not transferred when such sale was recognised, and therefore, recognition of such sale and the accounting treatment followed by the Company were not in accordance with the principles of Indian Accounting Standard (Ind AS) 16, Property, Plant and Equipment.

   Our report on the financial results for the quarter and year ended 31 March 2018 was also qualified in respect of the above matter.

   During the current year, the said property was re-assigned to the Company by the buyer, and thereafter, significant risks and rewards in respect of the said property have been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores. However, instead of recognition of sale of this property in accordance with the principles of Ind AS 16, Property, Plant and Equipment, the Company has recorded only the differential amount between the said consideration and balance receivable amounting to Rs. 22.40 crores from the earlier incorrectly recognised sale, as profit on sale of property, plant and equipment.

   Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors relating to incorrect recognition of sale, in earlier year, of the said property in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and subsequently recorded the sale of such property in the year ended 31 March 2019 as per the principles of Ind AS 16, exceptional item (income), representing gain on sale of property, plant and equipment, for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 22.79 crores respectively (quarter ended 31 December 2018: Nil, quarter and year ended 31 March 2018: Nil) while depreciation expense for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 0.02 crores respectively (quarter ended 31 December 2018: Nil, quarter ended 31 March 2018: Rs. 0.01 crores, year ended 31 March 2018: Rs. 0.04 crores). The balance consideration receivable from the buyer in the first sale transaction amounting to Rs. 22.40 crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings as at 31 March 2019 would be Nil (31 March 2018: Rs. 37.58 crores).

   Our report on the financial results for the quarter and nine-month period ended 31 December 2018 was also qualified in respect of the above matter.

4. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial results and on other financial information of the subsidiaries, the consolidated financial results:

(i) include the financial results for the year ended 31 March 2019, of the following entities:

   a. AGC Networks Australia Pty Ltd
   b. AGC Networks Pte. Ltd.
   c. AGC Networks Inc. and its subsidiaries (consolidated)
   d. AGC Networks Philippines, Inc.
   e. AGC Networks and Cyber Solutions Limited
   f. AGCN Solutions Pte. Limited

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g. AGC Networks L.L.C., Dubai
h. AGC Networks L.L.C., Abu Dhabi
i. AGC Networks New Zealand Limited
j. BBX Main Inc.
k. BBX Inc. and its subsidiaries (consolidated)

(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular 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 loss (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 2019 except for the effects of the matter described in paragraph 3.

5. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 1,780.09 crores and net assets of Rs. 135.34 crores as at 31 March 2019, and total revenues of Rs. 1,030.95 crores for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiary are based solely on the report of such other auditors.

   Further, this subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries .The Holding Company's management has converted the financial statements of this subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the financial information of this subsidiary located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

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

Nikhilesh Nagar
Partner
Membership No. 079597

Place: Mumbai
Date: 29 May 2019

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 2019

(Rs.in crores)

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31/03/2019 (Refer note 2)	31/12/2018	31/03/2018 (Refer note 2)	31/03/2019	31/03/2018
1	**Income**					
	(a) Revenue from operations	1,233.02	234.69	209.37	1,852.74	733.45
	(b) Other income	0.01	2.49	0.82	6.39	4.88
	Total income	**1,233.03**	**237.18**	**210.19**	**1,859.13**	**738.33**
2	**Expenses**					
	(a) Cost of materials and components consumed	3.13	-	-	3.13	0.27
	(b) Purchase of stock-in-trade	339.92	95.03	62.26	560.46	255.34
	(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	56.47	2.40	(0.06)	58.54	(13.25)
	(d) Service charges	202.82	57.14	59.30	367.37	201.00
	(e) Employee benefits expense (net)	473.95	50.09	52.46	624.37	192.74
	(f) Finance costs	28.36	5.30	5.68	44.54	24.96
	(g) Depreciation and amortisation expense	6.67	2.79	2.16	14.65	8.17
	(h) Other expenses	144.70	15.46	14.54	192.30	64.05
	Total expenses	**1,256.02**	**228.21**	**196.34**	**1,865.36**	**733.28**
3	**(Loss)/profit before exceptional items and tax (1-2)**	**(22.99)**	**8.97**	**13.85**	**(6.23)**	**5.05**
4	Exceptional items - expenses/(income) (refer note 6)	77.29	-	5.89	73.12	(14.02)
5	**(Loss)/profit before tax (3-4)**	**(100.28)**	**8.97**	**7.96**	**(79.35)**	**19.07**
6	Tax (credit)/expense					
	- Current tax	(1.97)	0.14	0.29	(0.29)	5.19
	- Deferred tax	(0.29)	-	(1.05)	(0.29)	(1.05)
7	**Net (loss)/profit for the period (5-6)**	**(98.02)**	**8.83**	**8.72**	**(78.77)**	**14.93**
8	Other comprehensive (loss)/income	(1.54)	(2.66)	0.48	2.14	(0.26)
9	**Total comprehensive (loss)/income for the period (7+8)**	**(99.56)**	**6.17**	**9.20**	**(76.63)**	**14.67**
10	Paid-up equity share capital (face value of Rs.10 each)	29.74	29.74	28.47	29.74	28.47
11	Other equity (excluding revaluation reserve)				(11.07)	61.64
12	(Loss)/earnings per share of Rs.10 each before exceptional items :					
	Basic (in Rs.)	(7.10)*	3.04*	5.13*	(1.93)	0.32
	Diluted (in Rs.)	(7.10)*	3.04*	5.09*	(1.93)	0.32
	(Loss)/earnings per share of Rs.10 each after exceptional items :					
	Basic (in Rs.)	(33.57)*	3.04*	3.06*	(26.97)	5.24
	Diluted (in Rs.)	(33.57)*	3.04*	3.04*	(26.97)	5.20

