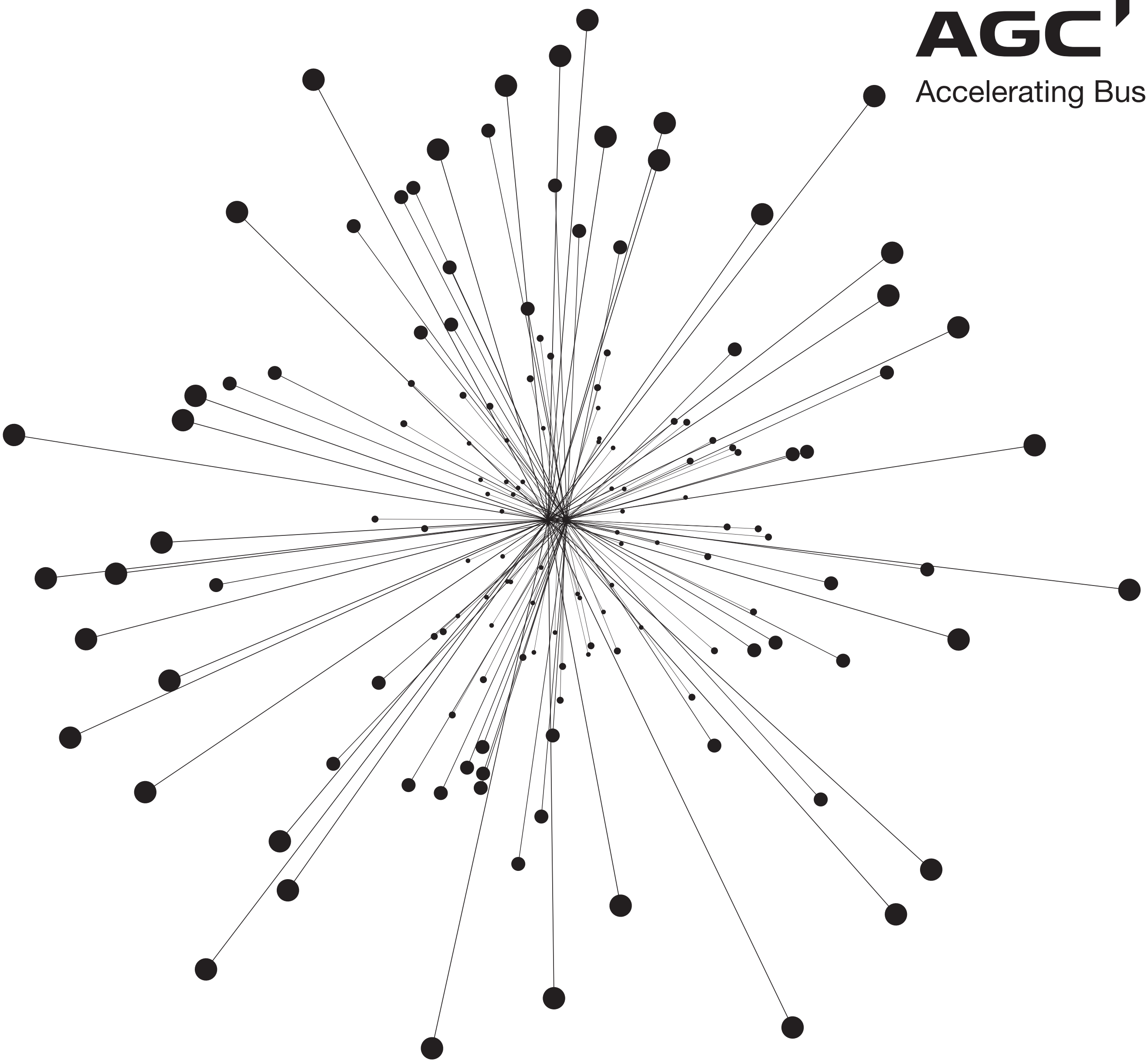
AGC
Accelerating Business



REIMAGINE

SUCCESS

Annual Report 2018 - 2019

AGC Networks Limited

CONTENTS

MESSAGE FROM SUJAY R. SHETH, CHAIRMAN

Dear Shareholders,

With innovation creating disruptions in every industry, technology is a key enabler for businesses and the society at large. Globalization is creating a shift in the way businesses work thereby elevating the role of emerging technologies in addressing industry challenges and this in turn is opening up newer avenues for companies to operate within. Business leaders need to anticipate how these changes will affect their operating frameworks and will look for new technological innovations to help them succeed in this new landscape. This, we believe, is the underlying thought and the right time to **Reimagine Success** – for our customers, partners and the eco–system at AGC Networks.

We believe that our capabilities as a **Global Solution Integrator** allows us to Reimagine Success through the combination of technology insights and the ability from our solution experts and certified engineers to tailor customer focused technology solutions. The recent acquisition of **Black Box Corporation** (erstwhile NASDAQ: BBOX), a leading digital solutions provider in the US will substantially add to AGC's revenue; global headcount to more than 4,000 people serving clients worldwide and a footprint in over 30 countries across six continents – a truly unmatched positioning in this space. The combined entity now furthers AGC's customer presence and reach to span the mature economies of the world – namely North America, LATAM and Europe to the existing regions of APAC, MEA and India & SAARC thereby weaving together a truly global perspective on technology enabling business.

In the year under review, your Company continues to be fully compliant with all statutory and financial obligations as it sharpens its focus on bettering governance and controls across operations and geographies.

I take this opportunity to put on record the participation and influencing support from our employees, partners, customers and vendors in this transformational journey of your Company.

Thank you, shareholders, for your continuing faith.

With Best Wishes,

Sujay R. Sheth

MESSAGE FROM SANJEEV VERMA, WHOLE–TIME DIRECTOR

Dear Shareholders,

It is an exciting time at AGC Networks as we embark on the next wave of innovation and orbital shift with the recent acquisition of **Black Box Corporation** (erstwhile NASDAQ: BBOX), a leading digital solutions provider in the US. At AGC, innovation is enabled through technology solutions of **Collaboration, Edge IT and Cyber Security** to create a **Digital**–ready enterprise ably supported by our global **Customer Support Services**. This enables our customers improve their end–customer experience, reduce the time to market significantly and improve operational efficiency thereby reducing operating costs and accelerating their business.

We are excited to have Black Box Corporation become part of the AGC family. Black Box and its skilled teams and strong client relations with world–class enterprises and partners will allow us to better serve our global clients. In the immediate term, Black Box and its subsidiaries will continue to operate as is. The two companies working together will create a unique organization that has the scale to deliver world–wide technical solutions to the largest and most complex organizations.

We are at the threshold of creating a unique organization to serve customers globally in the Solution Integration space. A time to **Reimagine Success**. From a presence in 9 countries (as AGC), our presence now spans over 30 countries globally covering **North America, LATAM, APAC, Europe, MEA and India & SAARC**. Your Company aims to be a world–class technology Solution Integrator with an objective to give customers a seamless experience across the world – through an unmatched capability built through solution experts and service engineers to serve customers worldwide – with agility and a ***glocal*** flavour.

Technology while more accessible than ever; has great potential but associated challenges and anxieties, too. Our endeavor to Reimagine Success, we believe, can be best achieved by being the customer's trusted tech orchestrators through the Relationships with our eco–system of partners, vendors and manufacturers. We will continue to focus our energy in building, maintaining, nurturing and growing our key relationships with our people, our customers and technology vendors to deliver value to our stakeholders.

Importantly, we believe that every business is supposed to support customers, generate profits and serve shareholders – all seamlessly. Our focus will continue to be on growth driven by productivity and based on an open culture for employees and various stakeholders.

We thank you for your continued faith and confidence.

Warm Regards,

Sanjeev Verma

CORPORATE INFORMATION

Directors

Sujay R. Sheth	Chairman – Independent Director
Dilip Thakkar	Independent Director
Sanjeev Verma	Whole–Time Director
Mahua Mukherjee	Executive Director
Naresh Kothari	Non–Executive Director

Chief Financial Officer
Deepak Kumar Bansal

Company Secretary & Compliance Officer
Aditya Goswami

Auditors
M/s. Walker Chandiok & Co LLP

Registered Office
Equinox Business Park, Tower 1, Off. BKC, LBS Marg, Kurla West,
Mumbai – 400070, India.
T: +91 22 6661 7300/400 | F: +91 22 6661 7405
E: info@agcnetworks.com | W: www.agcnetworks.com
CIN: L32200MH1986PLC040652

Global Presence (including Black Box)
India & SAARC, North America, LATAM, APAC, Europe, MEA

Regional Offices – India
Bengaluru, Chennai, Gandhinagar, Gurugram, Hyderabad, Kolkata,
Mumbai, Pune, Guwahati, Kochi, Chandigarh

Investors Grievance
E: investors@agcnetworks.com

Bankers
Yes Bank Limited
IDBI Bank Limited
Bank of India

Registrar and Share Transfer Agents (RTA)
Datamatics Business Solutions Limited,
Plot No.B–5, Part B, Cross Lane, MIDC, Marol,
Andheri (East), Mumbai – 400093
T: +91 22 6671 2001 – 2006 | F: +91 22 6671 2209
W: www.datamaticsbpm.com
E: investorsqry@datamaticsbpm.com

Audit Committee
Sujay R. Sheth (Chairman)
Dilip Thakkar
Mahua Mukherjee

Nomination and Remuneration Committee (NRC)
Dilip Thakkar (Chairman)
Naresh Kothari
Sujay R. Sheth

Ethics and Compliance Committee
Sujay R. Sheth (Chairman)
Mahua Mukherjee

Corporate Social Responsibility Committee (CSR)
Sujay R. Sheth (Chairman)
Mahua Mukherjee
Sanjeev Verma

Stakeholders Relationship Committee (SRC)
Sujay R. Sheth (Chairman)
Sanjeev Verma
Dilip Thakkar

NOTICE OF 33RD ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of **AGC NETWORKS LIMITED** ("the Company") will be held on Thursday, 26th September, 2019 at 11:00 A.M. at Yashwantrao Chavan Centre, General Jagannath Bhosle Road, Nariman Point, Mumbai – 400021 to transact the following business(s):

ORDINARY BUSINESS(S):

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019 along with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mrs. Mahua Mukherjee (DIN: 08107320), who retires by rotation and being eligible, seeks re–appointment.

3. To re–appoint M/s. Walker Chandiok & Co. LLP, Chartered Accounts, as the Statutory Auditors of the Company.

   In this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re–enactment thereof for the time being in force), M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Registration No. 001076N/ N500013) be and are hereby re–appointed as the Statutory Auditors of the Company to hold office for a period of Five (5) Years from the conclusion of this Thirty Third Annual General Meeting ("AGM") till the conclusion of the Thirty Eighth AGM of the Company, on such terms and conditions of appointment and remuneration as may be fixed by the Board of Directors (including any Committee thereof), in mutual consultation with M/s. Walker Chandiok & Co. LLP.

   RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorized to revise, amend or vary any of the terms of appointment of the Statutory Auditor including remuneration in such manner as may be required during the aforesaid tenure, without any further reference to the members of such revision(s)/amendment(s)/variation(s) as the case may be."

SPECIAL BUSINESS(S):

4. **Appointment of Mr. Naresh Kothari (DIN: 00012523) as a Non–Executive Director of the Company**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re–enactment thereof for the time being in force), Mr. Naresh Kothari (DIN:00012523) who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 17, 2019 and who holds office only up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and who is eligible for appointment as a Director and in respect of whom the Company has received a notice under Section 160 of the Act in writing proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non–Executive Director on the Board of the Company, being liable to retire by rotation."

5. **Re–appointment of Mr. Sujay Sheth (DIN: 03329107) as an Independent Director of the Company**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re–enactment thereof for the time being in force), the provisions of Schedule IV of the Act and Regulation 16(1)(b), 17 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), as amended, Mr. Sujay Sheth (DIN: 03329107) who was appointed as Independent Director & Chairman of the Company at 28th Annual General Meeting (AGM) and who holds office only up to the date of this ensuing 33rd AGM and who is eligible for re–appointment as Independent Director and has submitted a declaration that he meets the criteria for independence as provided under section 149(6) of the Act readwith Regulation 16(1)(b) of LODR Regulations alongwith his consent to such re–appointment, be and is hereby re–appointed as the Independent Director & Chairman of the Company to holds office for a further period of 5 (Five) years, commencing from the date of this meeting and he shall not be liable to retire by rotation."

6. **Re–appointment of Mr. Sanjeev Verma (DIN:06871685) as an Executive Director designated as Whole–Time Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of Schedule V of the Act, (including any statutory modifications or re–enactments thereof, for the time being in force) and the Articles of Association of the Company, subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required, re–appointment of Mr. Sanjeev Verma (DIN: 06871685) as Whole–Time Director of the Company to hold office for a period of 3 (Three) years commencing from February 15, 2019, be and is hereby approved on such terms as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 read with relevant provisions of Section II of Part II of Schedule V of the Act and subject to such other approvals, permissions or sanctions, as may be required, the approval of members be and is hereby granted for issue and exercise of Employee Stock Options granted /to be granted under Employee Stock Option Scheme(s) of the Company to Mr. Verma, notwithstanding the facts that the value of the equity share allotted on exercise of options so granted/to be granted/ to be exercised may exceed the ceiling as prescribed under aforesaid provisions of the Act and/or applicable rule(s), regulation(s) or direction(s) issued by SEBI or any other applicable act or law, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorised to alter and vary the terms and conditions of the said appointment as it may deem fit and as may be acceptable to Mr. Sanjeev Verma, subject to the same not being in contravention of the conditions specified under the provisions of Schedule V to the Act or any statutory modification(s) or re–enactment thereof and subject to such approval(s) as may be required."

7. **Payment of remuneration to Mrs. Mahua Mukherjee (DIN: 08107320), Executive Director & Chief Peoples Officer of the Company:**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution(s) as a **Special Resolution**:

"**RESOLVED THAT,** further to the resolution passed by the members at the Thirty Second Annual General Meeting of the Company held on August 1, 2018 with respect to the appointment of Mrs. Mahua Mukherjee (DIN: 08107320), as an Executive Director of the Company; pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; applicable provisions of Section II of Schedule V of the Act, (including any statutory modifications or re–enactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals, permissions and sanctions, as may be required, the approval of the Members be and hereby accorded for payment of remuneration to Mrs. Mahua Mukherjee, Executive Director, for the services rendered/to be rendered by her as the Chief Peoples Officer of the Company upto an aggregate amount not exceeding

₹ 1,25,00,000/– (Rupees One Crore Twenty Five Lakh Only) per annum, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment, for a period of 3 (Three) years from April 1, 2018 to March 31, 2021 on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment/remuneration within the aforesaid maximum ceiling and in such manner as may be agreed between the Board and Mrs. Mukherjee.

RESOLVED FURTHER THAT in terms of Section 197(10) of the Act, the consent of the members be and is hereby given to waive the requirement of refund of the amount of remuneration paid to Mrs. Mahua Mukherjee for the services rendered by her in the capacity as Chief People Officer of the Company subsequent to her appointment as Director."

By Order of the Board of Directors
For AGC Networks Limited
Sd/–
Aditya Goswami
Company Secretary & Compliance Officer
Membership No. A27365

Place: Mumbai.
Dated: July 5, 2019
Registered Office:–
Equinox Business Park (Peninsula Techno Park),
Off Bandra Kurla Complex, LBS Marg, Kurla West,
Mumbai – 400070.
www.agcnetworks.com

NOTES

1) **A Member entitled to attend and Vote at the Annual General Meeting ("AGM") is entitled to appoint a Proxy to Attend and Vote on Poll instead of himself/herself and such Proxy need not be a Member of the Company. The instrument appointing proxy/proxies in order to be effective, should be deposited at the registered office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting.**

   A person can act as a proxy on behalf of not more than Fifty (50) members and the aggregate shareholding of such members shall not be more than Ten Percent (10%) of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other member of the Company.

   During the period beginning 24 hours before the time fixed for the commencement of this meeting and ending with the conclusion of this meeting, a member would be entitled to inspect the proxies lodged with the company, at any time during the business hours of the Company, provided that a notice in writing of not less than Three (3) days, is given to the Company.

2) The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning Item no. 3 and special business(s) in respect of Item No. 4 to 7 as set out above is annexed hereto.

3) Corporate Members are requested to send a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the AGM.

4) Members are requested to bring their attendance slip along with their copy of Annual Report to this AGM.

5) All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all the working days between 11:00 AM to 1:00 PM up to the date of this AGM.

6) The Register of Directors and Key Managerial Personnel and their shareholding, maintained in accordance with Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7) The Register of Contracts or Arrangements in which Directors are interested, maintained in accordance with Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

8) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 20th, 2019 till Thursday, September 26th, 2019 (both days inclusive) for the purpose of this AGM.

9) M/s. Datamatics Business Solutions Limited is “Registrar and Share Transfer Agent” of the Company. All members and investors are hereby advised to contact Datamatics Business Solutions at the following address for any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non–receipt of annual report, dividend payments and other query / grievance relating to the shares of the Company:

M/s. Datamatics Business Solutions Limited
Plot No. B–5, Part B, Cross Lane,
MIDC, Andheri (East), Mumbai – 400093
Tel: +91 22 6671 2001 to 6671 2006
Fax: +91 22 6671 2209
E– mail: **investorsqry@datamaticsbpm.com**

10) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

11) Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.

12) Members desirous of getting any information in relation to the Company’s Annual Report 2018–19 are requested to address their query (ies) well in advance, i.e. at least 10 days before the Meeting, to the Company Secretary of the Company to enable the Management to keep the information readily available at the Meeting.

13) Members holding shares in single name and physical form are advised to make nomination in respect of shareholding in the Company. Members can avail of the Nomination facility by filing Form SH–13 with the Company or its Registrar & Share Transfer Agent. Blank forms will be supplied on request. In case of shares held in Demat form, the nomination has to be lodged by the member/investor with their Depository Participants.

14) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Datamatics Business Solutions Limited, for consolidation into a single folio.

15) Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

16) Members are requested to note that, pursuant to SEBI Notification dated June 8, 2018 and Press Release dated December 3, 2018, transfer of shares (except transmission and transposition of shares) will be in dematerialised form only. Although, the Members can continue to hold shares in physical form, they are requested to consider dematerializing the shares held by them in the Company.

17) Notice and the Annual Report will also be available under the Investor section on the website of the Company www.agcnetworks.com

18) Profiles of the Directors seeking appointment/re–appointment, as required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in this Notice.

These Directors have furnished the requisite consents/declarations in respect of their appointment/re–appointment. None of the Directors is related to any of the other Director or to any Key Managerial Personnel of the Company.

19) Members are hereby informed that Dividend which remains unclaimed/ un–en–cashed over a period of Seven years, has to be transferred as per the provisions of the Companies Act, 2013 by the Company to “The Investor Education & Protection Fund” (“IEPF”) constituted by the Central Government and the shares in respect of which such dividend is unclaimed/un–en–cashed

shall also be transferred to the IEPF Authority. It may please be noted that once unclaimed/ un– en–cashed dividend or shares are transferred to “Investor Education & Protection Fund” as above, no claims shall lie in respect of such amount by the Shareholder against the Company.

20) Members who have not registered their e–mail addresses so far are requested to register their email address so that they can get all the information of the Company at the click of the mouse. Members are also requested to immediately notify any changes in their address and /or email IDs to the Company/Registrar at their respective addresses as mentioned in this Notice.

21) As the members are aware, your Company’s shares are tradable compulsorily in electronic form. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company’s shares on either of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

22) A Route Map along with prominent landmark for easy location to reach the venue of the 33rd AGM is provided on the backside of this Annual Report.

INSTRUCTIONS FOR E–VOTING

The instructions for members voting electronically are as under:

i. The voting period begins on 9:00 AM on Monday, September 23rd, 2019 and ends at 5:00 PM on Wednesday, September 25th, 2019. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut–off date (record date) of September 19th, 2019 may cast their vote electronically. The e–voting module shall be disabled by CDSL for voting thereafter.

ii. The shareholders should log on to the e–voting website www.evotingindia.com.

iii. Click on Shareholders.

iv. Now Enter your User ID

- For CDSL: 16 digits beneficiary ID
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha–numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

a) After entering these details appropriately, click on "SUBMIT" tab.

b) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e–voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

c) For Members holding shares in physical form, the details can be used only for e–voting on the resolutions contained in this Notice.

d) Click on the EVSN of AGC Networks Limited on which you choose to vote.

e) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

f) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

g) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

h) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

i) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

j) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

k) Shareholders can also cast their vote using CDSL's mobile app m–Voting available for android based mobiles. The m–Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

viii. Note for Non – Individual Shareholders and Custodians:

- Non–Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

ix. In case you have any queries or issues regarding e–voting, you may refer the Frequently Asked Questions (“FAQs”) and e–voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

FOR MEMBERS WHO WISH TO VOTE USING BALLOT FORM:

In addition to the remote e–voting facility as described above, the Company shall make a voting facility available at the venue of the Annual General Meeting, through polling paper as provided in Section 109 of the Companies Act, 2013 read with Rule 21 of the Companies (Management & Administration) Rules, 2014 and Members attending the meeting who have not already cast their votes by remote e–voting shall be able to exercise their right at the meeting.

Members who have cast their votes by remote e–voting prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again.

GENERAL INSTRUCTIONS

The Board of Directors has appointed M/s. S. K. Jain & Co., Practicing Company Secretaries, (Membership No. 1473 & C.P. No. 3076) as the Scrutinizer to conduct the e–voting process, (including voting through polling papers by members at the AGM) and remote e–voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e–voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days from the conclusion of the AGM, a Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

The Scrutinizer shall submit his report to the Chairman/person duly authorized by Chairman in writing, who shall declare the results of the voting. The result declared alongwith the Scrutinizer Report shall be placed on the Company’s website www.agcnetworks.com and on the website of CDSL, immediately after the declaration of result by the Chairman or by a person duly authorized by him in writing. The results shall also be forwarded to The National Stock Exchange of India (NSE) Limited and the Bombay Stock Exchange (BSE) Limited, where the equity shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Registration No. 001076N/N500013), were appointed as the Statutory Auditor of the Company at the 32nd Annual General Meeting (“AGM”) of the Company to hold office till the conclusion of 33rd AGM to be held in the current year. Considering the aforesaid, M/s. Walker Chandiok & Co. LLP has already served as Statutory Auditor of the Company for a period of Five (5) years commencing from the conclusion of the 28th AGM and expiring on conclusion of upcoming 33rd AGM. However, in terms of Section 139 (2) of the Act, M/s. Walker Chandiok & Co. LLP are eligible to be re–appointed for a further period of Five (5) years.

The Board of Directors (“the Board”) at their meeting held on July 5, 2019, has proposed re–appointment of M/s. Walker Chandiok & Co. LLP as the Statutory Auditors of the Company for a further period of consecutive Five (5) years commencing from the conclusion of the 33rd AGM till the conclusion of 38th AGM to be held in the year 2024.

M/s. Walker Chandiok & Co. LLP, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of Section 139(1) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Further, in terms of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), the following are the requisite disclosures with respect to the proposed re–appointment of M/s. Walker Chandiok & Co. LLP, Chartered

Accountants, as the Statutory Auditors of the Company:

Sr. No.	Particulars	Details of Proposed Appointment
1.	Name of the proposed Auditor	M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Registration No. 001076N/N500013)
2.	Basis of recommendation of appointment	As specified in the explanatory statement
3.	Period of appointment	Five Years, commencing from conclusion of 33rd AGM till the conclusion of 38th AGM
4.	Proposed Remuneration/Fees	Not exceeding ₹ 80,00,000/– per annum for FY20.

As per the provisions of Section 139(1) of the Act, the approval of the members is required to be obtained by way of a resolution passed at an AGM of the Company, for appointment of an individual/firm as the Statutory Auditor of the Company. Accordingly, the Board commends the **Ordinary Resolution** set out at Item No. 3 of the Notice for approval by the shareholders.

None of the Directors, Key Managerial Personnel and their relatives, are concerned/interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4

The Board of Directors of the Company ("the Board") had at its meeting held on January 17, 2019 approved the appointment of Mr. Naresh Kothari (DIN:00012523) as an Additional Director of the Company with immediate effect, in accordance with the provisions of Section 161 of the Act, basis the recommendation of the Nomination & Remuneration Committee of the Company. In accordance with the provisions of Section 161(1) of the Act, Mr. Kothari holds office only up to the date of this AGM of the Company.

The Company has received a notice pursuant to the provisions of Section 160 of the Act from Mr. Kothari, proposing his candidature for the office of Non–Executive Director of the Company which shall be subject to retirement by rotation. Mr. Kothari is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has also consented to act as a Director of the Company.

Brief Profile of Mr. Naresh Kothari:

Mr. Kothari is a seasoned Indian financial services professional with over 23 years of experience in business building and capital markets. During his career, he has held various operating as well as management responsibilities.

Mr. Kothari was one of the earliest Senior Partners at Edelweiss Financial Services and was a key person involved in shaping it into one of the leading financial services firms of India. At Edelweiss, he led teams that built India's largest domestic Institutional Brokerage business, a large coverage platform with some of the best corporate relationships in India, one of the most aggressive Equity Capital Markets platform and also a leading alternative asset management platform. During his 13–year tenure, he held various management roles including President of Edelweiss Capital, Senior member of Management Committee, Co–Head of Edelweiss Alternative Asset Advisors, Head of Coverage & ECM and Co–Head of Institutional Equities. Mr. Kothari spent the initial years of his career in building and running an institutional equities sales & trading desk at ICICI Securities.

Along with building various financial services businesses, Mr. Kothari has also played an active role in advising Corporate India on business and capital markets strategy. This active engagement approach also led to development of very strong relationships with corporate India over the years. He remains an active Board member on a few of these corporates.

Mr. Kothari has also done extensive analytical work including identifying some of the most successful investment themes in India. His deep understanding of various asset classes and how they play out across business cycles is now being used in building out some of the most innovative strategies for alternative investing in India through his new firm Alpha Alternatives.

Mr. Kothari is an MBA from Indian Institute of Management, Ahmedabad, which is the premier business school in India and Bachelor of Engineering in Computer Science from the University of Mumbai. He is an avid fitness enthusiast and has run marathons. He is also an ardent reader.

Further, with respect to the proposed appointment of Mr. Kothari, requisite disclosure pursuant to Regulation 36(3) of LODR Regulations, Secretarial Standards on General Meeting ("SS–2") and other applicable disclosures, have been provided in **Annexure II** to this Notice.

The Board considers that the appointment of Mr. Kothari as a Non–Executive Director on the Board, would be of immense benefit to the Company. Accordingly, the Board recommends the appointment of Mr. Kothari as a Non–Executive Director of the Company, whose term of office shall be liable to determination by retirement of directors by rotation.

Save and except Mr. Naresh Kothari (being the proposed appointee) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the **Ordinary Resolution** set out at Item No. 4 of the Notice for approval of the shareholders.

Item No. 5

Mr. Sujay Sheth (DIN: 03329107) was appointed as Independent Director at the 28th AGM of the Company held on August 7, 2014 to hold office for a term of Five (5) years. Accordingly, existing term of Mr. Sheth as the Independent Director of the Company shall expire on August 6, 2019. In term of Section 149(9) and 149(10) of the Act, Mr. Sujay Sheth is eligible to be re–appointed as Independent Director for another term of upto Five (5) years upon approval from Shareholders by way of Special Resolution.

The Board at its meeting held on July 5, 2019, based on the recommendation of the Nomination and Remuneration Committee of the Company, approved the re–appointment of Mr. Sujay Sheth as the Independent Director & Chairman of the Company for another term of Five (5) Years commencing from August 7, 2019 subject to the approval of the shareholders at this AGM. Mr. Sheth will not be liable to retire by rotation.

The Company has received the consent to re–appointment, declaration of fulfilment of criteria of independence as per Section 149(6) of the Act & Regulation 25(8) of LODR Regulations as well as a notice pursuant to the provisions of Section 160 of the Act from Mr. Sheth, proposing his candidature for the office of Independent Director of the Company. Further, Mr. Sheth is not disqualified from being appointed as a Director in terms of Section 164 of the Act and the Board is of the opinion that, Mr. Sheth fulfils the conditions specified in the Act and the rules made thereunder and is independent of the management of the Company.

Further, with respect to the proposed re–appointment of Mr. Sheth, requisite disclosure pursuant to Regulation 36(3) of LODR Regulation, Secretarial Standards on General Meeting ("SS–2") and other applicable disclosures, have been provided in **Annexure II** to this Notice.

Accordingly, the Board recommends the resolution for re–appointment of Mr. Sujay Sheth as the Independent Director & Chairman of the Company for approval of Shareholders as a **Special Resolution** as set out at Item no. 5 of the Notice.

Save and except Mr. Sheth, being the proposed appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the said resolution at Item No. 5.

Item No. 6

Mr. Sanjeev Verma (DIN: 06871685) was appointed as Executive Director, designated as Whole–time Director (WTD) of the Company by the Board with effect from February 15, 2016, on recommendation of Nomination and Remuneration Committee, for a period of Three (3) years. Pursuant to the provisions of Section 197 and Section 203 read with Schedule V of the Act, the approval of Members of the Company and the Central Government was also obtained for the aforesaid appointment of Mr. Sanjeev Verma.

The tenure of Mr. Verma as WTD was expiring on February 14, 2019. Thus, the Board at its meeting held on February 7, 2019, based on the recommendation of the Nomination and Remuneration Committee of the Company, approved the re–appointment of Mr. Sanjeev Verma as the Executive Director designated a Whole–time Director to hold the office for a further period of Three (3) Years commencing from February 15, 2019 subject to the approval of the shareholders at this AGM and approval of the Central Government as required under Part I of Schedule V of the Act.

In accordance with the provisions of Section 196(4) of the Act read with the applicable provisions of Part I of Schedule V and the rules made thereunder, the Company is required to obtain the approval of the shareholders by way of passing a **Special Resolution** for the appointment of Mr. Sanjeev Verma as the Executive Director designated a Whole–Time Director of the Company. A brief resume of Mr. Verma alongwith the disclosures pursuant to Regulation 36(3) of LODR Regulations, Secretarial Standards on General Meeting ("SS–2") and other applicable disclosures, if any, have been provided in **Annexure II** to this Notice.

Further, the Company has granted 4,26,997 Employee Stock Options to Mr. Verma during the Financial Years 2015–16 & 2016–17, pursuant to the ESOP Scheme 2015 of the Company, out of which 1,76,136 stock options have been vested & are exercisable by Mr. Verma as on the date. Pursuant to Section 2(78) defining "remuneration" and other applicable provisions of Section 197 the Act, the remuneration payable to any Director of the Company shall be inclusive of the value of securities of the Company held by such Director. Accordingly, in the event Mr. Verma exercises the said options, the value of the equity shares of the Company issued to him pursuant to exercise of such options will be considered as remuneration paid to him being the Whole–Time Director of the Company and the value of such options is likely to exceed the ceiling provided under Section II of Part II of Schedule V of the Act.

In terms of the aforesaid provision of Section 197 read with Section II of Part II of Schedule V of the Act, the Board is required to obtain approval of the Shareholders by way of Ordinary / Special Resolution passed at a General Meeting, for payment of managerial remuneration by the Company to any Director (including MD/WTD/Manager), in the event of inadequacy of profits or incurring losses in any financial year(s).

The proposed terms of appointment of Mr. Sanjeev Verma, as the Executive Director & Whole–Time Director of the Company are as follows:

I) Salary, Allowances and Commission (hereinafter referred to as "Remuneration"): None

II) Perquisites: None

III) Other re–imbursements: Mr. Verma may be provided reimbursement of reasonable expenses incurred by him while rendering his services to the Company.

IV) Stock Options: As may be granted by the Nomination & Remuneration Committee pursuant to Stock Options Scheme of the Company.

V) Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr. Verma shall manage and conduct the business and affairs of the Company as an Executive (Whole–Time) Director of the Company. He shall not be paid any sitting fee for attending the meetings of the Board or Committee thereof. The appointment can be terminated by Mr. Verma or the Company, by any party giving to the other Three (3) calendar months' notice in writing.

In view of the long standing association of Mr. Verma with the Company by virtue of the managerial roles held by him over a period of over 20 years and considering the level of expertise and skills he has displayed during the said period, the Board was of the view that the re–appointment of Mr. Sanjeev Verma as an Executive Director designated a Whole–Time Director will be in the best interest of the Company.

Accordingly, the Board recommends the members to approve re–appointment and remuneration of Mr. Sanjeev Verma as an Executive Director designated a Whole–Time Director of the Company as aforesaid, by passing the resolution as set out at Item no. 6 as a **Special Resolution**.

Save and except Mr. Verma, being the proposed appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the said resolution.

Item No. 7

Mrs. Mahua Mukherjee (DIN:08107320) was appointed as an Executive Director by the shareholders at the 32nd AGM of the Company held on August 1, 2018 and the shareholders of the Company approved the appointment of Mrs. Mahua Mukherjee as an Executive Director of the Company without any remuneration, her office being liable for retirement by rotation. Mrs. Mukherjee also holds the office of the Chief Peoples Officer ("CPO") of the Company.

Pursuant to the provisions of Section 197(4) of the Act, remuneration payable by the Company to any Director shall be inclusive of remuneration payable to him/her for the services rendered by him/her in any other capacity. Thus, the remuneration payable to Mrs. Mahua Mukherjee for her services as the CPO of the Company shall be considered as remuneration being paid to a Director of the Company, which is subject to the limits specified under provisions of Section 197 of the Act.

Further, in accordance with the applicable provisions of Section II of Part II of Schedule V of the Act, in the event the Company has inadequate profits or incurs losses in any Financial year and the Company proposes to pay remuneration to directors/managerial personnel(s) for such year in excess of the limits specified in aforesaid provisions, the Company is required to obtain the approval of the Shareholders by way of an Ordinary/Special Resolution passed at a General Meeting, as the case may be.

The remuneration paid/payable to Mrs. Mahua Mukherjee as a CPO of the Company during the FY 2018 to FY 2021 would fall under the category of Director Remuneration and such remuneration is likely to exceed the limits specified in section 197(1) & Section II of Part II of Schedule V of the Act. Hence, it is proposed to obtain the requisite approval of the shareholders for payment of remuneration to Mrs. Mahua Mukherjee, Executive Director, for services rendered/to be rendered by her in her capacity as the Chief Peoples Officer of the Company, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment, for a period of Three (3) years from April 1, 2018 to March 31, 2021, on such terms of remuneration as approved by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), subject to the maximum ceiling of ₹ 1,25,00,000/– (Rupees One Crore Twenty Five Lakh Only) per annum.

The Board of Directors of the Company, at its meeting held on July 5, 2019, based on the recommendation of the Nomination & Remuneration Committee, approved the terms of remuneration for Mrs. Mahua Mukherjee Executive Director for the services rendered/ to be rendered by her in her capacity as the Chief Peoples Officer of the Company. The details required pursuant to the provisions of Section II, Part II of Schedule V of the Act, have been provided herewith as **Annexure III** to this Notice.

Save and except Mrs. Mukherjee, being the proposed appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

The Board recommends the resolution as set out at Item No. 7 of the Notice for approval of the Shareholders as a **Special Resolution**.

ANNEXURE II

Details of the Director(s) seeking appointment/re–appointment in forthcoming Annual General Meeting
[Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standards on General Meeting ("SS–2")]

Name of Director	Mrs. Mahua Mukherjee	Mr. Naresh Kothari
Date of Birth and Age	April 21th, 1967 52 years	September 3rd, 1970 48 years
Date of first appointment	April 5th, 2018	January 17th, 2019

Expertise in specific functional areas; Qualifications and Brief Resume/ Profile	Mrs. Mahua Mukherjee holds an MBA in Personnel Management and HR and has over 20 years of HR management experience, of which more than 10 years have been in a senior HR leadership role with a strategic, operational and country–wide focus. She holds extensive experience in IT, Telecom and Service Industries. She has been associated with multinational and large organizations such as Capgemini and Reliance Infocomm, an organization with a global presence across Europe, North America, Middle–East and Asia Pacific regions, and an employee strength of over 60,000. She has expertise in formulating HR strategy, competency and capability building practices and retention strategies and initiatives.	As mentioned at Item No. 4 of the explanatory statement.
Terms of Appointment/ Re–appointment or fixing remune–ration/ variation of such remuneration	Terms of appointment shall be as approved by members at the 32nd AGM held on August 1, 2018. **Remuneration Terms:** As mentioned at Item No. 7 of the explanatory statement.	Appointed as a Non–Executive Director, liable to retire by rotation
Remuneration last drawn	₹ 78 lakhs in F.Y. 18–19 (inclusive of all benefits)	NIL
Name/s of other Listed Companies in which Directorship held	NIL	1. ADF Foods Limited 2. Bhagwati Products Limited 3. B L Kashyap and Sons Limited
Name/s of other Listed Companies in which the Director holds membership in the Committees	NIL	1. B L Kashyap and Sons Limited – (Membership of Audit Committee) 2. B L Kashyap and Sons Limited – (Membership of Nomination & Remuneration Committee) 3. ADF Food Limited – (Membership of Stakeholders Relationship Committee)
Shareholding in the Company	NIL	3,00,015 Equity Shares held beneficially.
Relationship between the Directors inter–se	Unrelated, except being on the Board of AGC Networks Limited	Unrelated, except being on the Board of AGC Networks Limited
Number of Board Meetings attended during F.Y. 18–19	All Meetings i.e. Eleven out of Eleven Meeting	*Two out of Eleven Meeting

*Attended all the Board meetings held during the FY 2018–19 since his appointment.

Name of Director	Mr. Sujay Sheth	Mr. Sanjeev Verma
Date of Birth, Age	November 28th, 1970 48 years	July 20th, 1967 52 years
Date of first appointment	May 21st, 2011	February 15th, 2016
Expertise in specific functional areas; Qualifications and Brief Resume/ Profile	Mr. Sheth holds a Bachelor's degree in Commerce from the Bombay University. He is also a Fellow member of the Institute of Chartered Accountants of India. Currently, Mr. Sheth is the Managing Partner of J. K. Doshi & Co., a reputed firm of Chartered Accountants, established in 1955. Mr. Sheth's areas of experience are Finance and Accounting with deep knowledge of direct taxes, corporate laws and significant experience in the fields of transaction advisory, pre–acquisition studies, corporate governance, assurance, valuation and direct taxation. He is involved in audit, taxation, attestation and assurance functions of a wide selection of Indian and multinational clients.	Mr. Verma is a Technology Veteran with over 22 years of extensive global experience in the ICT domain. He has highly successful track record in diverse set of management and leadership rules in the areas of business operations, sales and marketing, consulting, M & A and startup operations. Prior to joining AGC, Mr. Verma has contributed to progress and establishment of a leading global technology giant in India. During that tenure, he led from the front all the business development initiatives and helped drive multifold growth in sales and profitability.
Terms of Appointment/ Re–appointment or fixing remuner–ation/ variation of such remuneration	As mentioned in Item No. 5 of the explanatory statement.	As mentioned in Item No. 6 of the explanatory statement.
Remuneration last drawn	NIL	NIL
Name/s of other Listed Companies in which Directorship held	1. Black Rose Industries Limited	NIL
Name/s of other Listed Companies in which the Director holds membership in the Committees	1. Black Rose Industries Limited – (Membership & Chairmanship of Audit Committee) 2. Black Rose Industries Limited – (Membership of Nomination & Remuneration Committee)	NIL
Shareholding in the Company	NIL	NIL

Relationship between the Directors inter–se	Unrelated, except being on the Board of AGC Networks Limited	Unrelated, except being on the Board of AGC Networks Limited
Number of Board Meetings attended during F.Y. 18–19	Ten out of Eleven Meetings	All meeting i.e Eleven out of Eleven

ANNEXURE III

(Pursuant to provisions of Section II, Part II of Schedule V of the Companies Act 2013)

<table>
<tr><td>I.</td><td colspan="2">General information:</td></tr>
<tr><td>1.</td><td>Nature of industry</td><td>Global IT Solutions Provider</td></tr>
<tr><td>2.</td><td>Commencement of commercial production</td><td>1986</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td>N.A.</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators for F.Y. 18–19:</td><td>• Revenue: ₹ 306.85 Crores
• PAT: ₹ 1.28 Crores
• EPS: ₹ 0.44/– per share (basic & diluted)</td></tr>
<tr><td>5.</td><td>Foreign investments or collaborations, if any</td><td>For details of investment made by the Company, please refer the schedule no. 5 of the Standalone Balance sheet forming part of the Annual Report being sent along with this Notice.

The details of the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies in the Company as on 31st March, 2019, is detailed as under:

<table>
<tr><th>Particulars</th><th>No of Shares</th><th>% share–holding</th></tr>
<tr><td>Foreign Portfolio Investors</td><td>16,98,703</td><td>5.71</td></tr>
<tr><td>Foreign Nationals</td><td>0</td><td>0</td></tr>
<tr><td>N.R.I (Non–Rept)</td><td>46,629</td><td>0.16</td></tr>
<tr><td>N.R.I (Rept)</td><td>86,023</td><td>0.29</td></tr>
<tr><td>Foreign Companies</td><td>1,38,84,143</td><td>46.69</td></tr>
<tr><td>Overseas Body Corporates</td><td>400</td><td>0.00</td></tr>
<tr><td>Total</td><td>1,57,15,898</td><td>52.84</td></tr>
</table>
The Company has not entered into any material foreign collaboration.</td></tr>
</table>

II.	**Information about the Appointee:**	
1.	Name of Appointee: **Mr. Sanjeev Verma**	
2.	Background details	Mr. Verma is the Executive Director, designated as Whole–Time Director of AGC Networks. He is also the President & CEO of Black Box Corporation (100% subsidiary of AGC Networks) since its acquisition by AGC Networks on January 7, 2019. Over his 10 year–stint at AGC Networks, he has also served as CEO (Americas) & President International operations where he led the Worldwide business and P&L of AGC Networks (except India). Prior to this, he was the President & Executive Director responsible for overall P&L and growth strategies and Executive Vice President of Global Sales & Business Operations, responsible for Global Sales & business operation and instrumental in building AGC's global expansion strategies. Prior to joining AGC Networks, Mr. Verma has held management postions at Wipro, 3D Networks (aquired by Wipro in 2006) and Global Tele Systems both in United State and internationally.
3.	Past remuneration	Nil
4.	Recognition or awards	During the tenure of Mr. Verma, the company has received recognition and awards, such as: • Global Solution Integrator of Choice 2017 • Service Partner of the Year 2017 • Special Recognition Award 2016–17 • Best Enterprise Partner (West, India) 2016–17 • MSP Partner of the year 2016–17
5.	Job profile and his suitability	As WTD, Sanjeev is focused on AGC's philosophy of accelerating customer's business through a relentless focus on nurturing Relationships, continuing to stay Relevant in the marketplace and delivering Results aligned to the client organization. His resilient leadership skills has been an asset to the Company's roadmap in India and its expansion onto foreign shores. He strongly believes in the philosophy of think global (as our clients do) but act locally where our relationships exist. Mr. Verma is a technology veteran with over 2 decades of extensive global experience in the ICT domain. He has a highly successful track record in diverse set of management and leadership roles in the areas of business operations, sales & marketing, consulting, M&A and start–up operations, globally. He is a visionary with a deep understanding of diverse geographies.
6.	Remuneration proposed	As set out in Item No. 6 of the explanatory statement.
7.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size and profitability.
8.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Verma does not have any material pecuniary relationships with the Company and is not related to any of the other Key Managerial Personnel of the Company.