* Not annualised

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AGC Networks Limited Mumbai

Consolidated Balance sheet **(Rs. in crores)**

Particulars	Consolidated	
	Audited	
	31/03/2019	31/03/2018
ASSETS		
Non-current assets		
Property, plant and equipment	155.99	23.06
Goodwill	205.37	83.76
Other intangible assets	38.10	6.74
Financial assets		
Trade receivables	-	0.32
Loans	1.80	3.10
Other financial assets	9.25	1.00
Current tax assets (net)	62.71	59.27
Defered tax assets (net)	31.98	1.04
Other non-current assets	28.36	6.03
Total non-current assets	**533.56**	**184.32**
Current assets		
Inventories	150.84	31.01
Financial assets		
Trade receivables	861.77	208.22
Cash and cash equivalents	205.94	9.22
Other bank balances	56.95	2.37
Loans	25.89	2.30
Other financial assets	65.81	29.11
Other current assets	530.49	113.87
Total current assets	**1,897.69**	**396.10**
TOTAL ASSETS	**2,431.25**	**580.42**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	29.74	28.47
Other equity	(11.07)	61.64
Total equity	**18.67**	**90.11**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	586.89	19.76
Other financial liabilities	4.70	4.60
Provisions	105.88	10.62
Other non-current liabilities	86.64	11.66
Total non-current liabilities	**784.11**	**46.64**
Current liabilities		
Financial liabilities		
Borrowings	206.61	118.39
Trade payables	561.92	138.86
Other financial liabilities	272.54	45.64
Provisions	97.95	4.27
Other current liabilities	489.45	136.51
Total current liabilities	**1,628.47**	**443.67**
TOTAL EQUITY AND LIABILITIES	**2,431.25**	**580.42**

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AGC Networks Limited Mumbai

Notes:

1) These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rule, 2015 ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Ind AS and Companies (Indian Accounting Standards) (Amendments) Rule, 2016.

2) Figures for the quarter ended 31 March 2019 and 31 March 2018 are the balancing figures between the audited figures in respect of the full financial year 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 2019. These results have been prepared on the basis of audited consolidated financial statement for the year ended 31 March 2019.

4) The Company declared the dividend of Re. 1 per 1% Non-Cumulative Non-Convertible Redeemable Preference Share ("NCRPS") having face value of Rs. 100 each which was approved at annual general meeting held on 1 August 2018.

5) The Board at its meeting held on 12 August 2014 allotted 1,500,000 NCRPS having face value of Rs.100 each for the period of 7 years. On 30 March 2018, the Company received approval from the preference shareholders for extension of term by 5 years post expiry of original term of 7 years. Further, pursuant to the shareholders approval and in principle approval from the stock exchanges, the nature and terms of the NCRPS were changed to compulsory convertible preference shares ("CCPS"). Subsequently on 31 August 2018, Company has alloted equity shares on account of conversion of the CCPS as per pricing formula prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of Rs. 118 per equity share.

6) **Exceptional items:**

(Rs. in crores)

Particulars	Quarter ended			Year ended	
	31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018
Reversal of provision against obsolete/non-moving inventory [refer note (a)]	(1.50)	-	-	(3.65)	(12.08)
Reversal of rent [refer note (b)]	-	-	-	-	(5.21)
Interest income against sale of property, plant and equipment [refer note (c)]	-	-	(0.61)	(0.91)	(3.23)
Profit on sale of property, plant and equipment [refer note (d)]	-	-	-	(1.11)	-
Write off of old receivable balances against sale of property, plant and equipment [refer note (e)]	-	-	6.50	-	6.50
Severance expenses [refer note (f)]	32.06	-	-	32.06	-
Acquisition cost [refer note (g)]	34.42	-	-	34.42	-
Foreclosure of leases [refer note (h)]	2.02	-	-	2.02	-
Provision for policy change in Vacation [refer note (i)]	10.29	-	-	10.29	-
	77.29	-	5.89	73.12	(14.02)

(a) Represents 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 a buyer for sale of these inventories.
(b) Represents reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor.
(c) Represents interest income on sale consideration receivable from the erstwhile buyer with respect to sale of property situated at Gandhinagar.
(d) Represents profit on sale of property, plant and equipment situated at Gandhinagar.
(e) Represents write off of old receivable balances against sale of property, plant and equipment.
(f) Represents severance cost of Black Box Corporation towards rationalisation of manpower to enhance operational efficiencies.
(g) Represents aquisition related cost of Black Box Corporation which includes valuation fees, advisory fees, legal and professional fees and consulting fees.
(h) Represents early closure of leases related to Black Box Corporation.
(i) Represents accrual for policy change in vacation related to Black Box Corporation.

7) During the year ended 31 March 2015, the Company entered into deed 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. 44.63 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 recognised profit on sale of property, plant and equipment of Rs. 40.85 crores (net of incidental expenses Rs. 3.04 crores) during the year ended 31 March 2015.

During the current year, the said property was re-assigned to the name of the Company by the buyer since the buyer expressed its inability to get the aforementioned sale deed registered with the relevant government authority. Subsequently, the said property has been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores, and the Company has recorded the differential amount of Rs.1.11 crores between the said consideration and balance receivable from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting Rs. 22.23 crores from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed.

8) **Acquisitions:**
Black Box Corporation, USA

AGC Networks Pte. Ltd, a subsidiary of AGC Networks Limited completed acquisition of Black Box Corporation, headquartered in Pittsburgh, Pennsylvania, USA on 7 January 2019 on completion of tender offer process. Under the terms of the merger agreement, each share of Black Box common stock that was tendered in the offer and not validly withdrawn has been accepted for payment and have received consideration of US$1.10 in cash, and each share of Black Box common stock that was not tendered in the offer (other than those as to which holders properly exercise dissenters' rights and those owned at the commencement of the tender offer by AGC or its direct and indirect subsidiaries) has been cancelled and converted into the right to receive the merger consideration of US$1.10 in cash. All such consideration is net to the holder of Black Box common stock without interest thereon. Payment for such shares have been made in accordance with the terms of the merger agreement and the tender offer, and as a result Black Box Corporation has become a 100% subsidiary of AGC Networks Pte. Ltd, Singapore through its US subsidiaries.

COPC Holdings Inc, USA

AGC Networks Pte. Ltd ("AGC Singapore"), Wholly-owned Subsidiary of the Company and AGC Networks Inc. ("AGC US"). Wholly-owned Subsidiary of AGC Singapore, have jointly entered into a Stock Purchase Agreement with COPC Holdings Inc., USA (Target Company) and Global Quality Assurance Limited ("Seller") to acquire 100% stake in the Target Company for a purchase consideration of US$ 5.5 million. The acquisition is effective from 1 January 2019.

9) 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.

10) The financial results of the subsidiaries as per Annexure I have been consolidated with the financial results of the Company.

11) Previous periods / year figures have been re-grouped and reclassified, wherever necessary, to conform to those of the current period / year.