9.	**Other Information:**	
i.	Reasons of loss or inadequate profits	In the F.Y. 2018–19, the Company has recorded a Net profit of ₹ 1.28 Crores. In line with the applicable provisions of Schedule V of the Act, the Company has sought the prior approval of the shareholders for issue and exercise of Employee Stock Options granted /to be granted under Employee Stock Option Scheme(s) to Mr. Verma, forming part of the his remuneration under Section 197 and Schedule V of the Act on terms set out in Item No. 6 of the explanatory statement, including in the event the Company incurs losses/makes inadequate profits in any year, during the tenure of his appointment, for a period of Three (3) years from February 15, 2019 to February 14, 2022.
ii.	Steps taken or proposed to be taken for improvement	N.A.
iii.	Expected increase in productivity and profits in measurable terms	N.A.

II.	**Information about the Appointee:**	
1.	Name of Appointee: **Mrs. Mahua Mukherjee**	
2.	Background details	Mrs. Mahua Mukherjee has over 24 years of HR management experience, of which more than 12 years have been in a senior HR leadership role with a strategic, operational and country–wide focus. Mrs. Mukherjee holds extensive experience in IT, Telecom and Service Industries. She has been associated with multinational and large organizations such as Capgemini, Reliance Infocomm, RS Software and The Park Hotels. In her last stint with Capgemini she led the India strategic business unit as Head of Talent management and was responsible for evolving and implementing numerous talent management initiatives to create an engaged work force aligned with organizational goals. Additionally, she also headed the HR operations of the Nordic and Central Europe business unit. She has expertise in formulating HR strategy, HR systems, competency and capability building practices and retention strategies and initiatives. Mrs. Mukherjee holds an MBA in Personnel Management and HR. Mrs. Mukherjee is the Executive Director of AGC Networks Ltd.
3.	Past remuneration	Mrs. Mukherjee does not draw any remuneration as the Executive Director of AGC Networks Ltd. However, being the Chief Peoples Officer ("CPO") of the Company, she drew a remuneration of ₹ 0.78 Crores for the financial year 2018–19.
4.	Recognition or awards	During the tenure of Mrs. Mahua Mukherjee, the company has received recognition and awards in the field of Human Resources, such as: • Data Quest Best Employer • HR Excellence Award for Talent Management and Engagement • HR Excellence Award for Economic Value Addition to the Business

5.	Job profile and her suitability	Mrs. Mukherjee is responsible for driving strategic HR planning and implementations, partnering with business leaders to align people strategy as per changing business needs, developing and executing specific programs to improve employee engagement levels. She specializes in directing and leading the full spectrum of strategic and operational human resources activities and processes with a keen focus on business model pyramid, manpower planning, succession planning and performance management.
6.	Remuneration proposed	As set out in Item No. 7 of the explanatory statement. The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
7.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is in compliance of Schedule V of the Companies Act, 2013, which is comparable with the Companies of the same size and profitability.
8.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mahua Mukherjee does not have any material pecuniary relationships with the Company in the capacity as Director.
9.	**Other Information:**	
i.	Reasons of loss or inadequate profits	In the F.Y. 2018–19, the Company has recorded a Net profit of ₹ 1.28 Crores. In line with the applicable provisions of Schedule V of the Act, the Company has sought the prior approval of the shareholders for payment of remuneration to Mrs. Mukherjee, for her services rendered/to be rendered by her in the capacity of CPO, on terms set out in Item No. 7 of the explanatory statement, including in the event the Company incurs losses/makes inadequate profits in any year, during the tenure of her appointment, for a period of Three (3) years from April 1, 2018 to March 31, 2021.
ii.	Steps taken or proposed to be taken for improvement	N.A.
iii.	Expected increase in productivity and profits in measurable terms	N.A.

ADDENDUM TO NOTICE OF 33RD ANNUAL GENERAL MEETING OF AGC NETWORKS LIMITED

The Board of Directors of the Company at their meeting held on July 5, 2019, approved the Notice for convening the 33rd Annual General Meeting ("AGM") of the members of the Company scheduled to be held on Thursday, 26th September, 2019 at 11:00 A.M. at Yashwantrao Chavan Centre, General Jagannath Bhosle Road, Nariman Point, Mumbai – 400021.

Subsequent to the above, the Company received a notice under Section 160 of the Companies Act, 2013 ("the Act") read with Rule 13 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, from Mr. Deepak Kumar Bansal (DIN: 07495199) proposing his candidature for election to the office of Director of the Company at the ensuing 33rd AGM of the Company.

Further, the Board of Directors ("the Board") of the Company, at their meeting held on August 14, 2019, subject to the approval of the shareholders at this ensuing AGM and such other approvals as may be required, approved the appointment of the Mr. Deepak Kumar Bansal (DIN: 07495199) as an Executive Director of the Company. At the said meeting, the Board approved the special business item (alongwith the explanatory notes and annexures thereon) specified hereinunder and the inclusion of the same in the Notice of the 33rd AGM dated July 5, 2019, as an Addendum to Notice.

In line with the aforesaid, this Addendum to the Notice of 33rd AGM is being circulated to the shareholders in accordance with the applicable provisions of the Act.

The Board of Directors of the Company recommend the following resolution for appointment of Mr. Deepak Kumar Bansal (DIN: 07495199) as an Executive Director, for the approval of the shareholders at the ensuing 33rd AGM, as part of the Special Business, as set forth below:

Item No. 8:

Appointment of Mr. Deepak Kumar Bansal (DIN: 07495199) as an Executive Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of Schedule V of the Act, (including any statutory modifications or re–enactments thereof, for the time being in force) and the Articles of Association of the Company, subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required, appointment of Mr. Deepak Kumar Bansal (DIN: 07495199) as Executive Director of the Company to hold office for a period of 3 (Three) years commencing from September 26, 2019, be and is hereby approved on such terms as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 read with relevant provisions of Section II of Part II of Schedule V of the Act and subject to such other approvals, permissions or sanctions, as may be required, the approval of members be and is hereby granted for issue and exercise of Employee Stock Options granted/to be granted under Employee Stock Option Scheme(s) of the Company to Mr. Deepak Kumar Bansal for the services rendered by him in the capacity of Chief Financial Officer of the Company, notwithstanding the facts that the value of equity shares allotted on exercise of options so granted/to be granted/to be exercised may exceed the ceiling as prescribed under aforesaid provisions of the Act and applicable rule(s), regulation(s) or direction(s) issued by SEBI or any other applicable act or law, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorised to alter and vary the terms and conditions of the said appointment as it may deem fit and as may be acceptable to Mr. Deepak Kumar Bansal, subject to the same not being in contravention of the conditions specified under the provisions of Schedule V to the Act or any statutory modification(s) or re–enactment thereof and subject to such approval(s) as may be required."

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 8:

The Board of Directors of the Company ("the Board") had at its meeting held on August 14, 2019, approved the appointment of Mr. Deepak Kumar Bansal (DIN: 07495199) as an Additional Director of the Company with immediate effect, in accordance with the provisions of Section 161 of the Act, basis the recommendation of the Nomination & Remuneration Committee of the Company. In accordance with the provisions of Section 161(1) of the Act, Mr. Bansal holds office only up to the date, of this AGM of the Company.

Further, the Nomination and Remuneration Committee of the Company at its meeting held on August 14, 2019 recommended for the approval of the Board, the re–appointment of Mr. Deepak Kumar Bansal as an Executive Director at the upcoming AGM for a period of 3 years, which was duly approved by the Board at its meeting held on the same date i.e. August 14, 2019, subject to the approval of the shareholders at this AGM and approval of the Central Government as required under Part I of Schedule V of the Act.

In accordance with the provisions of Section 196(4) of the Act read with the applicable provisions of Part I of Schedule V and the rules made thereunder, the Company is required to obtain the approval of the shareholders by way of passing a **Special Resolution** for the appointment of Mr. Deepak Kumar Bansal as the Executive Director of the Company.

Brief Profile of Mr. Deepak Kumar Bansal:

Mr. Bansal has over 22 years of professional experience with organizations like Reliance Industries, Coca Cola India, Essar, Vedanta and Sujana Group, to name a few. Mr. Bansal brings with himself a diverse corporate finance experience inclined towards fund raising and IPOs. His expertise lies in the fields of Strategic Planning, Acquisition Funding and Working Capital Management. Mr. Deepak Kumar Bansal is currently serving as Chief Financial Officer (CFO) of the Company and is based out of US.

Mr. Bansal has a Bachelor's degree in Commerce and is a qualified Chartered & Cost Accountant.

Further, with respect to the proposed appointment of Mr. Deepak Kumar Bansal, requisite disclosure pursuant to Regulation 36(3) of LODR Regulations, Secretarial Standards on General Meeting ("SS–2") and other applicable disclosures, are provided in **Annexure II** to this Notice.

The Company has also received a notice pursuant to the provisions of Section 160 of the Act from Mr. Bansal, proposing his candidature for the office of an Executive Director of the Company which shall be subject to retirement by rotation. Mr. Bansal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has also consented to act as a Director of the Company.

Further, the Company has granted 71,166 Employee Stock Options to Mr. Bansal during the Financial Year 2018–19, pursuant to the ESOP Scheme 2015 of the Company. Pursuant to Section 2(78) defining "remuneration" and other applicable provisions of Section 197 the Act, the remuneration payable to any Director of the Company shall be inclusive of the value of securities of the Company held by such Director. Consequently, once the said options become vested & exercisable by Mr. Bansal and thereafter in the event Mr. Bansal does exercise the said eligible options, the value of the equity shares of the Company issued to him pursuant to exercise of such options will be considered as remuneration paid to him being the Executive Director of the Company and the value of such options is likely to exceed the ceiling provided under Section II of Part II of Schedule V of the Act.

In terms of the aforesaid provision of Section 197 read with Section II of Part II of Schedule V of the Act, the Board is required to obtain approval of the Shareholders by way of Ordinary/ Special Resolution passed at a General Meeting, for payment of managerial remuneration by the Company to any Director (including MD/WTD/Manager), in the event of inadequacy of profits or incurring losses in any financial year(s).

The proposed terms of appointment of Mr. Deepak Kumar Bansal, as the Executive Director of the Company are as follows:

I) **Salary, Allowances and Commission (hereinafter referred to as "Remuneration"):** None

II) **Perquisites:** None

III) **Other re–imbursements:** Mr. Bansal may be provided reimbursement of reasonable expenses incurred by him while rendering his services to the Company.

IV) **Stock Options:** As may be granted by the Nomination & Remuneration Committee pursuant to Stock Options Scheme of the Company.

V) **Other Terms:**

Subject to the superintendence, control and direction of the Board of Directors, Mr. Bansal shall manage and conduct the business and affairs of the Company as an Executive Director of the Company. He shall not be paid any sitting fee for attending the meetings of the Board or Committee thereof. The appointment can be terminated by Mr. Bansal or the Company, by any party giving to the other Three (3) calendar months' notice in writing.

The Board considers that the appointment of Mr. Bansal as an Executive Director on the Board, would be of immense benefit to the Company. Accordingly, the Board recommends the members to approve appointment and remuneration of Mr. Deepak Kumar Bansal as an Executive Director of the Company as aforesaid, by passing the resolution as set out at Item no. 8 as a **Special Resolution**.

Save and except Mr. Deepak Kumar Bansal (being the proposed appointee) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

By Order of the Board of Directors
For AGC Networks Limited
Sd/–
Aditya Goswami
Company Secretary & Compliance Officer
Membership No. A27365

Place: Mumbai
Dated: August 14, 2019
Registered Office:–
Equinox Business Park (Peninsula Techno Park),
Off Bandra Kurla Complex, LBS Marg, Kurla West,
Mumbai – 400070.
www.agcnetworks.com

NOTES

1) The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning the special business in Item No. 8 as set out above is annexed hereto.

2) All the documents referred to in the accompanying addendum to notice are available for inspection at the Registered Office of the Company on all the working days between 11:00 AM to 1:00 PM up to the date of the Annual General Meeting.

3) Statement giving details of the said Director seeking appointment pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting ("SS–2") is given in this Addendum to Notice.

   The said Director has furnished the requisite consents/declarations in respect of his appointment. The said Director is not related to any Director or to any Key Managerial Personnel of the Company.

4) This Addendum to the Notice of 33rd AGM is available along with the Notice of 33rd AGM on the website of the Company www.agcnetworks.com. The Proxy Form including the resolution proposed hereinabove as item No. 8 is enclosed and also available on the website of the Company.

5) All the processes, notes and instructions relating to e–voting set out for and applicable to the ensuing 33rd AGM as stated in the Notice of 33rd AGM, shall mutatis–mutandis apply to the e–voting for the Resolution proposed in this Addendum to the Notice. Furthermore, Scrutinizer appointed for the ensuing 33rd AGM will act as a Scrutinizer for the Resolution proposed in this Addendum to the Notice.

ADDENDUM TO ANNEXURE II OF NOTICE OF 33RD AGM

Details of the Director(s) seeking appointment/re–appointment in forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standards on General Meeting ("SS–2")]

Name of Director	**Mr. Deepak Kumar Bansal**
Date of Birth **Age**	July 31st, 1975 44 years
Date of first appointment	August 14th, 2019
Expertise in specific functional areas; Qualifications and Brief Resume/Profile	As mentioned at Item No. 8 of the explanatory statement.
Terms of Appointment/Re–appointment or fixing remuneration/variation of such remuneration	As mentioned in Item No. 8 of the explanatory statement.
Remuneration last drawn as Director	NIL
Name/s of other Listed Companies in which Directorship held	NIL
Name/s of other Listed Companies in which the Director holds membership in the Committees	NIL
Shareholding in the Company	6,903 Equity Shares held by relative
Relationship between the Directors inter–se	Unrelated, except being on the Board of AGC Networks Limited
Number of Board Meetings attended during F.Y. 18–19	N.A.*

**The Board of Directors of the Company appointed Mr. Deepak Kumar Bansal as an Additional Director of the Company, effective from August 14, 2019. He has attended Board meetings and Audit Committee meetings during the FY 18–19 as the Chief Financial Officer of the Company on invitation from the Board and Committee respectively.*

ADDENDUM TO ANNEXURE III OF NOTICE OF 33RD AGM

(Pursuant to provisions of Section II, Part II of Schedule V of the Companies Act 2013)

I.	**General information:**	
1.	Nature of industry	Global IT Solutions Provider
2.	Commencement of commercial production	1986
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators for F.Y. 18–19:	• Revenue: ₹ 306.85 Crores • PAT: ₹ 1.28 Crores • EPS: ₹ 0.44/– per share (basic & diluted)

<table>
<tr><td>5.</td><td>Foreign investments or collaborations, if any</td><td>
For details of investment made by the Company, please refer the schedule no. 5 of the Standalone Balance sheet forming part of the Annual Report being sent along with this Notice.
The details of the Shareholding of Foreign Institutional Investors, Foreign Nationals and Foreign Companies in the Company as on 31st March, 2019, is detailed as under:
<table>
<tr><th>Particulars</th><th>No of Shares</th><th>% share–holding</th></tr>
<tr><td>Foreign Portfolio Investors</td><td>16,98,703</td><td>5.71</td></tr>
<tr><td>Foreign Nationals</td><td>0</td><td>0</td></tr>
<tr><td>N.R.I (Non–Rept)</td><td>46,629</td><td>0.16</td></tr>
<tr><td>N.R.I (Rept)</td><td>86,023</td><td>0.29</td></tr>
<tr><td>Foreign Companies</td><td>1,38,84,143</td><td>46.69</td></tr>
<tr><td>Overseas Body Corporates</td><td>400</td><td>0.00</td></tr>
<tr><td>Total</td><td>1,57,15,898</td><td>52.84</td></tr>
</table>
The Company has not entered into any material foreign collaboration.
</td></tr>
</table>

<table>
<tr><td>II.</td><td colspan="2">Information about the Appointee:</td></tr>
<tr><td>1.</td><td colspan="2">Name of Appointee: Mr. Deepak Kumar Bansal</td></tr>
<tr><td>2.</td><td>Background details</td><td> Mr. Deepak Kumar Bansal is the Chief Financial Officer (CFO) of AGC Networks, based out of US. He is also the Director of BBX Main Inc. and BBX Inc. (100% subsidiary of AGC Networks) as well as Director & CFO of Black Box Corporation (100% subsidiary of AGC Networks) since its acquisition by AGC Networks on January 7, 2019. Mr. Bansal has over 22 years of professional experience with organizations like Reliance Industries, Coca Cola India, Essar, Vedanta and Sujana Group, to name a few. Mr. Bansal brings with himself a diverse corporate finance experience inclined towards fund raising and IPOs. His expertise lies in the fields of Strategic Planning, Acquisition Funding and Working Capital Management. </td></tr>
<tr><td>3.</td><td>Past remuneration as Director</td><td>Nil</td></tr>
<tr><td>4.</td><td>Recognition or awards</td><td>Not applicable</td></tr>
<tr><td>5.</td><td>Job profile and his suitability</td><td>Mr. Bansal is primarily responsible for all finance, accounting and control functions which includes Mergers & Acquisitions, Compliance & Governance, Business Planning & Control, MIS & Reporting, Treasury & Cash Flow Management etc. He also provides leadership to business functions to facilitate future growth agenda and corporate strategy.</td></tr>
<tr><td>6.</td><td>Remuneration proposed</td><td>As set out in Item No. 8 of the explanatory statement. The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Act.</td></tr>
</table>

7.	**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**	The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size and profitability.
8.	**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**	Mr. Bansal does not have any material pecuniary relationships with the Company and has no relationship with any of the other managerial personnel of the Company.
9.	**Other Information:**	
i.	**Reasons of loss or inadequate profits**	In the F.Y. 2018–19, the Company has recorded a Net profit of ₹ 1.28 Crores. In line with the applicable provisions of Schedule V of the Act, the Company has sought the prior approval of the shareholders for issue and exercise of Employee Stock Options granted/ to be granted under Employee Stock Option Scheme(s) to Mr. Deepak Kumar Bansal for the services rendered by him in the capacity of Chief Financial Officer of the Company, forming part of the his remuneration under Section 197 and Schedule V of the Act on terms set out in Item No. 8 of the explanatory statement, including in the event the Company incurs losses/ makes inadequate profits in any year, during the tenure of his appointment, for a period of Three (3) years from September 26, 2019.
ii.	**Steps taken or proposed to be taken for improvement**	N.A.
iii.	**Expected increase in productivity and profits in measurable terms**	N.A.

DIRECTORS' REPORT

The Directors of your Company hereby present the Thirty Third (33rd) Annual Report alongwith the audited financial statements (Consolidated and Standalone) of the Company for the Financial Year ("FY") ended March 31, 2019.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on consolidated and standalone basis, for the FY 2018–19 as compared to the previous FY 2017–18 is given below:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	306.85	303.39	1852.74	733.45
Other Income	6.25	5.30	6.39	4.88
Total Income	313.10	308.69	1859.13	738.33
Profit/(Loss) before finance cost, depreciation, exceptional items and tax	**14.67**	**34.25**	**52.96**	**38.18**
Less: Interest and finance charges (Net)	17.05	20.90	44.54	24.96
Less : Depreciation	2.01	2.13	14.65	8.17
Profit/(Loss) before tax & exceptional items	**(4.39)**	**11.22**	**(6.23)**	**5.05**
Add/(Less): Exceptional item	5.67	20.52	(73.12)	14.02
Profit/(Loss) before tax	**1.28**	**31.74**	**(79.35)**	**19.07**
(Add)/Less : Tax	–	–	(0.58)	4.14
Profit/(Loss) after tax	**1.28**	**31.74**	**(78.77)**	**14.93**
Add/(Less): Other Comprehensive Income	0.83	(0.90)	2.14	(0.26)
Total Comprehensive Income for the year	**2.11**	**30.84**	**(76.63)**	**14.67**
Earnings/(Loss) Per Share of ₹ 10/– each before exceptional items:				
Basic: (in ₹)	(1.50)	3.94	(1.93)	0.32
Diluted: (in ₹)	(1.50)	3.91	(1.93)	0.32
Earnings/(Loss) Per Share of ₹10/– each after exceptional items:				
Basic: (in ₹)	0.44	11.15	(26.97)	5.24
Diluted: (in ₹)	0.44	11.06	(26.97)	5.20

FINANCIAL PERFORMANCE

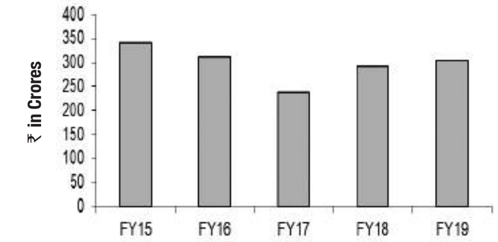
The Company, for the year ended March 31, 2019, recorded a gross turnover of ₹ 306.85 Crores as against ₹ 303.39 Crores for the year ended March 31, 2018 on standalone basis, reflecting a minimal increase of 1.14% over previous year. The muted performance on standalone basis was due to various reasons including spill over of high value orders in Q4 FY19 to Q1 FY20 and shifting of some of the significant orders from India to Singapore Subsidiary of the Company. Slowdown in economy and adverse market conditions further impacted the Standalone revenue during the FY19. On Consolidated basis the gross turnover stood at ₹ 1,852.74 Crores as against ₹ 733.45 Crores in the previous year ended on March 31, 2018. This increase in the consolidated revenue was mainly due to acquisition of Black Box Corporation ("BBC") in January 2019 and consolidation of March 2019 quarter revenues of BBC. Further, the total consolidated revenue of ₹ 1,852.74 Crores comprises of ₹ 1,050.11 Crores added by BBC and its subsidiaries and ₹ 802.63 Crores generated by

AGC India (the Company) alongwith its other existing subsidiaries which implies a substantial increase of 9.4% over previous year's consolidated revenue of ₹ 733.45 Crores.