FOR AND ON BEHALF OF THE BOARD

SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN: 06871685

AGC Networks Limited
Mumbai

Place: Mumbai
Date : 29 May 2019
CIN : L32200MH1986PLC040652

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Annexure I

List of subsidiaries

1 AGC Networks Australia Pty Ltd.
2 AGC Networks Pte Ltd.
3 AGC Networks Inc.
4 AGC Networks Philippines, Inc.
5 AGC Networks and Cyber Solutions Limited
6 AGCN Solutions Pte. Limited
7 AGC Networks L.L.C., Dubai
8 AGC Networks L.L.C., Abu Dhabi
9 AGC Networks New Zealand Limited
10 BBX Main Inc.
11 BBX Inc.
12 Black Box Corporation
13 ACS Communications, Inc.
14 ACS Dataline, LP
15 ACS Investors, LLC
16 BB Technologies, Inc.
17 BBOX Holdings Mexico LLC
18 BBOX Holdings Puebla LLC
19 Black Box Corporation of Pennsylvania
20 Black Box Network Services, Inc. – Government Solutions
21 Black Box Services Company
22 CBS Technologies Corp.
23 Delaney Telecom, Inc.
24 Norstan Communications, Inc.
25 Nu-Vision Technologies, LLC
26 Black Box Network Services Australia Pty Ltd
27 Black Box GmbH
28 Black Box Network Services NV
29 Black Box do Brasil Industria e Comercio Ltda.
30 Black Box Canada Corporation
31 Norstan Canada, Ltd./Norstan Canada, Ltée
32 Black Box Holdings Ltd.
33 Black Box Chile S.A.
34 Black Box E-Commerce (Shanghai) Co., Ltd.
35 Black Box A/S
36 Black Box Network Services (UK) Limited
37 Black Box Finland OY
38 Black Box France
39 Black Box Deutschland GmbH
40 Black Box Network Services India Private Limited
41 Black Box Network Services (Dublin) Limited
42 Black Box Software Development Services Limited
43 Black Box Network Services S.r.l.
44 Black Box Network Services Co., Ltd.
45 Black Box Network Services Korea Limited
46 Black Box Network Services SDN. BHD.
47 Black Box de Mexico, S. de R.L. de C.V.
48 Black Box International B.V.
49 Black Box International Holdings B.V.
50 Black Box Network Services New Zealand Limited
51 Black Box Norge AS
52 Black Box P.R. Corp.
53 Black Box Network Services Singapore Pte Ltd
54 Black Box Comunicaciones, S.A.
55 Black Box Network Services AB
56 Black Box Network Services AG
57 Black Box Network Services Corporation
58 Servicios Black Box S.A. de C.V.
59 COPC Holdings Inc.
60 COPC Inc.
61 COPC International Inc.
62 COPC Asia Pacific Inc.
63 COPC International Holdings LLC.
64 COPC India Private Limited
65 COPC Consultants (Beijing) Co. Limited

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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 QUARTER / YEAR ENDED 31 MARCH 2019

Segment information

(Rs. in crores)

Particulars	Quarter ended			Year ended	
	Unaudited			Audited	
	31/03/2019 (Refer note 2)	31/12/2018*	31/03/2018* (Refer note 2)	31/03/2019	31/03/2018* (Refer note 2)
Segment revenue					
System integration	986.67	234.69	209.37	1,606.39	733.45
Technology product solutions	227.19	-	-	227.19	-
Others	19.16	-	-	19.16	-
Revenue from operations	**1,233.02**	**234.69**	**209.37**	**1,852.74**	**733.45**
Segment results					
System integration	6.47	11.78	18.71	33.03	25.13
Technology product solutions	(1.28)	-	-	(1.28)	-
Others	0.17	-	-	0.17	-
Total of segment results	**5.36**	**11.78**	**18.71**	**31.92**	**25.13**
Other income	0.01	2.49	0.82	6.39	4.88
Finance costs	28.36	5.30	5.68	44.54	24.96
(Loss)/profit before exceptional items and tax	**(22.99)**	**8.97**	**13.85**	**(6.23)**	**5.05**
Exceptional items - expenses/(income) (refer note 6)	77.29	-	5.89	73.12	(14.02)
(Loss)/profit before tax	**(100.28)**	**8.97**	**7.96**	**(79.35)**	**19.07**
Tax (credit)/expense	(2.26)	0.14	(0.76)	(0.58)	4.14
(Loss)/profit for the period	**(98.02)**	**8.83**	**8.72**	**(78.77)**	**14.93**
Depreciation and amortisation expense	6.67	2.79	2.16	14.65	8.17

Notes on Segment information :

1 Further to the recent significant acquisitions in January 2019, the Board has reviewed the segmental presentation of financial information it requires to assess performance and allocate resources. it now considers a business activity focused reporting format to be more meaningful from a management forecasting perspective.