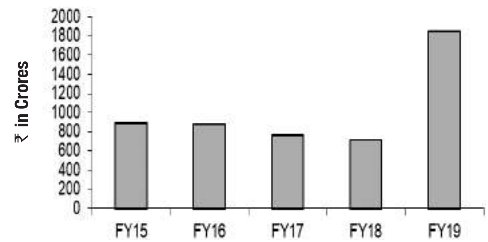
The net profit for the current year stood at ₹ 1.28 Crores as against ₹ 31.74 Crores in the previous year on standalone basis. The decrease in net profit was primarily due to lower gross margins by 2.5% as compared to previous year on account of reduction in margins on products due to high competitive environment and increase in lease rent of various office premises. Further, income from exceptional items was lower in FY19 at ₹ 5.67 Crores as compared to ₹ 20.52 Crores in FY18.

On Consolidated basis, the Company has incurred a net loss of ₹ 78.77 Crores for FY19 against a net profit of ₹ 14.93 Crores for the FY18. However, the Company alongwith its existing subsidiaries (except BBC and its subsidiaries) recorded a net profit of ₹ 10.39 Crores during the FY19 and the total consolidated loss of ₹ 78.77 Crore was primarily attributable to one time acquisition related cost of BBC as well as the severance cost incurred in BBC towards rationalization of manpower to enhance operational efficiencies.

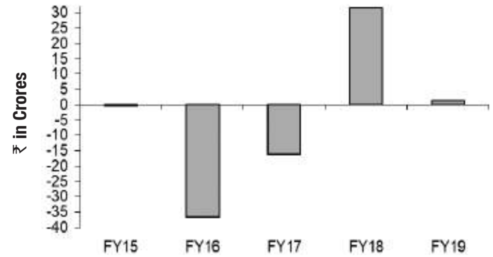
Gross Sales & Services – Last 5 Years (Standalone)



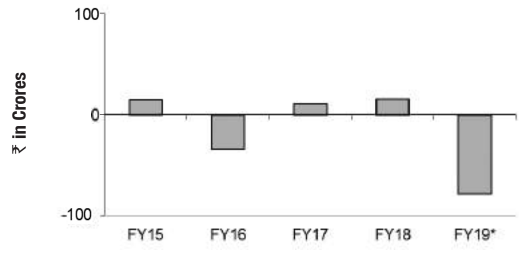
Gross Sales & Services – Last 5 Years (Consolidated)



Profit after Tax – Last 5 Years (Standalone)

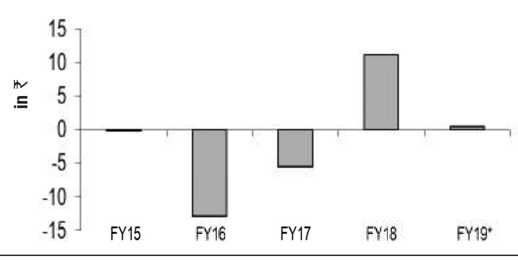


Profit after Tax – Last 5 Years (Consolidated)

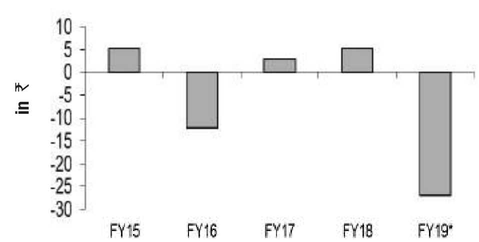


*before exceptional items

Earning per share – Last 5 Years (Standalone)



Earning per share – Last 5 Years (Consolidated)



*before exceptional items

The Company is taking various steps to increase the profitability in BBC and its subsidiaries including that of manpower rationalization, optimization of general and administrative overheads and operational efficiencies. The Company is hopeful to turn around the BBC and its subsidiaries as a profitable business in the FY20 and positive impact is expected to be visible as early as from Q1 FY20.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The information on the affairs of the Company has been covered under the Management Discussion & Analysis forming part of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

SHARE CAPITAL

At the beginning of the FY19, the authorized share capital of the Company was ₹ 1,45,00,00,000/– (Rupees One Hundred and Forty Five Crores Only) divided into 4,50,00,000 equity shares of ₹ 10/– (Rupees Ten only) each and 1,00,00,000 cumulative/non–cumulative preference shares of ₹ 100/– (Rupees One Hundred only) each. The paid–up capital of the Company at the beginning of the FY 2018–19 consisted of paid–up equity capital of ₹ 28,46,64,640/– (Rupees Twenty Eight Crore Forty Six Lakhs Sixty Four Thousand Six Hundred and Forty only) divided into 2,84,66,464 equity shares of ₹ 10/– (Rupees Ten only) each and paid–up preference share capital of ₹ 15,00,00,000/– (Rupees Fifteen Crore only) divided into 15,00,000 Non–Cumulative Non–Convertible Redeemable Preference Shares ("NCRPS") of ₹ 100/– (Rupees One Hundred Only) each.

During the year under review, the Company had changed the terms of 15,00,000 1% NCRPS of ₹ 100/– (Rupees One Hundred Only) each by converting them into 1,50,000 0.01% Compulsorily Convertible Preference Shares ("CCPS") of ₹ 1,000/– each. Accordingly, the Authorized Share Capital of the Company was reclassified to ₹ 1,45,00,00,000/– (Rupees One Hundred and Forty Five Crores Only) divided into 4,50,00,000 equity shares of ₹ 10/– (Rupees Ten only) each and 50,00,000 cumulative/non–cumulative preference shares of ₹ 100/– (Rupees One Hundred only) each and 50,00,000 Convertible Preference Shares of ₹ 100/– (Rupees One Hundred Only) each or any other denomination as may be approved by the Board.

Subsequently, on August 31, 2018, the Company allotted 12,71,185 Equity Shares of ₹ 10/– (Rupees Ten only) each to the existing CCPS holders on conversion of the CCPS as per the terms of issue. Accordingly, the Paid–up Equity Share Capital of the Company increased by ₹ 1,27,11,850/– to ₹ 29,73,76,490/– divided into 2,97,37,649 Equity Shares of ₹ 10/– (Rupees Ten only) each during the year.

DIVIDEND

With a view to conserve resources for future growth, your Directors have not recommended any dividend for the financial year ended March 31, 2019.

TRANSFER TO RESERVE

With a view to facilitate the growth of the Company's business over the coming years, the Board of Directors have recommended that the entire profits generated in the current financial year 2018–19 should be transferred to the reserves of the Company.

ORGANIZATIONAL INITIATIVES

HR priorities for an engaging employee experience

In FY19, AGC introduced a number of initiatives to improve existing HR systems and processes and to develop new tools to enhance overall employee experience.

i) **Talent Acquisition & Employer Branding:**

Technology is undergoing rapid and disruptive changes, so is the skills associated with it. Talent Acquisition team at AGC focuses on acquiring **new skills & technologies** such as Digital Applications, Chat–bots, Voice Biometrics, Speech Analytics, Cyber–security, Robotic Process Automation, Genesys, Trend Micro etc., to build and strengthen an enviable internal talent pool. Dedicated job portals and social media are extensively used to reach out to the potential candidates endowed with niche expertise and onboard them expeditiously. AGC follows an integrated and multi–dimensional approach for ensuring inclusivity and diversity at workplace.

In line with AGC's focus on internal mobility, Global Talent Exchange (GTEx) and Internal Job Postings (IJP) offer employees scope to explore opportunities from within and boost professional development and career growth.

ii) **Talent Development:**

At AGC, the importance of employees being equipped with right set of skills and technology updates is acknowledged. Learning and development interventions at AGC are customized across career levels, skills and domains. Novel learning and development methodologies are introduced to maximize individual capability and performance. In–house learning expertise is being cultivated in the form of dedicated internal trainers, lab set ups and a **Learning Management System (LMS)**. To enable and continue partnerships with core and strategic OEMs (Original Equipment Manufacturers), special importance is assigned towards Key OEM certifications.

iii) **Talent Engagement:**

It is important to get to the pulse of the employees to understand what motivates and engages them and how they perceive their work environment. At AGC, **employee communication** plays a major role in cascading business information amongst internal stakeholders. There are multitudinous internal communication channels at AGC which help AGC leadership team to stay connected with employees at all times and keep them meaningfully engaged.

Diverse calendarized **employee engagement** programs are also undertaken throughout the year to celebrate festivities. AGC, as a responsible corporate entity, relentlessly strive towards adding value to the society through diverse community initiatives within its sphere of operations. AGC's community initiatives are driven by a defined philosophy to reach out to the society at large and help people attain and sustain a valued quality life.

iv) **Reward & Recognition:**

AGC has a robust **Global Reward & Recognition framework** designed to recognize exceptional talents and outstanding business performances. AGC's Reward & Recognition Program comprises of numerous rewards categories based on diverse criterions, spread across functions & geos. The CEO Performance Plus Awards are conferred on distinguished employees to acknowledge their exemplary performances, exceeding business expectations and setting new performance benchmarks.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the year under review, in terms of the provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR Regulation"), is set out as a separate section, forming an integral part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls for ensuring orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information with reference to financial statements.

During the year under review, these internal controls have been subject to audit. For details with regard to reportable material weaknesses in the said controls, if any, please refer the Statutory Auditors' Report forming part of this Annual Report.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits, including from the public and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

SUBSIDIARIES/ HOLDING COMPANY

During the year under review, the following changes took place in Subsidiaries and Holding Company of the Company:

Holding Company(s)

During the year, Essar Telecom Limited ("ETL"), existing immediate holding company, has transferred a part of its stake to Onir Metallics Limited ("OML"), another Promotor Group entity, under an inter–se transfer arrangement. Consequently, ETL has ceased to be the immediate holding company with Essar Global Funds Limited remaining as the Holding Company of the Company. However, ETL continues to be the major shareholder with 46.69% stake in the Company as on March 31, 2019.

Further, Onir Information Technology Limited ("OITL"), another Promotor group entity, was allotted 9,32,203 Equity Shares of ₹ 10/– (Rupees Ten Only) each on conversion of CCPS during the year. Thus, as on March 31, 2019, ETL, OML and OITL (collectively Promoters of the Company) jointly held 1,91,16,346 equity shares of the Company, constituting 64.28% Promoter shareholding in the Company.

Essar Global Fund Limited remains the ultimate Holding Company of the Company.

Incorporations:

a. AGC Networks Australia Pty. Ltd., wholly–owned subsidiary ("WOS") of the Company incorporated AGC Networks New Zealand Limited.

b. AGC Networks Pte. Ltd., wholly–owned subsidiary of the Company incorporated BBX Main Inc. and BBX Inc. as its wholly–owned subsidiary and step–down subsidiary respectively.

Acquisitions:

Black Box Corporation, Pittsburgh, Philadelphia, USA ("BBC"): AGC Networks Pte. Ltd. ("AGC Singapore"), WOS of the Company completed acquisition of Black Box Corporation ("BBC"), headquartered in Pittsburgh, Pennsylvania, USA on January 7, 2019 on completion of tender offer process. Under the terms of the merger agreement, each share of BBC 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 BBC 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 BBC 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 Singapore through its US subsidiaries, effective January 7, 2019.

COPC Holdings Inc., Florida, USA ("COPC"): AGC Networks Pte. Ltd ("AGC Singapore"), WOS of the Company and AGC Networks Inc. ("AGC US"), wholly–owned subsidiary of AGC Singapore, had jointly entered into a Stock Purchase Agreement with COPC Holdings Inc., USA ("COPC") and Global Quality Assurance Limited ("Seller") for acquisition of 100% stake in COPC for a purchase consideration of US$ 5.5 million. The acquisition was effective from January 1, 2019.

As on March 31, 2019, the following are the subsidiaries/step–down subsidiaries of the Company, including the entities which have been inducted into the AGC Group consequent to the aforesaid acquisitions of Black Box Corporation and COPC Holdings Inc.:

Sr. No.	Name of the Entity	Registration Geos	Nature of Relationship
1.	AGC Networks Pte. Ltd	Singapore	Subsidiary Company
2.	AGC Networks Australia Pty. Ltd	Australia	Subsidiary Company
3.	AGC Networks Inc.	US	Step–Down Subsidiary Company
4.	AGC Networks Philippines Inc.	Philippines	Step–Down Subsidiary Company
5.	AGC Networks & Cyber Solutions Limited	Kenya	Step–Down Subsidiary Company
6.	AGC Networks LLC, Dubai	Dubai	Step–Down Subsidiary Company
7.	AGC Networks LLC, Abu Dhabi	Abu Dhabi	Step–Down Subsidiary Company
8.	AGC Networks New Zealand Limited	New Zealand	Step–Down Subsidiary Company
9.	AGCN Solutions Pte. Ltd	Singapore	Step–Down Subsidiary Company
10.	BBX Main Inc.	US	Step–Down Subsidiary Company
11.	BBX Inc.	US	Step–Down Subsidiary Company
12.	Black Box Corporation	US	Step–Down Subsidiary Company
13.	ACS Communications, Inc.	US	Step–Down Subsidiary Company
14.	ACS Dataline, LP	US	Step–Down Subsidiary Company
15.	ACS Investors, LLC	US	Step–Down Subsidiary Company
16.	BB Technologies, Inc.	US	Step–Down Subsidiary Company
17.	BBOX Holdings Mexico LLC	US	Step–Down Subsidiary Company
18.	BBOX Holdings Puebla LLC	US	Step–Down Subsidiary Company
19.	Black Box Corporation of Pennsylvania	US	Step–Down Subsidiary Company
20.	Black Box Network Services, Inc. – Government Solutions	US	Step–Down Subsidiary Company
21.	Black Box Services Company	US	Step–Down Subsidiary Company
22.	CBS Technologies Corp.	US	Step–Down Subsidiary Company
23.	Delaney Telecom, Inc.	US	Step–Down Subsidiary Company
24.	Norstan Communications, Inc.	US	Step–Down Subsidiary Company
25.	Nu–Vision Technologies, LLC	US	Step–Down Subsidiary Company
26.	Black Box Network Services Australia Pty Ltd	Australia	Step–Down Subsidiary Company
27.	Black Box GmbH	Austria	Step–Down Subsidiary Company
28.	Black Box Network Services NV	Belgium	Step–Down Subsidiary Company
29.	Black Box do Brasil Industria e Comercio Ltda.	Brazil	Step–Down Subsidiary Company
30.	Black Box Canada Corporation	Canada	Step–Down Subsidiary Company
31.	Norstan Canada, Ltd./Norstan Canada, Ltée	Canada	Step–Down Subsidiary Company
32.	Black Box Holdings Ltd.	Cayman Islands	Step–Down Subsidiary Company
33.	Black Box Chile S.A.	Chile	Step–Down Subsidiary Company
34.	Black Box E–Commerce (Shanghai) Co., Ltd.	China	Step–Down Subsidiary Company
35.	Black Box A/S	Denmark	Step–Down Subsidiary Company
36.	Black Box Network Services (UK) Limited	England	Step–Down Subsidiary Company
37.	Black Box Finland OY	Finland	Step–Down Subsidiary Company
38.	Black Box France	France	Step–Down Subsidiary Company
39.	Black Box Deutschland GmbH	Germany	Step–Down Subsidiary Company
40.	Black Box Network Services India Private Limited	India	Step–Down Subsidiary Company
41.	Black Box Network Services (Dublin) Limited	Ireland	Step–Down Subsidiary Company
42.	Black Box Software Development Services Limited	Ireland	Step–Down Subsidiary Company

Sr. No.	Name of the Entity	Registration Geos	Nature of Relationship
43.	Black Box Network Services S.r.l.	Italy	Step–Down Subsidiary Company
44.	Black Box Network Services Co., Ltd.	Japan	Step–Down Subsidiary Company
45.	Black Box Network Services Korea Limited	Korea	Step–Down Subsidiary Company
46.	Black Box Network Services SDN. BHD.	Malaysia	Step–Down Subsidiary Company
47.	Black Box de Mexico, S. de R.L. de C.V.	Mexico	Step–Down Subsidiary Company
48.	Black Box International B.V.	Netherlands	Step–Down Subsidiary Company
49.	Black Box International Holdings B.V.	Netherlands	Step–Down Subsidiary Company
50.	Black Box Network Services New Zealand Limited	New Zealand	Step–Down Subsidiary Company
51.	Black Box Norge AS	Norway	Step–Down Subsidiary Company
52.	Black Box P.R. Corp.	Puerto Rico	Step–Down Subsidiary Company
53.	Black Box Network Services Singapore Pte Ltd	Singapore	Step–Down Subsidiary Company
54.	Black Box Comunicaciones, S.A.	Spain	Step–Down Subsidiary Company
55.	Black Box Network Services AB	Sweden	Step–Down Subsidiary Company
56.	Black Box Network Services AG	Switzerland	Step–Down Subsidiary Company
57.	Black Box Network Services Corporation	Taiwan	Step–Down Subsidiary Company
58.	Servicios Black Box S.A. de C.V.	Mexico	Step–Down Subsidiary Company
59.	COPC Holdings Inc.	US	Step–Down Subsidiary Company
60.	COPC Inc.	US	Step–Down Subsidiary Company
61.	COPC International Inc.	US	Step–Down Subsidiary Company
62.	COPC Asia Pacific Inc.	US	Step–Down Subsidiary Company
63.	COPC International Holdings LLC.	US	Step–Down Subsidiary Company
64.	COPC India Private Limited	India	Step–Down Subsidiary Company
65.	COPC Consultants (Beijing) Co. Limited	China	Step–Down Subsidiary Company

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

The particulars of loan(s) given, investment(s) made, guarantee(s) given and/or securities provided by the Company along with the purpose for which such amount of loan, guarantee or security is proposed to be utilized by the recipient, has been provided in the notes to financial statements.

STATUTORY AUDITORS AND THEIR REPORT

M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Registration No. 001076N/N00013), hold the office of the Statutory Auditors of the Company till the conclusion of the ensuing 33rd Annual General Meeting (“AGM”) of the Company. Thus, the term of M/s. Walker Chandiok & Co. LLP, Chartered Accountants as the Statutory Auditor of the Company shall expire upon conclusion of the ensuing AGM.

In accordance with the applicable provisions of Section 139 of the Companies Act, 2013 (“the Act”), M/s. Walker Chandiok & Co. LLP, Chartered Accountants have completed a consecutive period of 5 years since their first appointment as Statutory Auditor of the Company. However, in terms of Section 139(2) of the said Act, they are eligible to be re–appointed for a further period upto 5 years. Accordingly, it is proposed to re–appoint M/s. Walker Chandiok & Co. LLP, Chartered Accountants as the Statutory Auditor of the Company for a period of 5 years commencing from conclusion of the ensuing 33rd AGM till the conclusion of 38th AGM of the Company, subject to the approval of the members at the ensuing AGM.

M/s. Walker Chandiok & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Act read with the applicable provisions of Companies (Audit and Auditors) Rules, 2014.

Statutory Auditors' Report

The Statutory Auditors' Report on the financial statements of the Company (standalone & consolidated) for the financial year ended March 31, 2019, has been annexed to the financial statements contained in this Annual Report. The Statutory Auditors have expressed their qualifications/reservations on the standalone & consolidated financial statements of the Company in the said report which particularly relates to previous years and has no relevance w.r.t dealings of the Company in the FY19. Further, the said reservation/qualifications pertaining to the previous years alongwith the management's response on the same is given below:

A. Standalone Audit Report

(i) *"As stated in point no. 3 of the Auditors' Report on Standalone Financial Statements of the Company, 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 ₹ 0.74 Crores, and recorded profit on such sale amounting to ₹ 40.85 Crores (net of incidental selling expenses amounting to ₹ 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 ₹ 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 ₹ 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 ₹ 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 ₹ 0.02 Crores respectively (quarter ended 31 December 2018: Nil, quarter ended 31 March 2018: ₹ 0.01 Crores, year ended 31 March 2018: ₹ 0.04 Crores). The balance consideration receivable from the buyer in the first sale transaction amounting to ₹ 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: ₹ 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) *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."

Management's views on the above:

During the year ended 31 March 2015, the Company had 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 ₹ 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 ₹ 40.85 Crores (net of incidental expenses ₹ 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 ₹ 23.51 Crores and the Company has recorded the differential amount of ₹ 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 ₹ 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 and the aforesaid qualification/reservation shall have no impact on financials of the Company going forward.

B. Consolidated Audit report

(i) As stated in point no. 3 of the Auditors' Report on Consolidated Financial Statements of the Company, 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 ₹ 0.74 Crores, and recorded profit on such sale amounting to ₹ 40.85 Crores (net of incidental selling expenses amounting to ₹ 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 ₹ 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 ₹ 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 ₹ 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 ₹ 0.02 Crores respectively (quarter ended 31 December 2018: Nil, quarter ended 31 March 2018: ₹ 0.01 Crores, year ended 31 March 2018: ₹ 0.04 Crores). The balance consideration receivable from the buyer in the first sale transaction amounting to ₹ 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: ₹ 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) "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."

Management's views on the above:

During the year ended 31 March 2015, the Company had 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 ₹ 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 ₹ 40.85 Crores (net of incidental expenses ₹ 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 ₹ 23.51 Crores and the Company has recorded the differential amount of ₹ 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 ₹ 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 and the aforesaid qualification/reservation shall have no impact on financials of the Company going forward.

SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204(1) of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit of the Company was carried out by Dr. S. K. Jain, Practicing Company Secretary (FCS No. 1473) for the financial year 2018–19. The Report given by the Secretarial Auditor is annexed as Annexure – I and forms an integral part of this Report. There is no qualification, reservation or adverse remark or disclaimer in their Report.

REPORTING OF FRAUDS BY THE AUDITORS

During the year under review, the Auditor has not reported to the Audit Committee or the Board, pursuant to the provisions of Section 143(12) of the Act, any fraud committed against the Company by its employees or officers.

COST RECORDS AND COST AUDIT

The maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business and activities carried out by the Company.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several benchmark corporate governance practices as prevalent globally. The Corporate Governance Report as stipulated under the LODR Regulations, forms an integral part of this Annual Report. Further, in accordance with the applicable provisions of Schedule V of the said Regulations, a compliance certificate issued by M/s. S. K. Jain & Co., Practicing Company Secretaries (ICSI Certificate of Practice No. 3076), confirming that the Company has complied with the conditions of corporate governance is annexed herewith and marked as Annexure II.

NUMBER OF BOARD MEETINGS

During the FY 2018–19, Eleven (11) Board meetings were held. Further detail on the same is available in the Corporate Governance Report which forms part of the Annual Report.

EMPLOYEES' STOCK OPTION SCHEME

The Nomination and Remuneration Committee of the Board of Directors of the Company granted stock options as per the terms of ESOP Scheme 2015 (approved by the shareholders at their meeting held on April 21, 2015), to the employees and directors of the Company as well as its subsidiaries. The following table shows detailed information with regards to the same:

Total options granting eligibility of the Company (A)	**14,23,323**
Total options granted as on 31.3.2018 (B)	13,25,114
Total options lapsed as on 31.3.2018 (C)	8,53,994
Options available for grant as on 31.3.2018 (D) = (A–B+C)	**9,52,203**
Options granted during the FY 2018–19 (E)	1,70,799
Options lapsed during the FY 2018–19 (F)	15,657
Options available for grant as on 31.3.2019 (G) = (D–E+F)	**7,97,061**

The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and web link of the same is http://www.agcnetworks.com/in/investors/#esop.

TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND/SHARES TO IEPF

The dividends which remained unpaid/unclaimed for a period of more than seven consecutive years, have been transferred on due dates by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Pursuant to the applicable provisions of Section 124 of the Act and the applicable provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), the Company is required to transfer all amounts of dividend that has remained unpaid or unclaimed for a period of seven years, from its unpaid dividend account to the IEPF Fund. Further, according to the applicable provisions of the said section read with the rules made thereunder, the Company is also required to transfer the corresponding shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to the demat account of the IEPF Authority.

Accordingly, the Company has transferred unpaid/unclaimed dividends alongwith the corresponding shares to IEPF Fund within the time limits prescribed under the said section and rules. The details of the shares already transferred and the shares which are due for transfer have been uploaded on the website of the Company and can be accessed at http://www.agcnetworks.com/in/investors/#iepf.

In accordance with the applicable provisions of the LODR Regulations, it is disclosed that there were no shares lying in the demat suspense account/unclaimed suspense account of the Company at the beginning of FY 18–19, during FY 18–19 as well as at the end of the FY 18–19.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Directors of the Company, including the Independent Directors, are provided with necessary documents/brochures, reports and internal policies to facilitate their familiarization with the procedures and practices followed by the Company. Further, periodic presentations are made at the meetings of the Board of Directors and its various Committees, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on new amendments, circulars and notifications issued by the regulatory authorities including ROC, RBI and SEBI which mandates further compliances for the Company and landmark judicial pronouncements encompassing important laws are regularly informed to the Directors in the Board/Committee meetings.

Further, at the time of appointment of any Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities alongwith Code of Conduct to be adhered by the Directors.

VIGIL MECHANISM

The Vigil Mechanism of the Company in terms of the LODR Regulations, has been established through the Whistle Blower Policy/Policy on Vigil Mechanism of the Company. Protected disclosures can be made by a Whistle Blower through an e–mail or a letter to the Chief Ethics Officer or to the Chairman of the Audit Committee. The Policy on Vigil Mechanism/Whistle Blower Policy may be accessed on the Company's website at the link https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Whistle–Blower–Policy.pdf

PERFORMANCE EVALUATION

In terms of the requirement of the Companies Act, 2013 and LODR Regulations, annual performance evaluation of the Board, the Chairman of the Board, Independent and Non–Independent Directors and various Committees of the Board was undertaken.

The evaluation was carried out through a Digital Platform on questionnaire based rating assessment mechanism where the evaluators were requested to give rating for each criteria set for evaluating the performance of the Director or the Committee of which, the performance was being evaluated. The board evaluation process was focused around how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks. The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with management.

Additionally, during the evaluation process, the Board also focused on the contribution being made by the Board as a whole, through Committees. The overall assessment of the Board concluded that it was functioning as a cohesive body including the Committees of the Board that were functioning effectively.

EXTRACT OF ANNUAL RETURN

In terms of Section 134(3)(a) of the Act, the extract of Annual Return of the Company in the prescribed Form No. MGT–9 for the Financial Year 2018 – 19, has been placed on the website of the Company and can be accessed at:
https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Extracts–of–Annual–Return–FY–2018–19.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”)

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every AGM, not less than two–third of the total number of directors of a public company (excluding the independent directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation. Accordingly, Mrs. Mahua Mukherjee, Executive Director of the Company shall retire by rotation at the ensuing AGM and being eligible seeks re–appointment.

During the year, following changes took place in the composition of the Board of Directors and Key Managerial Personnel (“KMP”) of the Company:

Name	Event	Designation	Date of Event
Mrs. Suparna Singh	Resignation	Non–Executive Director	April 5, 2018
Mrs. Mahua Mukherjee	Appointment	Executive Director	April 5, 2018
Mr. Kaustubh Sonalkar	Appointment	Non–Executive Director	June 15, 2018
Mr. Kaustubh Sonalkar	Resignation	Non–Executive Director	January 17, 2019
Mr. Naresh Kothari	Appointment	Non–Executive Director	January 17, 2019

As on March 31, 2019, the Company had the following KMPs:

- Mr. Sanjeev Verma, Whole–Time Director
- Mrs. Mahua Mukherjee, Executive Director
- Mr. Deepak Kumar Bansal, Chief Financial Officer
- Mr. Aditya Goswami, Company Secretary & Compliance Officer

The Company has received declarations from all the Independent Directors on its Board, confirming that he/she meets all the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of LODR Regulations and that he/she is not aware of any circumstance/situation, which exists or may be reasonably anticipated, that could impair/impact his/her ability to discharge the duties of an Independent Director with objective independent judgment or without any external influence.

For detailed composition of Board of Directors and various Committees, kindly refer the Corporate Governance Report forming part of the Annual Report.

The Company has devised a Policy for performance evaluation of Directors, Board and Senior Management which include various criteria for performance evaluation of the same. The Company has also devised remuneration policy. These policies are annexed to this report as Annexure III and IV respectively.

COMMITTEES OF THE BOARD

The details relating to various Committees constituted by the Board of Directors of the Company are mentioned in the 'Corporate Governance Report', which forms a part of the Annual Report.

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

Pursuant to the provisions of Regulation 17(5) of the LODR Regulations, a Code of Conduct for the Directors & Senior Management of the Company has been formulated & approved by the Board of Directors. Further, in accordance with the provisions of Regulation 26(3), all Directors & members of Senior Management of the Company have affirmed compliance with the said Code of Conduct during the Financial Year 2018–19.

The said Code of Conduct is accessible on the Company's website at the link:
https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Code–of–Conduct–Directors–Senior–Management.pdf

Further, pursuant to the provisions of Regulation 34(3) of the LODR Regulations read with Schedule V Part D, Mr. Sanjeev Verma, Whole–Time Director, has issued a declaration stating that all the Directors and members of Senior Management of the Company have complied with the Code of Conduct of the Company during the FY19. The said declaration has been disclosed in the Corporate Governance Report forming part of the Annual Report.

PERSONNEL

The Board places on record its appreciation for the hard work and dedicated efforts put in by all the employees. The relations between the management and employees continue to remain cordial on all fronts.

The statement of particulars of appointment and remuneration of managerial personnel and employees of the Company as required under Section 197(12) of the Act read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure V.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

POLICY ON PREVENTION OF GENDER HARASSMENT AT WORKPLACE AND INTERNAL COMPLAINTS COMMITTEE ("ICC")

The Company has in place a policy for prevention, prohibition and redressal of gender harassment at workplace. Appropriate reporting mechanisms are in place for ensuring protection against gender harassment and the right to work with dignity.

Further, in accordance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company had constituted an Internal Complaints Committee ("ICC") to consider and resolve of sexual harassment complaints raised by the employees of the Company. The constitution of the ICC is in accordance with the applicable provisions of the said Act.

During the year under review, the Company has not received any complaints in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

(i) Part A pertaining to conservation of energy is not applicable to the Company.

(ii) Part B pertaining to particulars relating to technology absorption is as per Annexure VI to this report.

(iii) Part C pertaining to foreign exchange earnings and outgoings is as mentioned below:

Expenditure in foreign currency (accrual basis)	FY 2018–19	FY 2017–18
	₹ in Crores	**₹ in Crores**
Service charges	12.63	8.59
Travelling and conveyance	1.27	1.26
Expenses reimbursement paid	0.85	0.77
Other items	0.49	0.33
Total	**15.24**	**10.95**
Earnings in foreign currency (accrual basis)	**FY 2018–19**	**FY 2017–18**
	₹ in Crores	**₹ in Crores**
Sale of goods and services (Including sale from overseas branch and to Export Oriented Units)	15.13	20.08
Commission income	0.74	1.02
Expenses reimbursement received	14.72	12.19
Total	**30.59**	**33.29**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link:
https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Corporate–Social–Responsibility–policy–Revised.pdf

The Report on CSR activities is annexed herewith marked as Annexure VII.

RISK MANAGEMENT POLICY

The Company has a comprehensive Risk Management Policy in place which clearly indicates all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks that have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. In terms of Regulation 21(5) of the said Regulations, 2015, the provisions of constituting Risk Management Committee were not applicable to the Company during the FY19.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Company's policy on materiality of related party transactions. Most of these are purchase/sales transactions and maintenance services transactions which are of the duration of 3 months to 12 months. Your Directors draw attention of the members to Note no. 36 (Consolidated) and Note No. 33 (Standalone) to the financial statement which sets out related party disclosures.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:
https://www.agcnetworks.com/in/wp–content/uploads/2016/08/Related_Party_Transaction_policy.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019 and of the profit/(loss) of the Company for the financial year ended on the said date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY19.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Further, no penalties have been levied by SEBI or any other Regulators during the year under review.

ACKNOWLEDGEMENTS

The Board is thankful to the Shareholders, Bankers and Customers of the Company for their continued support. It also takes this opportunity to express gratitude to its various suppliers and its partners for their continued co–operation, support and assistance. Above all, the Board expresses its appreciation to each and every employee for his / her contribution, dedication and sense of commitment to the Company's objectives.

For and on behalf of the Board of Directors

Sanjeev Shekhar Verma	**Mahua Mukherjee**
Whole–Time Director	**Executive Director**
DIN: 06871685	**DIN: 08107320**

Mumbai
July 5, 2019

ANNEXURE I TO DIRECTORS' REPORT

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANICAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members
AGC NETWORKS LIMITED,
Equinox Business Park (Peninsula Techno Park),
Off. Bandra Kurla Complex,
LBS Marg, Kurla (West),
Mumbai–400070.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AGC NETWORKS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board–processes and compliance–mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **'Annexure–I'** for the financial year ended on **31st March, 2019** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositaries Act,1996 and the Regulations and Bye– laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;The Company has complied with Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):–

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, presently known as SEBI (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any Debt Securities during the financial year under review)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the financial year under review)**

h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not applicable as the Company has not brought back / propose to buy–back any of its securities during the financial year under review)**

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. Other laws specifically applicable to the Company are:

a) Information Technology Act, 2000 as amended up to date and the rules made thereunder;

b) The Trade Marks Act, 1999;

I have also examined Compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India

I have also examined the books, papers and returns filed and other records maintained by **AGC NETWORKS LIMITED** for the Financial Year ended on **31st March, 2019** according to the provisions of various other Laws applicable, including the Rules made thereunder, and amended from time to time, to the Company, as informed by the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non–compliances that have come to our knowledge.

I further report that,

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non–Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in case of Board Meetings held at shorter notice, the Company has complied with the applicable provisions of the Companies Act, 2013, read with the rules made thereunder, if any and provisions of the Secretarial Standards on Board Meeting ("SS–1") issued by Institute of Company Secretaries of India (ICSI).
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meeting of the Board of Directors or Committee of the Board, as the case may be.

I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, 1961; Goods and Services Tax Act, 2017 and The Customs Act, 1962.I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. referred to above.

I further report that during the audit period the Company has the following specific events:

1. Pursuant to consent received from Onir Information Technology Limited (formerly known as Essar Information Technology Limited) ("OITL") on 30/03/2018, the Board of Directors in its meeting held on 05/04/2018 extended the term of 1% Non–Cumulative Non–Convertible Redeemable Preference Shares ("NCRPS") by a period of 5 Years on the revised Terms and Conditions.

2. The Board of Directors of the Company passed Resolution dated 13/06/2018 through Circulation approving Split of NCRPS of Face Value of ₹ 100/– each held by EITL into 3 Share Certificates of 11,00,000 NCRPS, 3,56,250 NCRPS and 43,750 NCRPS and for approval of transfer of 3,56,250 NCRPS and 43,750 NCRPS from OITL to Quick Realtors LLP & Miloni Vipul Modi, respectively.

3. The Shareholders of the Company at 32nd Annual General Meeting held on 01/08/2018 accorded their approval for Re–classification of Authorised Share Capital and consequent alteration of Memorandum and Articles of Association.

4. The Shareholders of the Company at 32nd Annual General Meeting held on 01/08/2018 accorded their approval to the Board of Directors to Change/Alter/Vary/Replace the existing terms and nature of NCRPS of ₹ 100/– each issued by the Company to 1,50,000 0.01% Compulsorily Convertible Preference Shares ("CCPS") of Face Value of ₹ 1,000/– each on consolidation of 10 existing NCRPS of ₹ 100/– each. NSE and BSE also granted In–Principle approval on 03/08/2018 and 09/08/2018 respectively for listing of Equity Shares post conversion of CCPS.

5. The Board of Directors of the Company passed Resolution dated 13/08/2018 through Circulation approving Allotment of 1,50,000 CCPS of ₹ 1,000/– each to OITL (1,10,000 CCPS), Quick Realtors LLP (35,625 CCPS) and Miloni Vipul Modi (4,375 CCPS).

6. The Board of Directors of the Company passed Resolution dated 31/08/2018 through Circulation approving conversion of 1,50,000 CCPS of ₹ 1,000/– each into 12,71,185 Equity Shares of Face Value of ₹ 10/– each at ₹ 118/– per share (including a premium of ₹ 108/– per share) aggregating to an amount of ₹ 14,99,99,830/–and approved allotment of the said shares to OITL (9,32,203), Quick Realtors LLP (3,01,906) and Ms. Miloni Vipul Modi (37,076). The fractional amount aggregating to ₹ 170/– was also approved and settled through cash payment.

7. Mrs. Suparna Singh (DIN: 07142898) resigned as Non–Executive Director with effect from 05/04/2018. She was a member of Nomination and Remuneration Committee till she resigned on 05/04/2018. For the period from 05/04/2018 to 14/06/2018, The Nomination and Remuneration Committee comprised of Mr. Dilip Thakkar and Mr. Sujay Sheth, Non–Executive Independent Directors of the Company. Mr. Kaustubh Sonalkar (DIN: 06956678) was appointed as an Additional Director with effect from 15/06/2018 and was also inducted as member of the said committee with effect from the said date.

8. Mrs. Mahua Mukherjee (DIN: 08107320) was appointed as an Additional Director with effect from 05/04/2018. The Shareholders of the Company approved the appointment of Mrs. Mahua Mukherjee as an Executive Director by passing a resolution at the Annual General Meeting held on 01/08/2018.

9. Mr. Kaustubh Sonalkar (DIN: 06956678) was appointed as an Additional Director with effect from 15/06/2018. The shareholders approved the appointment of Mr. Kaustubh Sonalkar as a Non–Executive Director by passing a resolution at the Annual General Meeting dated 01/08/2018. The said Director resigned from the Directorship with effect from 17/01/2019.

10. Mr. Naresh Kothari (DIN: 00012523) was appointed as an Additional Director with effect from 17/01/2019.

11. The Board of Directors in its Meeting held on 17/01/2019 took on record Acquisition of Black Box Corporation by AGC Networks Pte Ltd, ('AGC Singapore'), Wholly–Owned Subsidiary ('WOS') of the Company, through its indirect WOS in USA which has completed the said acquisition on 07/01/2019.

12. Mr. Jayantha N Prabhu (Business Head–India) and Mr. Deepak Kumar Bansal (Chief Financial Officer) were granted 99,633 and 71,166 Stock Options respectively by the Nomination & Remuneration Committee at its meeting held on 15/06/2018 pursuant to the Employee Stock Options Scheme – 2015.

For S. K. Jain & Co.
Dr. S. K. Jain
Practicing Company Secretary
FCS No: 1473
C P No: 3076

Place: Mumbai
Date: 22/05/2019

This report is to be read with our letter of even date which is annexed as **"Annexure – III"** and forms an integral part of this report.

ANNEXURE–I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2018.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Ethics Compliance Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee along with Attendance Register held during the Financial Year under review.
4. Minutes of General Body Meetings held during the Financial Year under review.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under review.
8. E–Forms filed by the Company, from time–to–time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under review.

ANNEXURE–II

List of applicable laws to the Company

1. The Payment of Bonus Act, 1965;
2. The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
3. The Payment of Gratuity Act, 1972;
4. The Profession Tax Act, 1975;
5. The Bombay Shops and Establishment Act, 1948;

6. The Maternity Benefit Act, 1961;
7. The Sexual Harassment at Workplace (Prohibition, Prevention and Redressal) Act, 2013;
8. The Bombay Stamp Act. 1958.

ANNEXURE–III

To,
The Members
AGC NETWORKS LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. K. Jain & Co.
Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
C P No.: 3076

Place: Mumbai
Date: 22/05/2019

ANNEXURE II TO DIRECTORS' REPORT

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To
The Members
AGC NETWORKS LIMITED
Equinox Business Park (Peninsula Techno Park),
Off. Bandra Kurla Complex,
LBS Marg, Kurla (West),
Mumbai – 400070

We have examined the compliance of conditions of Corporate Governance by **AGC NETWORKS LIMITED** for the year ended on **31st March, 2019**

We certify that the Company has complied with the condition of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Managements Responsibility

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person of for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. K. Jain & Co.
Dr. S. K. Jain
Practicing Company Secretary
Proprietor
FCS No.: 1473
C P No.: 3076

Place: Mumbai
Date: 16/05/2019

ANNEXURE III TO DIRECTORS' REPORT

POLICY FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS OF AGC NETWORKS LIMITED

1. INTRODUCTION:

AGC NETWORKS LIMITED (hereinafter referred to as **"the Company"**) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company's Code of Conduct policy for its Board of Directors and Senior Management Personnel. The honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy. Any actual or potential violation of this Code by the Board Directors would be the matter of serious concern for the Company.

Therefore, the Company has made this Policy to comply with various provisions under the Listing Agreement entered into by the Company and Stock Exchanges in India as per the SEBI Regulations published vide its Circular No. CIR / CFD / POLICY CELL / 2 / 2014 dated April 17, 2014 as amended and published vide its Circular No.CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and also the formal annual evaluation made by the Board of Directors of its own performance (self–appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub–section (3) of Section 134 of the Companies Act, 2013. The Nomination & Remuneration Committee shall evaluate the performance of the each Board of Director as per subsection (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made thereunder.

2. DEFINITIONS:

"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re–enactment thereof.

"**The Company**" shall mean **AGC NETWORKS LIMITED**

"**The Director**" or "**the Board**" in relation to the Company shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

"**The Independent Director**" shall mean an Independent Director as defined under section 2 (47) read with section 149 (6) of the Act.

"**The Policy**" or "**This Policy**" shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

"**The Committee**" or "**This Committee** "shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Companies Act, 2013.

3. OBJECTIVE:

The Board is ultimately responsible for the sound and prudential management of the Company.

Performance evaluation is the process of both formally and informally providing feedback about an individual's implementation of his / her responsibilities. The Object of this policy is to formulate procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

4. **VARIOUS KINDS OF PERFORMANCE EVALUATION:**

A. **EVALUATION OF THE PERFORMANCE:**

The Committee shall evaluate the performance of each Director and Senior Management of the Company on the basis of the criteria of Evaluation and rating of Performance as per clause 6 and 7 of this Policy.

Based on the performance evaluation of each and every Director and Senior Management of the Company, the Committee shall provide the ratings based on each criteria and sub–criteria. The detail process of evaluation and ratings thereon are mentioned in the clause 6 and 7 of this policy respectively.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

B. **EFFECTIVENESS OF THE BOARD:**

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re–appointments and Removal of the non–performing Directors of the Company.

5. **SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS:**

Evaluation of the Executive Directors of the Company shall be carried out by entire Board except the Director being evaluated. The meeting for the purpose of evaluation of performance of Board Members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Nomination and Remuneration Committee for performance evaluation on its web site for the reference and also in the Annual Report of the Company.

6. **CRITERIA FOR EVALUATION OF PERFORMANCE:**

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board specified in Annexure – 1 (Board Member Feedback) as available on the website of the Company.

7. **PROCEDURE TO RATE THE PERFORMANCE:**

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of each and every Director.