2 Assets and liabilities used in the Group's business are not identifiable to any of the reportable segments, as these are used interchangeably between segments. The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

* These figures have been restated in line with new segmental classification.

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 2019
[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	1,859.13	1,881.92
	2	Total Expenditure	1,937.90	1,937.92
	3	Net Profit/(Loss)	-78.77	-56.00
	4	**Earnings per Share**		
		Basic	-26.97	-19.18
		Dilutive	-26.97	-19.18
	5	Total Assets	2,431.25	2,431.25
	6	Total Liabilities	2,412.58	2,412.58
	7	Net Worth	18.67	18.67
	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 7 to the accompanying financial results, during the year ended 31 March 2015, the Company had recognised sale of a property, classified as fixed assets under previous GAAP, having carrying value of Rs. 0.74 crores, and recorded profit on such sale amounting to Rs. 40.85 crores (net of incidental selling expenses amounting to Rs. 3.04 crores). In our opinion, the significant risks and rewards of ownership of the said property were not transferred when such sale was recognised, and therefore, recognition of such sale and the accounting treatment followed by the Company were not in accordance with the principles of Indian Accounting Standard (Ind AS) 16, Property, Plant and Equipment. Our report on the financial results for the quarter and year ended 31 March 2018 was also qualified in respect of the above matter. During the current year, the said property was re-assigned to the Company by the buyer, and thereafter, significant risks and rewards in respect of the said property have been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores. However, instead of recognition of sale of this property in accordance with the principles of Ind AS 16, Property, Plant and Equipment, the Company has recorded only the differential amount between the said consideration and balance receivable amounting to Rs. 22.40 crores from the earlier incorrectly recognised sale, as profit on sale of property, plant and equipment. Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors relating to incorrect recognition of sale, in earlier year, of the said property in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and subsequently recorded the sale of such property in the year ended 31 March 2019 as per the principles of Ind AS 16, exceptional item (income), representing gain on sale of property, plant and equipment, for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 22.79 crores respectively (quarter ended 31 December 2018: Nil, quarter and year ended 31 March 2018: Nil) while depreciation expense for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 0.02 crores respectively (quarter ended 31 December 2018: Nil, quarter ended 31 March 2018: Rs. 0.01 crores, year ended 31 March 2018: Rs. 0.04 crores). The balance consideration receivable from the buyer in the first sale transaction amounting to Rs. 22.40 crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings as at 31 March 2019 would be Nil (31 March 2018: Rs. 37.58 crores). Our report on the financial results for the quarter and nine-month period ended 31 December 2018 was also qualified in respect of the above matter.	
			(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 2019: The Holding Company's internal financial control over evaluation of accounting of non-routine transactions was not operating effectively. This has led to misstatements of exceptional item (income) and depreciation expense for the year ended 31 March 2019. 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 2019, 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	

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

AGC Networks Limited Mumbai

	c.	Frequency of Qualification:	Auditor's qualification on annual audited financial results (consolidation) has been appearing from the year ended 31 March 2015 and has been updated for the year ended 31 March 2019 based on the facts mentioned under the qualification para 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 deed 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. 44.63 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 recognised profit on sale of property, plant and equipment of Rs. 40.85 crores (net of incidental expenses Rs. 3.04 crores) during the year ended 31 March 2015. During the current year, the said property was re-assigned to the name of the Company by the buyer since the buyer expressed its inability to get the aforementioned sale deed registered with the relevant government authority. Subsequently, the said property has been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores, and the Company has recorded the differential amount of Rs.1.11 crores between the said consideration and balance receivable from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting Rs. 22.23 crores from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed. 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
DIN : 06871685

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 2019

Walker Chandiok & Co LLP
16th Floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Elphinstone (W)
Mumbai - 400 013
India

T +91 22 6626 2600
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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 accompanying standalone financial results of AGC Networks Limited ('the Company') for the year ended 31 March 2019, 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 which states that the figures for the quarter ended 31 March 2019 as reported in these standalone financial results, 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 2019 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 Circular 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 2019 and our review of standalone financial results for the nine-month period ended 31 December 2018.

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 financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as 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.

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS *

AGC Networks Limited
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

3. As stated in Note 7 to the accompanying financial results, during the year ended 31 March 2015, the Company had recognised sale of a property, classified as fixed assets under previous GAAP, having carrying value of Rs. 0.74 crores, and recorded profit on such sale amounting to Rs. 40.85 crores (net of incidental selling expenses amounting to Rs. 3.04 crores). In our opinion, the significant risks and rewards of ownership of the said property were not transferred when such sale was recognised, and therefore, recognition of such sale and the accounting treatment followed by the Company were not in accordance with the principles of Indian Accounting Standard (Ind AS) 16, Property, Plant and Equipment.

   Our report on the financial results for the quarter and year ended 31 March 2018 was also qualified in respect of the above matter.

   During the current year, the said property was re-assigned to the Company by the buyer, and thereafter, significant risks and rewards in respect of the said property have been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores. However, instead of recognition of sale of this property in accordance with the principles of Ind AS 16, Property, Plant and Equipment, the Company has recorded only the differential amount between the said consideration and balance receivable amounting to Rs. 22.40 crores from the earlier incorrectly recognised sale, as profit on sale of property, plant and equipment.

   Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors relating to incorrect recognition of sale, in earlier year, of the said property in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and subsequently recorded the sale of such property in the year ended 31 March 2019 as per the principles of Ind AS 16, exceptional item (income), representing gain on sale of property, plant and equipment, for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 22.79 crores respectively (quarter ended 31 December 2018: Nil, quarter and year ended 31 March 2018: Nil) while depreciation expense for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 0.02 crores respectively (quarter ended 31 December 2018: Nil, quarter ended 31 March 2018: Rs. 0.01 crores, year ended 31 March 2018: Rs. 0.04 crores). The balance consideration receivable from the buyer in the first sale transaction amounting to Rs. 22.40 crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings as at 31 March 2019 would be Nil (31 March 2018: Rs. 37.58 crores).

   Our report on the financial results for the quarter and nine-month period ended 31 December 2018 was also qualified in respect of the above 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 Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, in this regard except for the effects of the matter as described in paragraph 3; and

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

(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 2019 except for the effects of the matter as described in paragraph 3.

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

Nikhilesh Nagar
Partner
Membership No. 079597

Place: Mumbai
Date: 29 May 2019

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 2019

(Rs.in crores)

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31/03/2019 (Refer note 2)	31/12/2018	31/03/2018 (Refer note 2)	31/03/2019	31/03/2018
1	**Income**					
	(a) Revenue from operations	73.56	90.93	91.38	306.85	303.39
	(b) Other income	0.98	1.48	0.03	6.25	5.30
	Total income	**74.54**	**92.41**	**91.41**	**313.10**	**308.69**
2	**Expenses**					
	(a) Cost of materials and components consumed	-	-	-	-	0.27
	(b) Purchase of stock-in-trade	23.77	39.47	36.29	115.48	129.55
	(c) Changes in inventories of work-in-progress and stock-in-trade	1.35	1.26	(0.90)	5.39	(11.46)
	(d) Service charges	26.10	27.68	23.66	98.09	81.79
	(e) Employee benefits expense (net)	11.13	10.49	13.16	45.87	46.27
	(f) Finance costs	3.60	4.41	4.95	17.05	20.90
	(g) Depreciation and amortisation expense	0.45	0.52	0.55	2.01	2.13
	(h) Other expenses	7.69	8.20	5.91	33.60	28.02
	Total expenses	**74.09**	**92.03**	**83.62**	**317.49**	**297.47**
3	**Profit/(loss) before exceptional items and tax (1-2)**	**0.45**	**0.38**	**7.79**	**(4.39)**	**11.22**
4	Exceptional items - income (refer note 6)	(1.50)	-	(0.61)	(5.67)	(20.52)
5	**Profit before tax (3-4)**	**1.95**	**0.38**	**8.40**	**1.28**	**31.74**
6	Tax expense	-	-	-	-	-
7	**Net profit for the period (5-6)**	**1.95**	**0.38**	**8.40**	**1.28**	**31.74**
8	Other comprehensive income/(loss)	0.06	(0.20)	(0.09)	0.83	(0.90)
9	**Total comprehensive income for the period (7+8)**	**2.01**	**0.18**	**8.31**	**2.11**	**30.84**
10	Paid-up equity share capital (face value of Rs.10 each)	29.74	29.74	28.47	29.74	28.47
11	Other equity				63.05	57.04
12	Earnings/(loss) per share of Rs.10 each before exceptional items :					
	Basic (in Rs.)	0.15*	0.13*	2.74*	(1.50)	3.94
	Diluted (in Rs.)	0.15*	0.13*	2.71*	(1.50)	3.91
	Earnings per share of Rs.10 each after exceptional items :					
	Basic (in Rs.)	0.67*	0.13*	2.95*	0.44	11.15
	Diluted (in Rs.)	0.66*	0.13*	2.93*	0.44	11.06