The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

8. **AMENDMENTS:**

The Company reserves its right to amend or modify this Policy as may be considered appropriate at any time.

ANNEXURE IV TO DIRECTORS' REPORT

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Policy Name	Nomination & Remuneration Policy
Purpose	To provide guidelines and restrictions with regards to the appointment and compensation of Directors, Key Managerial Personnel and other senior employees for fulfillment of their employment obligations within AGC Networks Limited ("the Company").
Aims and Objectives	This policy is intended to ensure that: • All Directors and Executives of the Company are recognized and rewarded for their performance in a fair and equitable manner; • To ensure that remuneration paid to Directors and Executives is competitive, enabling the Company to attract and retain employees capable of meeting the Company's needs and service delivery obligations; and • To reward Directors and Executives for achieving pre–determined Company, Departmental as well as personal/individual performance targets and goals.
Policy Custodian	Compliance Officer
Approving Authority	Recommended by Nomination and Remuneration Committee ("the Committee") and approved by the Board of Directors of the Company ("the Board").
Applicability	This policy applies to all the Directors, Key Managerial Personnel and other permanent senior employees as may be decided by the Committee.
Policy Benchmark and References	As required under section 178 of the Companies Act, 2013 ("the Act") and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

PREFACE:

AGC Networks Limited (hereinafter called and referred to as "the Company") believes in conducting its affairs in a fair and transparent manner by adopting highest standard of professionalism and good Corporate Governance Practices. The Company is committed to ensure that equitable remuneration is paid to all directors and employees of the Company. In order to attract and retain qualified and skilled directors and executives, to fill vacancies at all levels, it is the Company's aim to maintain fair and competitive remuneration consistent with industry practices and all necessary regulations.

APPLICABILITY OF THIS POLICY:

Directors, Key Managerial Personnel and other Senior Employees as may be decided by the Committee or Board of the Company, subject to the approval of members in the General Meeting for their appointment wherever applicable and subject to the provisions of the Companies Act, 2013 shall be remunerated in line with the service agreement.

CATEGORIES OF EMPLOYEES COVERED UNDER THIS POLICY:

- Directors which includes Whole–Time or Executive Directors and Non–Executive or Independent Directors.
- Key Managerial Personnel as defined under Section 2 (51) of the Act.
- Senior Management i.e. the employees designated as Vice–President and above (normally include the first layer of the management below the Board level).

As per Companies Act 2013:

"Key Managerial Personnel", in relation to a company, means—

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole–time director;

(iv) the Chief Financial Officer;

(v) such other officer, not more than one level below the directors who is in whole–time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed.

As per Listing Regulations:

"Senior Management" includes officers or personnel of the Company who are members of the core management team of the Company excluding the Directors and normally comprising of all the members of management one level below the Chief Executive Officer/ Managing Director/Whole–Time Director/Manager (including the Chief Executive Officer/Manager). The Chief Financial Officer and Company Secretary are specifically included in this definition of Senior Management.

GENERAL POLICY STATEMENT:

The role of the committee shall, inter–alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;

5. Recommend to the Board the extension of the appointment of the independent Directors based on their performance evaluation; and

6. Recommend to the Board all remuneration, in whatever form, payable to Senior Management.

The Nomination and Remuneration Committee shall ensure that—

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long–term performance objectives appropriate to the working of the company and its goals:

Provided that such policy shall be disclosed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy, shall be disclosed in the Board's report.

The Nomination and Remuneration Policy of the Company is performance driven and is structured to motivate directors and employees, recognize their merits and achievements and promote excellence in their performance. Individual performance pay is determined by business performance and the performance of the individuals is measured through the annual appraisal process. Through compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce that will ensure the long term sustainability of the Company and create a competitive advantage in the development field.

The remuneration of the Board members and the senior executives is based on the Company's size and global presence, its economic and financial position, industrial trends, compensation paid by the peer companies etc. Compensation reflects the Board members and executives responsibility and performance.

TERMS OF REFERENCE OF THE COMMITTEE:

i. To identify persons who are qualified to become directors and who may be appointed in senior management level in accordance with the criteria laid down in Schedule I of this policy.

ii. To recommend to the Board, appointment and removal of the directors and evaluation of every director's performance as laid down in Scheduled I of this policy.

iii. To formulate the criteria for determining qualifications and positive attributes of the Directors.

iv. To deal with the matters relating to the remuneration payable to Whole time Directors, Key Managerial Personnel and Senior Management Executives and commission, if any, to be paid to Non–Executive directors, apart from sitting fees.

v. To review the overall compensation policy, service agreement and other employment conditions of Whole time Directors, Key Managerial Personnel and Senior Management Executives which include the employees designated as Vice–President and above (normally include the first layer of management below the Board level).

vi. To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.

THE LEVEL AND COMPONENTS OF REMUNERATION

Remuneration of Whole–Time Directors, Key Managerial Personnel and Senior Executives of the Company:

Role and Type of Remuneration:

The Company recognizes the competitive nature of the current professionally/ academically qualified work force and this requires to the Company to provide competitive remuneration offering to directors and employees to ensure that a high caliber of staff is attracted to the Company and retained. The Company further acknowledges that it can only excel in service delivery through the exceptional performance of its people and that the remuneration offering to the directors and employees plays a substantial motivational role when exceptional performance is compensated with exceptional rewards.

The Remuneration of Whole–Time Directors, Key Managerial Personnel and Senior Executives of the Company are decided based on criteria stated in Schedule I of this policy and as per the recommendation of the Committee. The Company will pay remuneration to Whole–Time Directors, Key Managerial Personnel and Senior Executives by way of salary, retirement benefits perquisites, allowances (fixed component), incentives and commission (variable component) based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable.

Fixed Component of Remuneration:

Whole Time Directors and Employees are receiving fixed component of their Total package on a monthly basis. The total package includes in it guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund and/or pension & gratuity and/or medical aid funds and/or group life insurance fund contribution etc. as applicable.

Variable Component of Remuneration:

Annual performance linked incentive / increment for exceptional performance above the accepted standard and is variable. These rewards are based on individual, departmental or Company' performance relative to predefined targets. Performance is measured over a year's period.

The remuneration policy should accordingly be considered in the greater human resource context.

The Committee shall consult the Chairman and/or Managing Director about their proposals relating to the remuneration of other Whole–Time Directors, Key Managerial Personnel and Senior Executives.

Remuneration of Executive Directors:

For deciding remuneration of the Executive Directors, the Committee shall consider the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Committee shall regularly keep track of the market trends in terms of compensation levels and practices in relevant industries.

Remuneration of Non–Executive Directors:

Non–Executive Directors are paid remuneration by way of sitting fees. The Company pays a sitting fee per meeting of the Board and the Committee (as may be decided from time to time) to the Non–Executive Directors for attending the meetings within the limit prescribed under the Act.

The remuneration by way of Annual Commission to the Non–Executive Directors shall be decided by the Board of Directors and will be paid to them based on their participation and contribution at the Board/Committee meetings and the time spent on matters other than at meetings.

An independent director may receive remuneration by way fees provided under sub–section (5) of Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members of the Company.

The Company shall disclose in the Board's report, the ratio of the remuneration of each director to the median employee's remuneration and such other details as may be prescribed under the Act.

Where any insurance is taken by a company on behalf of its managing director, whole–time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel:

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

COST MANAGEMENT

The objective of remuneration cost management is the importance of the directors and employee's role, thereby reflecting their relative worth to the Company. Cost management does not necessarily imply a reduction of overall salary and bill but rather the correct allocation thereof. The Finance and Budget Department in conjunction with Human Resource Department should manage remuneration cost within budgetary constraints, while ensuring the remuneration levels of competent, exceptional performers and key employees are positioned competitively against the market.

As per Provisions of sub–section (9) of Section 197 of the Companies Act, 2013, if any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without the approval of shareholders or requisite authorities, wherever applicable, he shall refund such sums to the company within 2 years or such a lesser period as may be determined by the Company and until such sum is refunded, hold it in trust for the company. The company shall not waive the recovery of any sum refundable to it, unless such waiver is approved by the shareholders by special resolution within two years from the date the sum becomes refundable.

The Board of Directors of the Company has power to reconstitute the Committee as and when think fit so or as may be required under the law.

SCHEDULE I

Criteria for appointment and performance evaluation – related remuneration for Directors/Key Managerial Personnel and Senior Executives of the Company.

- At the time of selection of a Director the Company must examine the integrity of the person and possession of relevant expertise, qualifications and experience.
- In case of appointment of Independent Director, the Company must observe the pecuniary relationship with the promoters and group companies.
- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors/executives to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Financial and operating performance vis–à–vis the Annual and Operating Budget of the Company.
- Remuneration of directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- External Competitiveness: The quantum and nature of the total offering to directors and employees determines how competitive the Company is in recruiting and retaining them. The appropriate mix of guaranteed benefits and incentives further enhances the Company’s ability to motivate them in a manner that will improve the Company’s competitiveness.
- The size and complexity of a position is determined through a valid job evaluation system and individual performance is measured through the established and approved Performance Management System.
- Remuneration recognizes and rewards both high levels of competence and superior performance through the use of incentive bonuses linked to performance.
- Remuneration incentives should be compatible with risk policies and systems, if any.
- The committee shall consider the consequences and associates costs to the Company if basic salary increases and any other changes, whenever required.

ANNEXURE V TO DIRECTORS' REPORT

Particulars of employees as per Rule 5 (1) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Ratio and Relationships

1. Ratio of the remuneration to each Executive Director to the median remuneration of the employees of the Company for the year:
   - **CEO –** NIL
   - **ED –** 10%
2. % increase in remuneration of Executive Directors, CFO and CS during the year:
   - **ED** – 8%
   - **CFO –** NIL
   - **CS** – NIL
3. % increase in median remuneration of the employees for the year: 6%
4. Average percentile increase made in the salary of employees during FY19 in comparison with the percentile increase in the remuneration of MD/WTD/Manager/other Directors, alongwith justification:

   The remuneration increase outlook at AGC has been linked to both performance of the Company and the Employee. A reference to the internal compa–ratio is also considered to ascertain the increase. The average increase in the remuneration of individual employee is further guided by factors like customer facing roles, criticality of skills, retention and new/emerging business groups.
5. Total permanent employees on the rolls of AGC Networks Limited as on March 31, 2019: 468
6. Information as per Rule 5 (2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

   A. Top 10 employees in terms of remuneration drawn during the year:

Sl. No.	Name	Designation	Remuneration Received (₹ In Crores)	Qualification & Experience	Date of Commencement of Employment	Age (Years)	The last employment held by such employee before joining the Company
1	Deepak Kumar Bansal	Chief Financial Officer	1.36	CA, 22 Years	1–Jan–18	44	Impact RetailTech Fund Pvt. Ltd.
2	Naravi Jayantha Prabhu	Business Head – India & SAARC	1.31	MBA (ITM), 26 Years	1–May–17	46	Essar Services India Pvt. Ltd.
3	Rohit Himatsingka	VP & Head – Corporate Development & Strategy	1.07	CA, 15 Years	1–Apr–18	38	Essar Services India Pvt. Ltd.
4	Mahua Mukherjee	Chief People Officer	0.78	MBA (Personnel Management), 27 Years	12–Jul–10	52	Capgemini Consulting India Pvt. Ltd.

Sl. No.	Name	Designation	Remuneration Received (₹ In Crores)	Qualification & Experience	Date of Commencement of Employment	Age (Years)	The last employment held by such employee before joining the Company
5	Abhinav Sharma	VP & Sales Head – India & SAARC	0.67	PGDBM, 24 Years	21–Feb–11	47	CS Infocomm Pvt. Ltd.
6	Pravin Shinde	Vice President – Projects and Service Delivery	0.67	BE (Electronics), 25 Years	14–Mar–17	47	Wipro Ltd.
7	Jagdish Mhalgi	Vice President – Services Sales	0.63	BE (Electrical), 31 Years	16–Jul–14	52	Servion Global Solution Ltd.
8	Subir Bhatnagar	VP & Head – UC & Digital Applications	0.59	BE (Electronics) 26 Years	18–Sep–17	55	AGC Networks Inc. (USA)
9	Neelam Kapoor	VP & Head – Marketing	0.58	PGDBM, 23 Years	9–Feb–05	52	Abhishek Infotech Pvt. Ltd.
10	Ajay Chincholi	Associate Vice President – Services	0.45	BE (Electronics & Communications), 30 Years	13–Mar–89	53	ISRO Satilite Centre

B. Employed for part of the year with an average salary above ₹ 8.5 lakhs per month:

Sl. No.	Name	Designation	Remuneration Received (₹ In Crores)	Qualification & Experience	Date of Commencement of Employment	Age (Years)	The last employment held by such employee before joining the Company
1	Komal Seshagiri	Chief General Counsel (Group)	0.08	ICSI (Intermediate) and LLB, 32 years	11–Mar–19	56	Rattan India Group

Affirmation:

The remuneration paid by the Company to its employees including members of the Senior Managements, MD/WTD/Manager and other Directors, if any, is in accordance with the Remuneration Policy adopted by the Company.

Notes:

Employees mentioned above are neither relatives of any Directors, nor hold 2% or more of the Paid–up Equity Shares Capital of the Company as per Clause (iii) of sub–rule (2) of Rule of 5 of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE VI TO DIRECTORS' REPORT

DISCLOSURE RELATING TO RESEARCH AND DEVELOPMENT (R&D) & TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT:

1. Specific areas in which Development carried out by the Company: None
2. Benefits derived as a result: N.A.
3. Future Plan on Development: None
4. Expenditure on Development (₹ in Crores)
   a. Capital: NIL
   b. Recurring: NIL
   Total (a+b): NIL
   c. % to Revenue: NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards, technology absorption, adaptation and innovation: None
2. Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution, etc.: None
3. (i) Technology Imported : None
   (ii) Year of Import : N.A.
   (iii) Has technology been fully absorbed : N.A.
   (iv) If not fully absorbed, areas where this has not taken place, reasons thereof & future plan : N.A.

ANNEXURE VII TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub–section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web–link to the CSR policy and projects or programs** – The CSR policy of the Company, as approved by the Board is available on website of the Company at the link: https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Corporate–Social–Responsibility–policy–Revised.pdf

2. **The Composition of the CSR Committee** – Please refer to the Corporate Governance Report for Composition of the CSR Committee.

3. **Average net profit/(loss) of the company for last 3 financial years (after tax):** ₹ (7.62) Crores

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** N.A.

5. **Details of CSR spent during the financial year 2018–19:**
   a) Total amount to be spent for the financial year: N.A.
   b) Total amount spent during the year: N.A.
   c) Amount unspent, if any: NIL

6. **Manner in which the amount spent during the financial year:** Not applicable

For and on behalf of the Board of Directors

Sanjeev Shekhar Verma	**Mahua Mukherjee**
Whole–Time Director	Executive Director
DIN: 06871685	DIN: 08107320

Mumbai
July 5, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL TECHNOLOGY OUTLOOK

Worldwide IT spending is projected to total $3.74 trillion in 2019, an increase of 0.6% from 2018, according to the latest forecast by **Gartner, Inc.**

According to **Deloitte's 2019 Technology Industry Outlook,** over the last year, two new and highly strategic factors appear to be driving the rapid growth of service–based IT: increased business agility and "democratization" of innovation. These advantages signal an exponential expansion of everything–as–a–service (XaaS) solutions making it faster and easier to experiment and innovate—dramatically shortening the journey toward enhancing customer experience. And, XaaS capabilities are making it cheaper and easier for broad ranges of users to access cutting–edge technologies and services, such as Artificial Intelligence (AI) – and Internet of Things (IoT)–based solutions.

According to **Deloitte's State of AI in the enterprise, 2nd Edition**, the most popular path to acquiring AI capabilities is enterprise software with integrated AI.

Enterprises will increase their spending on technologies and services that enable the digital transformation of business models, products and services to $1.18 trillion in 2019 – an increased spending on digital transformation by 17% between 2018 and 2019, according to market intelligence firm **International Data Corporation.**

The global unified communications market size was valued at USD 56.33 billion in 2018 and is expected to reach USD 167.1 billion by 2025, exhibiting a CAGR of 16.8% over the forecast period, according to a new report by **Grand View Research, Inc.** Changing workforce dynamics, growing prominence for Unified Communication as a Service (UCaaS), and virtualization of data and devices are factors that are expected to increase the adoption of UC solutions in enterprises.

Large enterprises have witnessed rapid adoption of Unified Communication–as–a–Service (UCaaS) platform, a cloud delivery model that combines multiple channels of communication such as voice, text, chat, and e–mail, thereby offering a bundled solution. UCaaS bundles have proven to be cost–effective as compared to deploying a single UC solution. The increasing need to reduce enterprise overhead costs and need to eliminate purchase of standalone systems have propelled the market over the past few years.

Rising deployment of AI and Machine Learning (ML) in the communications sector has created opportunities for team collaboration, thereby, enabling machine–to–human interaction. AI is continuously changing the way enterprises structure their workflows; for instance, AI is gradually replacing enterprise voice calls with virtual assistants and bots.

Increased adoption of Internet of Things (IoT) has enabled organizations to integrate devices and data with analytical IoT tools, resulting in an autonomous work environment. For instance, in an organization's meeting rooms, sensors can track room use, including the number of attendees and systems used as well as length of the meeting. These insights can help organizations determine the right mix of video and non–video enabled meeting rooms to optimize room spending.

According to a report by **Grand View Research, Inc.,** the global cyber security market size was valued at USD 116.5 billion in 2018 and is likely to expand at a CAGR of 11.0% over the forecast period. Cyber security and defense against online threats undertake greater significance in today's digital changing landscape. It has become vital amid organization due to rapidly increasing frauds, cybercrimes, risk, threats, and vulnerabilities.

OUR BUSINESS OVERVIEW

AGC Networks ("AGC," "we," the "Company," "Your Company," "our" or "us") is a Global Solutions Integrator representing the world's best brands in **Unified Communications**, **Data Center & Edge IT**, **Cyber Security** (**CYBER–i**) and **Digital Transformation & Applications** to evolve the customer's digital landscape. AGC's ability to tailor solutions across quadrants is strengthened through delivery of seamless customer support services.

Your Company is the customer's **trusted go–to technology solution integrator** to **architect, deploy, manage and secure** their IT environment through customized solutions and services that accelerate their business.

AGC's subsidiary recently completed the acquisition of **Black Box Corporation**, (erstwhile NASDAQ: BBOX), a leading digital solutions provider in the US and headquartered in Pittsburgh, USA on 7 January 2019. Black Black Box Corporation has offerings under the **SERVICES** platform that include **Unified Communications, Data Infrastructure and Managed Services** and offerings under the **PRODUCTS** platform that include **IT infrastructure, Speciality Networking, Multimedia and keyboard/video/mouse (KVM) switching**.

A leader in Enterprise Communications in **India**, AGC with the combined strength of Black Box Corporation has significant global presence spanning over 30 countries including **North America, Latin America, Middle East, Africa, Europe, Singapore, Australia, New Zealand and Philippines** and serving over 8000 customers globally.

In collaboration with global technology leaders like **Avaya, McAfee, Palo Alto, Cisco, Commscope, HPE, Trend Micro, Unify, NEC, Corning, Juniper, Nutanix, NICE, Verint, Poly, Genesys and Mitel** among others, AGC delivers domain–focused, flexible and customized technology solutions and seamless services that accelerate customers' business and ensures **Return on Technology Investments**.

AGC's business approach globally revolves around the 'triangle of equity' i.e. value creation for customers, employees and stake–holders delivering value to the shareholders of this public listed company on the India bourse.

AGC Networks is an Essar Enterprise. For more information log on to www.agcnetworks.com

TECHNOLOGY SOLUTIONS & SERVICES PORTFOLIO

Innovation and agility are essential ingredients for competitive organizations, and technology companies are well poised to respond to these enterprise needs.

Your Company is thus the customer's **Go–To–Solution Integrator** driving the digital transformation of the future in partnership with global leading technology vendors to accelerate the customer's digital journey.

I) AGC NETWORKS OVERVIEW

The core business of AGC's solution portfolio includes,

1. Unified Communications

While adapting itself to the evolving business dynamics, AGC continues to hold dominance in the Unified Communications (UC) quadrant. The need to remain connected anywhere and anytime has spurred the growth of Unified Communication globally. UC is the integration of real time communication services – earlier – such as instant messaging, presence, telephony, multimedia conferencing, and directory services and today with new age media presence and integration such as social media platforms, mail and others – an evolutionary path for enterprises over the last 3 decades. It is essentially a convergence of communication solutions and collaboration tools. UC has become a significant factor in enabling real–time connectivity thereby enhancing employee productivity, increasing collaboration and reducing IT operational costs.

AGC's Unified Communication solutions provides a bundle of audio, video and web capabilities that enables the organizations to effectively deal with the challenges of improving customer satisfaction, minimize operational cost and enhance its organizational productivity.

By integrating their UC solutions, AGC has helped customers reduce product development cycles, enhance team communications and move products to the market sooner, thereby resulting in higher productivity, shorter time to revenue and improved customer satisfaction across the verticals of Banking & Insurance, IT & ITeS, Manufacturing, Hospitality, Healthcare, Government and the new age verticals of e–commerce.

AGC's UC solutions suite comprises of:

IP Communications – Simplified communications with hybrid architecture for telephony that functionally enhances the user experience across management levels in an enterprise.

Collaboration – Organizations today are on the constant look out for improved and enhanced communications and thus rely on the power of collaboration to deliver a richer and seamless end–customer experience. The need is for collaboration solutions that combine content, applications and communications tools together into an interactive, cloud–based digital workplace accessible from conference–room displays, desktop, laptop and mobile devices.

Transitioning strategically to unified communications can help organizations in developing new workflow patterns, improving business processes, increasing collaboration through virtual teams, and reducing human latency times.