* Not annualised

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

AGC Networks Limited Mumbai

Standalone Balance sheet **(Rs. in crores)**

Particulars	Standalone Audited 31/03/2019	Standalone Audited 31/03/2018
ASSETS		
Non-current assets		
Property, plant and equipment	7.70	7.89
Other intangible assets	0.78	1.47
Financial assets		
Investment	48.72	48.72
Trade receivables	-	0.32
Loans	1.46	2.60
Other financial assets	1.03	1.89
Current tax assets (net)	62.25	57.97
Other non-current assets	5.85	5.82
Total non-current assets	**127.79**	**126.68**
Current assets		
Inventories	16.18	22.45
Financial assets		
Trade receivables	93.92	103.64
Cash and cash equivalents	0.73	0.86
Other bank balances	2.76	0.84
Loans	25.57	2.05
Other financial assets	22.88	37.12
Other current assets	54.20	44.99
Total current assets	**216.24**	**211.95**
TOTAL ASSETS	**344.03**	**338.63**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	29.74	28.47
Other equity	63.05	57.04
Total equity	**92.79**	**85.51**
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	0.52	5.50
Provisions	6.31	6.69
Other non-current liabilities	12.63	5.09
Total non-current liabilities	**19.46**	**17.28**
Current liabilities		
Financial liabilities		
Borrowings	98.04	117.27
Trade payables	83.11	64.78
Other financial liabilities	14.85	16.34
Provisions	0.65	0.79
Other current liabilities	35.13	36.66
Total current liabilities	**231.78**	**235.84**
TOTAL EQUITY AND LIABILITIES	**344.03**	**338.63**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

GTL Networks Limited Mumbai

Notes:

1) These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rule, 2015 ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Ind AS and Companies (Indian Accounting Standards) (Amendments) Rule, 2016.

2) Figures for the quarter ended 31 March 2019 and 31 March 2018 are the balancing figures between the audited figures in respect of the full financial year 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 2019. These results have been prepared on the basis of audited standalone financial statement for the year ended 31 March 2019.

4) The Company declared the dividend of Re.1 per Non-Convertible Redeemable Preference Share ("NCRPS") having face value of Rs. 100 each which was approved at annual general meeting held on 1 August 2018.

5) The Board at its meeting held on 12 August 2014 allotted 1,500,000 NCRPS having face value of Rs.100 each for the period of 7 years. On 30 March 2018, the Company received approval from the preference shareholders for extension of term by 5 years post expiry of original term of 7 years. Further, pursuant to the shareholders approval and in principle approval from the stock exchanges, the nature and terms of the NCRPS were changed to compulsory convertible preference shares ("CCPS"). Subsequently on 31 August 2018, Company has alloted equity shares on account of conversion of the CCPS as per pricing formula prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of Rs. 118 per equity share.

6) **Exceptional items:**

(Rs. in crores)

Particulars	Quarter ended			Year ended	
	31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018
Reversal of provision against obsolete/non-moving inventory [refer note (a)]	(1.50)	-	-	(3.65)	(12.08)
Reversal of rent [refer note (b)]	-	-	-	-	(5.21)
Interest income against sale of property, plant and equipment [refer note (c)]	-	-	(0.61)	(0.91)	(3.23)
Profit on sale of property, plant and equipment [refer note (d)]	-	-	-	(1.11)	-
	(1.50)	**-**	**(0.61)**	**(5.67)**	**(20.52)**

(a) Represents 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 a buyer for sale of these inventories.

(b) Represents reversal of rent liability pertaining to earlier years, as a result of settlement with the lessor.

(c) Represents interest income on sale consideration receivable from the erstwhile buyer with respect to sale of property situated at Gandhinagar.

(d) Represents profit on sale of property, plant and equipment situated at Gandhinagar.