Multimedia Integration – AGC equips enterprises with best–in–class board room, Meeting rooms, and training room solutions, effectively creating an environment that blends voice, video and information virtually, eliminating geographical boundaries through the power of Multimedia Integration.

Increasing need for visual communication in enterprises makes the deployment of video conferencing solutions across organizations an essential. Video conferencing enables enhancements in teamwork and business relationships across all industries by allowing them to communicate live with colleagues in remote locations. The conferencing software has proven to be a real–time communication technology that enables people to communicate and seamlessly integrate with existing infrastructure.

Centers of Excellence – AGC has built the below state–of–the–art Experience Centers that resonate with the CXO community using the power of converged AV and VC solutions.

- Global Network Operations Center (G–NoC)
- Global Security Operations Center (G–SoC)
- Response Center (Call Center / Desk top support and monitoring)
- Customer Experience Centre (CEC)
- AGCiVR® – delivering 24x7x365 consistent customer experience in a virtual environment

2. **Data Center & Edge IT**

Data Center (DC) has become more powerful than ever today and businesses are highly dependent on the components of a DC viz. business critical applications, Server, Storage and Virtualisation with real–time back up to ensure best in class security solutions. The speed of change in the data center due to virtualization has been unprecedented.

With the Data Center and Edge IT solution, AGC ensures that we are relevant to customers for all their IT needs in Data Center, Networking and Security requirements through effective, holistic and flexible solutions using updated technologies. The objective of CXO from their DC/DR/NDR is – availability of information round the clock with limited hardware footprint, less OPEX and ease of operations. In this solution, AGC understands the customer's requirements and then architects solutions meeting their business needs from an IT infrastructure and integration services perspective.

DC is about application availability through integration of devices, securing end to end delivery of information and managing them against known / unknown vulnerabilities. AGC with its global exposure of providing best–in class solutions across varied industries ensures smooth project execution delivered by its skilled and certified technology experts.

Every industry vertical requires different solutions for their business – for example – Advent of IoT and smart manufacturing demands that a manufacturing plant is seamlessly covered with WLAN access to enable smart equipment's / sensors to share relevant information to command and control center for real–time tracking.

Our solution span includes the following:

- **Hyper converged infrastructure (HCI)** – is a type of infrastructure system with a software–centric architecture that tightly integrates compute, storage, networking and virtualization resources and other technologies from scratch in a commodity hardware box supported by a single vendor. Although Hyper Converged Infrastructure (HCI) is still an emerging data center technology, it represents a modern software–centric approach that holds the potential for bottom–line ROI. HCI is a dramatic advancement for the data center and in particular, can help fulfil promise of private and hybrid cloud environments.

- **Private cloud** – Large enterprises are creating elastic IT infrastructure with private cloud solution to have flexibility and scalability. AGC has been effectively providing solution with technology partners who are leaders in this space.

- **SDN** – Two main aspects of today's business communication infrastructure scenario are the fast–changing world of enterprise communication and an ever growing dependency on connectivity for smooth running of business compounded with high demand of reliable and predictable bandwidth. While MPLS continues to be a reliable and scalable architecture that served the purpose, newer applications, cloud and hybrid infra push for more and more enterprise grade Internet and WAN circuit requirements. Further, establishing/ provisioning of any enterprise grade WAN is a time consuming and resource intensive process which many a times doesn't complement business and productivity needs.

  AGC's Software Defined Networking approach specifically for the WAN, i.e., Software Defined WIDE Area Network (SD–WAN) addresses some of the above challenges faced by the traditional WAN set up.

- **Mobility** – Mobility is the mantra of today – from a need for personal access to the internet from all types of devices or accessing of corporate information on personal devices. Employees roaming within office premises / campus needs seamless WLAN connectivity to network. Corporate sensitive information accessed through personnel devices beyond office boundaries calls for robust security measures. IT Ops team should be able to observe devices or the Operating System (OS) used to access information. Earlier, enterprise WLAN traffic were expected to be primarily data but with huge proliferation of video content along with many newer types of applications in corporates, traffic has created immense pressure on both the WLAN and underlying wired communication set up. Corporate traffic can now be a video datasheet, eDMs, video collaboration, multi–channel collaboration clubbed with cloud based app driven content.

  AGC partners with clients to review this existing infrastructure for its readiness to rollout next–gen mobility and help with pre–rollout site survey, designing and post rollout survey along with testing to ensure desired and predictable performance of the infrastructure and network in a secure way.

3. Cyber Security

As data will continue creating new opportunities for enterprises, privacy risks and regulatory compliances will continue to be at the forefront. To secure and monetize on data, new automated preventive methods will rule the Information security space.

Today's complex threat landscape requires organizations to use a variety of security products to protect against the constant attack of highly targeted threats. Managing the complexity and volume of different security solutions that typically do not integrate becomes a daunting task. This calls for a need to a different security approach.

Cybersecurity is believed to become more intelligence obsessed in 2019. Both small and large businesses are redefining their approaches to overcome data security challenges and protect their volumes of sensitive data by early prediction and preparedness. Organizations will have to utilize the benefits of AI / ML programs to help identify and protect the servers from hackers thus preventing security breaches and cyber–attacks.

The cyber security business division of AGC Networks Limited has a team of highly skilled security resources, deploying the most advance Cyber Threat Defence platform. This business division specializes in end–to–end cyber security services such as high–end consulting, advisory, management, certification, processes, audit, compliance and implementation. AGC's portfolio helps enterprises to be future–ready and continue to stay protected. These services are designed to align with the clients' risk management strategy to deliver a secure experience.

AGC has built a team of experienced professionals with preferred certifications like CISA, CISSP, CRISC, CEH, OSCP, and Lead Auditors for ISO 27001, ISO 20000, ISO 22301 and ISO 9001, ITILv3 in addition to its vast expertise in the GRC (Governance, Risk and Compliance) domain.

AGC's cyber security experts assess the current security posture of a customer's infrastructure and suggest solutions in the areas of,

- **IT GRC** covering Audit & Assessment, Vulnerability Assessment, Penetration Testing, Security Maturity Assessment and Compliance Management.

- **Solution Integration** covering Perimeter Security, Secured Access Control, VPN, Web / email protection, End Point protection, Server protection, DLP, etc
- **Security Event Management** covering Incident Response, Incident Management, Endpoint Protection, Secure Content Mgmt, Application Protection, Database Protection and Data Loss Prevention.

The services rendered for this quadrant are:–

Certification – Specialization in Certification and Implementation for enterprises covering (but not limited to) a variety of standards like ISO 9001, ISO 20000, ISO 27001 and ISO 22301.

Compliance – Compliance services suite offerings include PCI DSS, HIPAA, SAS70 where AGC brings together principles that enable enterprises to build an effective governance and management framework, based on a holistic set of enablers that optimise information and technology investment and ultimately benefit stakeholders.

Implementation – Implementation services include offerings like DLP, NAC, Bandwidth Management & WAN Accelerator, GRC Tools, ITIL guidelines, etc.

Management – Compliance solutions and services for Vulnerability Management, IMS and implementation and management assistance.

Audit –Audit services include Database, Network, Internal IT Audits, Applications (SAP, ERP) and Code review audits for enterprises, combined with remediation options.

Managed Security Services –

– Security Solution monitoring
– Security Solution Management
– Managed Endpoint Security Services

4. <u>Digital Transformation & Applications</u>

Digital Transformation is the buzzword where technology is used as a foundation to radically improve performance or reach of an enterprise and this is true for companies across the globe. CXO's across all industries are embracing various tools of their digital journey such as Analytics, Mobility, IoT, Social Media & smart devices to improve the use of traditional technologies such as ERP and CRM to enhance customer relationships, internal processes and their value proposition to stay ahead of competition.

AGC understands the digital wave and can help plan the customer's digital transformation strategy.

Our digital solutions include :

Customer Experience – Our solutions enable omni–channel services, sales & marketing, collections and research services with secure identification and verification methods as applicable (TPIN, OTP, Voice Biometrics) any time, any place, any channel (voice, alternate & digital channels) leveraging existing voice (telephony channel) infrastructure and integrated with core backend applications and CRM.

- Self–Service: offering functionalities to provide self–service to customers across multiple channels. Service Providers have the flexibility to do a staged roll–out of self–service across channels including IVR, SMS, E–mail, Web Chat, Web Audio, Visual IVR ensuring secure interaction integrating with service providers' chosen authentication methods including TPIN, OTP and Voice Biometrics.
- Agent Assisted Service: This solution is conceptualized, designed, developed and deployed with the very intent of empowering agents to interact with Service Providers customers across multiple channels, have a 360 degree view of authenticated customer and be able to complete the interaction efficiently and effectively creating a positive impact on customer service & cost center performance indicators.

- Outbound Campaigns: this allows multiple use cases, some of which are already in use by Service Providers however new campaigns can be easily configured per the needs of the Service Providers.
- Branch Queue Management: This solution is designed to optimize queue management using existing Contact Center infrastructure including routing, self–service channels including IVR, SMS, E–mail, WFM, call–recording, reporting & analytics.
- Voice Biometrics: Our solutions use sophisticated voice biometrics to help detect fraudsters and identify legitimate customers during live calls—and discourage the bad guys from calling again. We help make caller authentication faster, easier, and more secure in financial services and retail operations.

Customer Journey – This is AGC's comprehensive solution to help business harness the full potential of social platforms and bring in real–world results through interaction analytics. By knowing the real–time trends driving business, AGC helps customers create the right conversation about their brand with the right people. By anticipating and delivering extraordinary customer experiences, AGC's solutions help customers innovate their brand decisions and translate image to equity.

Using our solution an enterprise can cultivate a customer–centric culture, assess the people behind the profile, know their competitive value, and surpass competitors with agility and accuracy.

Our sophisticated social analytics capabilities can help proactively derive intelligence, contexts and opportunities from the conversation clutter.

Customer Engagement & Loyalty – The **LitmusWorld** platform from AGC provides the ability to have context–rich, structured conversations with customers within an easy–to–use smart interface on smartphones, tablets or computers. The user–interface is innovative and simple, which allows customer experience responses in real–time within seconds.

These real–time conversations are carefully structured to improve touchpoint experience at every step of the consumer journey. It transforms all points of customer interaction into opportunities for real time two–way conversation and builds engagement for a long term relationship between consumers and brands.

These solutions help

- Engage customers with meaningful conversations to boost loyalty
- Build profitable relationships between consumers and brand
- Launch contextual customer conversation campaigns
- Build actionable insights with real–time analytics and dashboards
- Provide a platform for social interaction focused on targeted feedback capture campaigns

Automation – Companies are seeing a need to replace traditional approaches with new automation systems which are served up as SaaS. Work–flows revamped with automation help simplify the process of managing large volumes of data and tasks for enterprises on a daily and even hourly basis. This further helps companies eliminate silos and improve day–to–day processes to increase overall efficiency. From gadgets at home to a massive scale industrial application, automation is a key focus of technological change. The two types of automation which the businesses are adopting are Robotic Process Automation (RPA) and Business Process Automation (BPA). BPA focuses on restructuring the workflows and core operations of a business by making day–to–day tasks more effective. RPA uses software to amplify the performance of existing processes and replaces human tasks with software.

Chatbots reduce customer service load, maintain a high level of customer satisfaction using artificial intelligence and semantic to provide the best Chabot in the market.

Our conversational engine creates fantastic services for the customer's customer and optimize the workload on customer service that helps focus on the value added activities instead of managing recurrent enquiries.

Customer's interaction management: makes it possible to provide support, analyse enquiries and manage answers based on predefined workflow.

Eudata Conversational Engine: interacts recurrently with the knowledge base to be constantly up to date on customer's inquiries.

Semantic layer: permits to set up open conversations with customers using natural language.

Workflow Manager: enables the configuration of services using a guided process that instantly creates a service and deploys it on the web and mobile services.

Seamless transition from self–service to an agent: engages an existing service based on the content of the request and passes to the agent all the history of the conversation.

5. **Technology Services portfolio**

AGC Networks provides a global talent pool of certified resources across technology platforms providing comprehensive suite of support services to ensure high uptime through a combination of remote maintenance capabilities (RMI), on–field service engineers, solution experts and on premise support for mission critical IT landscape of an enterprise.

We believe in tailoring customer–specific solutions through the team of skilled resources that AGC can boast of across solutions of Unified Communications, Data Centre & Edge IT, Digital Transformation solutions and secured through the Cyber Security framework. The Services wrap around the customer's IT Infrastructure are to safeguard and deliver new and innovative technology solutions.

AGC offers services across the lifecycle of a solution, spanning pre–implementation assessment, implementation, rollout, upgrades, AMC and enterprise integration and managed services. These include a network of owned and distributed delivery centres, a global talent pool with in–system expertise, and solution frameworks that greatly enhance productivity and reliability while reducing cost and risks.

GUARDIAN Support Services – Uniquely focused on customer satisfaction to ensure complete on–site management of the customer's IT infrastructure with absolute adeptness and agility. Our Guardian Service Models work on ITIL v3 based framework.

Remote Maintenance of Infrastructure and Applications through state–of–the–art G–SoC and G–NoC facilities – To enhance customer experience, our Integration and Disaster Recovery centers are situated across locations in Dallas, US and Mumbai, India. A customer can reach us anytime given our 24x7x365 scheduling. We have Continental US based SSAE 16 certified facilities with separate power grids to ensure compliance and reliability. The customer information is highly secure through keycard or biometric access and camera presence. Our centers are NoC Styled Command Center with Multiple Dynamic Displays with Network and power redundancies. We believe in delivering performance by recording customer interactions for review & QA. Moreover, we have a logistic back–up to encounter inclement weather downtime to be able to allow uninterrupted services.

AGC provides vendor agnostic IT maintenance services that reduce cost of management to ensure best of breed SLA based practices aligning to business needs. The customer's investment in technology infrastructure is maintained ranging from IP Phones, desktop to servers, network and security equipment and data center. This includes complete hardware coverage in warranty support, hardware replacements in post warranty support, and OEM agnostic upgrades or failures. The global talent pool available 24x7 help clients keep maintain their multivendor operating environment up and running at peak efficiency.

Managed Services – AGC's managed services suite ensures that all systems across an enterprise are functioning efficiently with no downtime. AGC's Managed Services Engagement Framework is based on the ITIL Framework of AGC's Master Managed Services program.

Professional Services – AGC's Professional Services portfolio is delivered through various engagement models:

- **Consulting and Analysis** –covering domains like IT service management, business service management, IP networks, data centers, IP contact centers, and information security. Our services enable clients to utilize our domain expertise for their complete business needs.
- **Deployment Services** –bringing together multiple stages of deployment under the project management framework and aligning them to production seamlessly. These involve staging, installation, integration, commissioning and testing, as required.
- **Customization and Integration** – AGC's vendor–agnostic, pragmatic approach helps build ICT applications and infrastructure

to address critical business needs and meet desired business outcomes

- **Audit and Review** – covers studying and analyzing business facts and carrying out IT infrastructure, data center, information security, service management and compliance audits and reviews using industry best practices.

II) BLACK BOX CORPORATION OVERVIEW

AGC recently completed the acquisition of Black Box Corporation (erstwhile NASDAQ: BBOX), a leading digital solutions provider in the US.

For over forty years, Black Box has been a world–leading provider of premier IT infrastructure solutions. The cornerstone of Black Box's business has been the objective technical advice, products and services provided to clients. As a premier provider of networking, communications and infrastructure solutions, Black Box remains focused on delivering high–quality products and solutions with an unyielding commitment to technical support and service.

Offerings under the services platform ("Services") include unified communications, data infrastructure and managed services. Offerings under the products platform ("Products") include IT infrastructure, specialty networking, multimedia and keyboard/video/mouse ("KVM") switching.

Black Box is the trusted digital partner at the intelligent edge. Black Box has been dedicated to helping clients embrace the intelligent edge and enable their digital transformation. Their award–winning products and extensive services connect enterprises with their customers, their team, and the world. Customers trust Black Box to design, deploy, and manage their digital needs including retail IoT solutions, healthcare, and mission–critical control room infrastructures across commercial enterprises. With a global presence and extensive team of technical experts, digital transformation is made possible whether at one location or hundreds.

The Product Solutions business continues to design and manufacture award–winning products for Pro AV, KVM, cabling and networking known for their advanced functionality, flawless performance, outstanding reliability and fail–safe security. These solutions are used every day in government, education, commercial enterprises and any other organization that requires the utmost quality and performance from their IT infrastructure.

On top of creating industry–leading products, Black Box demonstrates every day a complete commitment to providing our customers with the best technical support and service in the industry to ensure that the customers' systems are always up and running optimally. They are truly as important to the successful IT, communications and business operations of our customers as the powerful products and solutions delivered.

Your Company participates in the worldwide communications, network infrastructure and managed services markets. The offerings of our Services platform are distributed to these markets primarily through value–added resellers, manufacturers, large system integrators and other technical services companies. The offerings of our Products platform are sold by manufacturers and integrators and are distributed through value–added resellers, direct marketing manufacturers, mass merchandisers, web retailers and others.

Services and Products Platforms

We have built robust operating platforms that allow us to identify customer needs and then design, source, implement and support the appropriate solutions.

Our two platforms for serving customers and generating growth are as follows:

Services Platform

Services is comprised of engineering and design, project management, field service management, network operations centers, our national technology team, national and international sales teams and technology solutions centers which include dedicated sales and engineering resources. The primary services offered through this platform include managed services, infrastructure services (including wired and wireless network solutions, structured cabling and video/AV services), communications lifecycle services, unified communications and data center services.

The Company's Services business delivers the design, sale and/or installation of new communications and network infrastructure systems, the support of existing systems and moves, adds and changes.

The Company routinely competes against original equipment manufacturers, large system integrators and local or regional manufacturer–specific channel partners in the Services markets for enterprise clients. The Company believes that it favorably differentiates against this competition through its technology independent approach which draws the appropriate product from our portfolio of different partner solutions, broad geographic footprint and deep industry and technical expertise. Through its network of operational centers and network operations centers, the Company can provide clients with both on–site and remote services.

Products Platform

Under Products, we provide networking solutions through the sale of products for KVM switching, IT infrastructure, specialty networking and multimedia.

Our Products' portfolio are generated from sales to key channel partners and system integrators and through a global distribution network. Products sells through a direct sales team as well as through its internet site and catalogs. In order to meet client demand, we keep a moderate level of inventory which consumes part of our working capital. The market for these products is highly fragmented and competitive. The Company has participated in this market for 40+ years and has earned a reputation for providing high quality products, rapid order fulfillment and free 24/7/365 technical support.

In order to procure our products, we utilize a network of original equipment manufacturers ("OEMs") and suppliers throughout the world. Each supplier is monitored for quality, delivery performance and cost through a well–established certification program. This network has manufacturing and engineering capabilities to customize products for specialized applications. Black Box operates its own manufacturing and assembly operation at its Lawrence, Pennsylvania location. The Company chooses to manufacture certain products in–house when outside sourcing is not economical. Sourcing decisions of inhouse versus third–party suppliers are based upon a balance of quality, performance, delivery and cost factors.

Key Differentiators

Our platforms introduce scale, flexibility and leverage to the business, and provide the following competitive advantages:

A diversified client base: We have built a diversified client base that ranges from small organizations to many of the world's largest corporations and institutions. Black Box clients participate in many industries, including government, healthcare, business services, manufacturing, retail, technology and banking, among others. Our clients are large companies including federal governments, medium–sized companies, including state governments and small companies, including local governments. We strive to develop extensive and long–term relationships with high–quality clients as we believe that satisfied clients will demand quality services and product offerings even in economic downturns. Also, we believe that our distinctive portfolio of products and services will allow us to leverage the rSelationship and introduce additional offerings to satisfied clients.

Key relationships with leading technology partners: We have built long–term relationships with all major communications equipment manufacturers and we are a top partner with the market leaders.

Broad geographic footprint: We have built a global footprint with offices throughout the world.

Deep organic resources: We have over 3,000 team members world–wide, with the experience and certifications to serve our clients with on–site and remote capabilities.

The latest introduction has been SimplEdge, a digital–ready, self–contained network to serve customers with branches and remote locations.

HUMAN RESOURCES MANAGEMENT

HR at AGC works as a business enabler. HR interventions are meant to harness a collaborative work culture, build a sense of camaraderie amongst employees and keep them meaningfully engaged.

HR policies & practices are synchronized to supplement & complement organizational strategy to drive company values and culture.

In today's competitive technology ecosystem, it is important to invest in newer technologies to stay afloat vis–à–vis your competitors. Accordingly, **Talent Acquisition** team at AGC takes a strategic and holistic approach while building talent pool around new sets of technologies such as Digital Applications, Chat–bots, Voice Biometrics, Speech Analytics, Cyber–Security, Robotic Process Automation, Genesys, Trend Micro, etc. In year 2018–19, AGC has hired more than 100 employees in upcoming technology quadrants.

Special emphasis is accorded towards promoting a culture of inclusivity and diversity at workplace. As candidate experience and engagement plays an all–important role in forging a lasting association, employee orientation is given due weightage at AGC. New joinees undergo customized best–in–class in–house orientation programs to facilitate their seamless integration at AGC.

To equip employees with right set of skills and learning expertise, **Learning and Development** team at AGC devise varied and customized interventions across career levels and functional domains. Diverse behavioral and functional trainings with technical certifications are imparted round the year. In Year 2018–19, AGC has conducted 94 training programs to cover 349 unique employees in four major technology quadrants such as – Unified Communications, Network & Data Center, Cyber Security and Enterprise Applications. In addition, 122 OEM certifications were also facilitated through external certification programs.

Diverse calendarized **Talent Management & Employee Engagement** programs are scheduled round the year towards building & sustaining a superior employee connect and a high level of engagement at AGC. Guided by the philosophy of adding value and transforming society to usher in positive changes, different community initiatives are also undertaken at AGC.