7) During the year ended 31 March 2015, the Company entered into deed 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. 44.63 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 recognised profit on sale of property, plant and equipment of Rs. 40.85 crores (net of incidental expenses Rs. 3.04 crores) during the year ended 31 March 2015.

During the current year, the said property was re-assigned to the name of the Company by the buyer since the buyer expressed its inability to get the aforementioned sale deed registered with the relevant government authority. Subsequently, the said property has been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores, and the Company has recorded the differential amount of Rs.1.11 crores between the said consideration and balance receivable from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting Rs. 22.23 crores from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed.

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

FOR AND ON BEHALF OF THE BOARD

SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN: 06871685

Place: Mumbai
Date : 29 May 2019
CIN : L32200MH1986PLC040652

AGC Networks Limited Mumbai

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS 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 2019
[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	318.77	341.56
	2	Total Expenditure	317.49	317.51
	3	Net Profit/(Loss)	1.28	24.05
	4	Earnings per Share		
		Basic	0.44	8.24
		Dilutive	0.44	8.19
	5	Total Assets	344.03	344.03
	6	Total Liabilities	251.24	251.24
	7	Net Worth	92.79	92.79
	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 7 to the accompanying financial results, during the year ended 31 March 2015, the Company had recognised sale of a property, classified as fixed assets under previous GAAP, having carrying value of Rs. 0.74 crores, and recorded profit on such sale amounting to Rs. 40.85 crores (net of incidental selling expenses amounting to Rs. 3.04 crores). In our opinion, the significant risks and rewards of ownership of the said property were not transferred when such sale was recognised, and therefore, recognition of such sale and the accounting treatment followed by the Company were not in accordance with the principles of Indian Accounting Standard (Ind AS) 16, Property, Plant and Equipment. Our report on the financial results for the quarter and year ended 31 March 2018 was also qualified in respect of the above matter. During the current year, the said property was re-assigned to the Company by the buyer, and thereafter, significant risks and rewards in respect of the said property have been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores. However, instead of recognition of sale of this property in accordance with the principles of Ind AS 16, Property, Plant and Equipment, the Company has recorded only the differential amount between the said consideration and balance receivable amounting to Rs. 22.40 crores from the earlier incorrectly recognised sale, as profit on sale of property, plant and equipment. Had the Company followed the principles of Ind AS 16, and corrected the aforementioned errors relating to incorrect recognition of sale, in earlier year, of the said property in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and subsequently recorded the sale of such property in the year ended 31 March 2019 as per the principles of Ind AS 16, exceptional item (income), representing gain on sale of property, plant and equipment, for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 22.79 crores respectively (quarter ended 31 December 2018: Nil, quarter and year ended 31 March 2018: Nil) while depreciation expense for the quarter and year ended 31 March 2019 would have been higher by Nil and Rs. 0.02 crores respectively (quarter ended 31 December 2018: Nil, quarter ended 31 March 2018: Rs. 0.01 crores, year ended 31 March 2018: Rs. 0.04 crores). The balance consideration receivable from the buyer in the first sale transaction amounting to Rs. 22.40 crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings as at 31 March 2019 would be Nil (31 March 2018: Rs. 37.58 crores). Our report on the financial results for the quarter and nine-month period ended 31 December 2018 was also qualified in respect of the above matter.
		(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 2019: The Company's internal financial control over evaluation of accounting of non-routine transactions was not operating effectively. This has led to misstatements of exceptional item (income) and depreciation expense for the year ended 31 March 2019. 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 2019, 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 * CHARTERED ACCOUNTANTS * MUMBAI

AGC Networks Limited * Mumbai

	c.	Frequency of Qualification:	Auditor's qualification on annual audited financial results (standalone) has been appearing from the year ended 31 March 2015 and has been updated for the year ended 31 March 2019 based on the facts mentioned under the qualification para 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 deed 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. 44.63 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 recognised profit on sale of property, plant and equipment of Rs. 40.85 crores (net of incidental expenses Rs. 3.04 crores) during the year ended 31 March 2015. During the current year, the said property was re-assigned to the name of the Company by the buyer since the buyer expressed its inability to get the aforementioned sale deed registered with the relevant government authority. Subsequently, the said property has been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 crores, and the Company has recorded the differential amount of Rs.1.11 crores between the said consideration and balance receivable from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting Rs. 22.23 crores from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed. 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
DIN : 06871685

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 2019