To connect employees with thought leaders as well as peer groups at different levels, AGC has multi–modal channels of communication and organizational interventions. These avenues are extensively used for sustaining free flow of communication, sharing of information, maintaining transparency, giving & receiving feedback and conferring employee rewards and recognition.

AGC's Reward & Recognition Program comprises of numerous rewards categories based on diverse criterions, spread across functions & geos. These rewards are designed to recognize exceptional talents and outstanding business performances.

RISKS

a) **Geographical concentration**

The world economy today is deeply interconnected with any surprises or shocks in one region quickly ricocheting to other economies. Though the Company has spread its portfolio worldwide, it still has to source for more and newer pools of clients to shield itself from the devastating impact of a downturn in connected regions.

b) **Competition**

The threat of competition is persistent and serious in the lucrative IT industry. The Company is motivated to stay ahead of competitors through continued research and innovation. Furthermore, it is key to stay updated on latest technology advancements to ensure the business model of the Company stays relevant with customer needs.

c) **Foreign Currency Fluctuation**

The spread of revenues around the globe increases the Company's exposure to currency risk. The Company performs due diligence by keeping up–to–date with current affairs in the regional and global economy. This enables the Company to take steadfast measures in hedging against currency volatility and protecting its revenues.

d) **Employee Retention**

The Company values its employees as its key capital and asset. Skilled employees who feel valued are better engaged with the goals of the Company and will deliver better performance. The Company, thus emphasizes on skills upgrading through regular trainings and certifications to align employees skill sets to keep your company's customers ahead of the technology curve. Furthermore, the Company monitors the Employee Engagement Score to ensure all employees are constantly motivated and delivering performance.

e) **Financing Activities**

There is a requirement for steady cash flow in sufficient quantum in order to support the Company's operations and operate its business model with efficiency. Thus, the Company has over the years extensively evaluated various funding options provided by the banking as well as non–banking segment. After studying the available options using updated analytical tools, the Company has successfully tapped financial resources which demand comparatively favorable servicing as well as are best suited to the Company's need from time to time.

f) **Staff Attrition:**

Over the past few years, the IT Industry has particularly faced a high attrition rate. This is mainly attributable to the highly volatile nature of this industry and the consequent demand for timely updation & development of skills of the employees engased in this industry. The Company, being no stranger to this risk, has over the years taken appropriate measures to facilitate cultivation of long–standing relation and loyalty amongst talented & high competitive employees. Over the years, this in turn has significantly contributed to the performance of the Comapany.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

AGC Networks has an adequate system of internal controls to ensure that the assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The Company engages a detailed process of internal audits, reviews by management and documented policies, guidelines and procedures to ensure that the financial records are relevant and reliable.

The Company has implemented an integrated SAP and SFDC business management system for AGC entities, excluding the entities acquired i.e. Black Box Corporation and COPC Holdings Inc. during January 2019, providing system–based checks and controls. This results in increased efficiency and effectiveness of AGC Networks' internal control systems. The acquired entities are working effectively on different ERP system and platform and the long term plan is to integrate the entities on SAP system.

The Company management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) as of March 31, 2019.

M/s. Walker Chandiok & Co LLP, the Statutory Auditors of the Company, has audited the financial statements included in this Annual Report and has issued a report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

The Company's internal audit systems independently oversee the operations of the organization regularly.

The top management and the Audit Committee of the Board review internal audit findings and recommendations. The Audit Committee is authorized by the Board to investigate any matter pertaining to the internal control and audit. The Committee also ensures compliance of internal control systems in addition to the quarterly, half–yearly and annual financial statements before submission to the Board.

REVENUE BREAK-UP

The break–up of the year's revenue is given below:

(₹ in Crores)

Business Segments	Standalone		Consolidated	
	FY 2018–19	FY 2017–18	FY 2018–19	FY 2017–18
System Integration	306.85	303.39	1,606.39	733.45
Technology Product Solution	0	0	227.19	0
Consulting	0	0	19.16	0
Total	**306.85**	**303.39**	**1,852.74**	**733.45**

Offerings under the System Integration include Unified Communication, Data Center & Edge IT, Cyber Security, Digital Solutions & Applications and Seamless Customer Support and managed services.

Offerings under the Technology Product Solution include IT infrastructure, specialty networking, multimedia and keyboard/video/mouse ("KVM") switching.

SHARE CAPITAL

As on March 31, 2019, the Issued, Subscribed and Paid–up Equity Share Capital of the Company is ₹ 29,73,76,490/– divided into 2,97,37,649 Equity shares having face value of ₹ 10/– each. The Company has not issued any other class of shares.

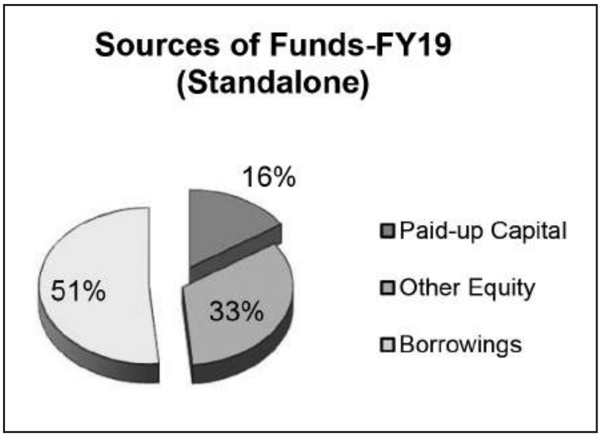
OTHER EQUITY

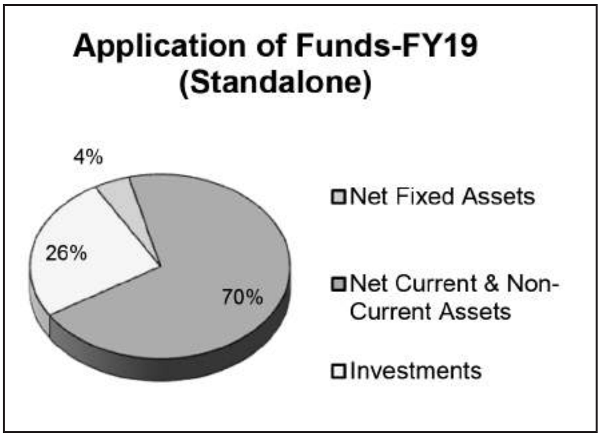
Standalone:

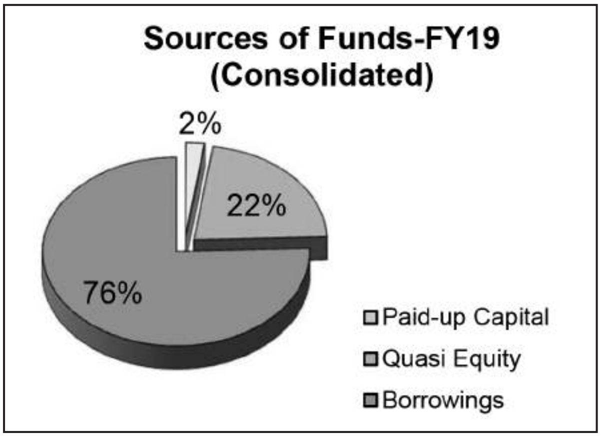
Total Other Equity stands at ₹ 63.05 Crores which mainly includes Capital Reserve of ₹ 22.64 Crores, Security Premium Reserves of ₹ 45.83 Crores, General Reserves of ₹ 100.58 Crores and accumulated losses of ₹ 108.68 Crores as at the end of the financial year 2018–19.

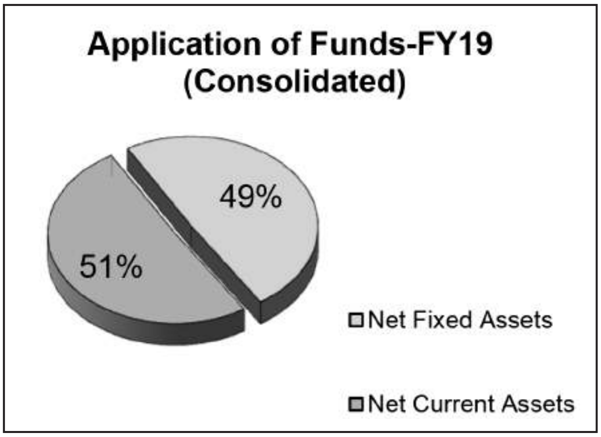
Consolidated:

Total Other Equity stands at negative ₹ 11.07 Crores which mainly comprises of Capital Reserve of ₹ 38.04 Crores, Security Premium Reserves of ₹ 45.83 Crores, General Reserves of ₹ 100.58 Crores and accumulated losses of ₹ 197.71 Crores as at the end of the financial year 2018–19. The primarily reason attributable to this losses is the one–time acquisition related cost of Black Box Corporation as well as the severance cost incurred in Black Box Corporation towards rationalization of manpower to enhance operational efficiencies totaling to ₹ 78.79 Crores.









BORROWINGS

Standalone

The Borrowings of the Company stands at ₹ 98.04 Crores as on March 31, 2019. The Borrowings comprises of Term Loan facility and Working Capital facility. The Term Loan stands at ₹ 7.03 Crores as on March 31, 2019 as against ₹ 19.77 Crores as on March 31, 2018, implying significant reduction of 65%. Working capital stands at ₹ 91.01 Crores as on March 31, 2019 as against ₹ 97.50 Crores as on March 31, 2018, showing a reduction of 7% on account of lower business utilization of working capital limits due to term loan repayment and lower utilization of working capital.

Consolidated

The Borrowings of the Company stands at ₹ 615.04 Crores as on March 31, 2019. The Borrowings comprise of Term Loan facility and Working Capital facility. The Term Loan stands at ₹ 469.56 Crores as on March 31, 2019 as against ₹ 39.53 Crores as on March 31, 2018. The increase is mainly attributable to loan sitting in the books of Black Box Corporation amounting ₹ 453.50 Crores. Working capital loan stands at ₹ 145.48 Crores as on March 31, 2019 as against ₹ 98.62 Crores as on March 31, 2018, implying an increase of 47.5% and this increase is mainly attributable to working capital loan of ₹ 46.86 Crores of Black Box Corporation.

Borrowings by AGC Networks Pte Ltd include quasi capital infused by Essar Telecom Limited for ₹ 178.46 Crores towards acquisition of Black Box Corporation.

FIXED ASSETS

Standalone

The fixed assets (net block including PPE and intangible) of the Company is at ₹ 8.48 Crores as on March 31, 2019.

Consolidated

The fixed assets (net block including PPE and intangible) is at ₹ 194.09 Crores as on March 31, 2019. The total Goodwill stands at ₹ 205.37 Crores (including ₹ 116.27 Crores on account of acquisition of Black Box Corporation and COPC Holdings Inc.).

INVESTMENTS

Standalone

The total investment by the Company in subsidiaries as on March 31, 2019 is at ₹ 48.72 Crores.

Consolidated

The total investment of the Company as on March 31, 2019 is NIL.

OPERATING RESULTS

Standalone

The Company, for the year ended March 31, 2019, recorded a gross turnover of ₹ 306.85 Crores as against ₹ 303.39 Crores for the period ended March 31, 2018 on standalone basis reflecting a minimal increase of 1.14% over previous year. The muted performance on standalone basis was due to various reasons including spillover of high value orders in Q4 FY19 to Q1 FY20 and shifting of some of the significant orders from India to Singapore subsidiary of the Company. Slowdown in economy and adverse market conditions further impacted the Standalone revenue during the FY19.

The net profit for the current year stood at ₹ 1.28 Crores as against ₹ 31.74 Crores in the previous year on standalone basis. The decrease in net profit was primarily due to lower gross margins by 2.5% as compared to previous year on account of reduction in margins on products due to high competitive environment and increase in lease rent of various office premises. Further, income from exceptional items were lower in FY19 at ₹ 5.67 Crores as compared to ₹ 20.52 Crores in FY18.

Employee cost has marginally improved to 14.65% of the total income for the FY 2018–19 as against 14.98% in the previous year.

Finance Cost stood at ₹ 17.05 Crores for the FY 2018–19 as against ₹ 20.90 Crores in the previous year showing a reduction of 18%.

Consolidated

On Consolidated basis, the Company has incurred a net loss of ₹ 78.77 Crores for FY 2018–19 against a net profit of ₹ 14.93 Crores for the FY 2017–18. However, the Company alongwith its existing subsidiaries (except Black Box Corporation and its subsidiaries) recorded a net profit of ₹ 10.39 Crores during the FY19 and the total consolidated loss of ₹ 78.77 Crore was primarily attributable to one–time acquisition related cost of Black Box Corporation as well as the severance cost incurred in Black Box Corporation towards rationalization of manpower to enhance operational efficiencies.

The Employee costs stood at ₹ 624.37 Crore for the FY 2018–19 constituting 33.58% of the total income as against ₹ 192.74 Crore in the previous year which constituted 26.10% of the total income for that year. This rise in the employee costs is mainly attributed to acquisition of Black Box Corporation which amounts to ₹ 418 Crores.

Finance Cost stood at ₹ 44.54 Crore for the F.Y. 2018–19 as against ₹ 24.96 Crores in the previous year showing a rise of 78%. This steep rise in finance cost is mainly attributed to new borrowings in Black Box Corporation and AGC Networks Pte Ltd. of ₹ 453.50 Crores and ₹ 204.37 Crores respectively.

KEY RATIOS

Key Ratios	Standalone		%	Consolidated		%
	FY 2018–19	FY 2017–18	Change	FY 2018–19	FY 2017–18	Change
EBITDA (%)	2.74	9.5	–6.8	2.51	4.5	–2.0
Operating Profit Margin (%)	5.97	17.35	–11.4	–1.88	6.00	–7.9
Net Profit Margin before exceptional item (%)	–1.43	3.70	–5.1	–0.30	0.12	–0.4
Return on Net Worth (%)	1.38	37.1	–35.7	–421.99	16.6	–438.6
Interest Coverage Ratio	1.08	2.52	–57.3	–0.78	1.76	–144.3
Debtors Turnover	3.10	3.35	–7.5	3.46	3.53	–1.9
Inventory Turnover	6.26	6.91	–9.4	6.84	9.77	–30.0
Current Ratio	0.93	0.90	3.8	1.17	0.89	30.5
Debt Equity Ratio	1.06	1.37	–23.0	42.51	1.53	2672.5

Details / reason of significant changes:

1. Changes in standalone ratios is primarily due to lower gross margins by 2.5% as compared to previous year, on account of reduction in margins on products due to high competitive environment and increase in lease rent of various office premises. Further, income from exceptional items were lower in FY19 at ₹ 5.67 Crores as compared to ₹20.52 Crores in FY18.

2. Changes in consolidated ratios is due to acquisition of Black Box Corporation (“BBC”) and COPC Holdings Inc. from January 2019. Hence, the ratios are not comparable with previous year. Additionally, adverse ratios in current year is primarily due to one–time acquisition related cost of BBC as well as the severance cost incurred in it towards rationalization of manpower to enhance operational efficiencies.

CAUTIONARY STATEMENT

This report contains forward looking statements that involve risks and uncertainties including, but not limited to, risk inherent in the Company’s growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. Actual results, performances or achievements could differ materially from those expressed or implied in such forward–looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

CORPORATE GOVERNANCE REPORT 2019

Corporate Governance is a systematic process having strong foundation by which Corporates are directed and controlled to enhance their wealth–generating capacity. It provides the structure through which corporations set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. Governance is a mechanism for monitoring the actions, policies and decisions of corporations. Governance involves the alignment of interests among the stakeholders. Corporate governance is the system of structures, rights, duties and obligations by which corporations are directed and controlled; keeping in mind long–term interest of stakeholders which encourages and moves a viable and accessible financial reporting structure and which enables a transparent system. The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation such as the board of directors, employees, shareholders, creditors, auditors, regulators and other stakeholders and specifies the rules and procedures for making decisions in corporate affairs.

We, at AGC, are driven by the six major characteristics of Corporate Governance which are Transparency, Independence, Accountability, Responsibility, Fairness and Social Responsibility.

CORPORATE GOVERNANCE AT AGC NETWORKS

The Company's philosophy of Corporate Governance is aimed at maximizing the shareholders' value and protection of the interest of other stakeholders. The Company aims to achieve this through proper & full disclosure of material facts and achievement of the highest levels of transparency, accountability and equity in all facets of its operations.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account before making any business decision. We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward–moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and sub–regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Regulations" or "Listing Regulations"), as applicable, with regard to corporate governance.

BOARD OF DIRECTORS

As on March 31, 2019, the Board consists of Five (5) members comprising of Two (2) Independent Directors, Two (2) Executive Directors of which One (1) is a Woman Director and One (1) Non–Executive Non–Independent Director. The composition of the Board is in conformity with Regulation 17 of the Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). In addition to its primary role of monitoring corporate performance, the functions of the Board also include:

- Approving corporate philosophy and mission
- Participating in the formulation of strategic business plans
- Reviewing and approving financial plans and budgets
- Monitoring and reviewing corporate performance vis–à–vis the business plans
- Ensuring compliance of applicable laws and regulations

The required details related to the Board as on March 31, 2019 are listed below:

Name	Designation and Category	Director–ship in other companies	Name of the other Companies in which directorship held (including category of Directorship)	Chairmanship in Committees of Boards of other companies	Membership in Committees of Boards of other companies
Mr. Sujay R. Sheth	Chairman & Independent Director	1	Black Rose Industries Limited (Independent Director)	1	2
Mr. Sanjeev Verma	Whole–time Director	None	–	–	–
Mr. Dilip Thakkar	Independent Director	11	– Premier Limited (Independent Director) – Poddar Housing and Development Limited (Non–Executive Director) – Indo Count Industries Limited (Independent Director) – Walchandnagar Industries Limited (Independent Director) – Hamlet Constructions (India) Private Limited (Independent Director) – Windmere Hospitality (India) Private Limited (Independent Director) – Starrock Investments and Trading Private Limited (Independent Director) – Rajsvi Properties and Holdings Private Limited (Independent Director) – Skidata (India) Private Limited (Independent Director) – Universal Trustees Private Limited (Independent Director) – Essar Ports Limited (Independent Director)	– – – 1 – – – – – – 1	1 – 1 2 – – – – – – 1
Mrs. Mahua Mukherjee	Executive Director	None	–	–	–
Mr. Naresh Kothari	Non–Executive Director	6	– ADF Foods Limited (Independent Director) – Bhagwati Products Limited (Non–Executive Director) – B L Kashyap and Sons Limited (Non–Executive Director) – Soul Space Projects Limited (Non–Executive Director) – Alpha Alternatives Holdings Private Limited (Executive Director) – Provincial Finance and Leasing Co Private Limited (Executive Director)	– – – – – –	1 – 2 – – –

The above information is presented as per the data in the annual disclosures submitted by the Directors as on March 31, 2019. Further, none of the Directors of the Company are related inter–se.

Certificate by Practising Company Secretary

In accordance with the applicable provisions of Regulation 34(3) of the Listing Regulations read with Schedule V to the said Regulations, M/s. S. K. Jain & Co., Practicing Company Secretaries, have issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of any Company by Securities Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other regulatory/statutory authority. The said certificate has been attached as **"Annexure A"** to this Report.

BOARD MEETINGS

.During the FY 2018–19, Eleven (11) Board meetings were held, on the following dates:

April 5, 2018, May 10, 2018, May 29, 2018, June 15, 2018, July 31, 2018, September 25, 2018, November 11, 2018, November 14, 2018, December 6, 2018, January 17, 2019 and February 7, 2019.

The attendance of the Directors at the Board meetings held during the year is given below:

Name of the Director	Number of meetings held during FY 2018–19	Number of Board meetings Attended	Attended Last AGM	Shareholding in the Company as on March 31, 2019 (no. of Shares)
Mr. Sujay R. Sheth	11	10	Yes	NIL
Mr. Sanjeev Verma	11	11	Yes	NIL
Mr. Dilip Thakkar	11	11	Yes	NIL
Mrs. Suparna Singh[1]	11	1	NA	NA
Mrs. Mahua Mukherjee	11	11	Yes	NIL
Mr. Kaustubh Sonalkar[2]	11	6	No	NA
Mr. Naresh Kothari[3]	11	2	NA	NIL

Note:

1. Mrs. Suparna Singh ceased to be Non–Executive Director of the Company w.e.f, April 5, 2018.
2. Mr. Kaustubh Sonalkar was appointed as a Non–Executive Director of the Company w.e.f, June 15, 2018. Further, he ceased to be a Director of the Company w.e.f January 17, 2019.
3. Mr. Naresh Kothari was appointed as a Non–Executive Additional Director of the Company w.e.f. January 17, 2019.

DIRECTORS APPOINTMENT/RE-APPOINTMENT

Mrs. Mahua Mukherjee who retires by rotation, is proposed to be re–appointed as Director at the ensuing Annual General Meeting ("AGM") of the Company.

Mr. Naresh Kothari was appointed as an Additional Director of the Company on January 17, 2019. It is proposed to re–appoint him as a Non–Executive Director of the Company at the ensuing AGM.

Mr. Sanjeev Verma was appointed as Whole–time Director of the Company on February 15, 2016 for 3 (Three) years and his tenure expired on February 14, 2019. The Board at its meeting held on February 7, 2019 approved the re–appointment of Mr. Sanjeev Verma as Whole–Time Director of the Company for a further period of 3 (Three) years commencing from February 15, 2019 subject to approval of the members at the ensuing AGM and subsequent approval of the Central Government.

Mr. Sujay Sheth was appointed as the Independent Director of the Company on August 7, 2014 for a term of Five (5) years. The Board at its meeting held on July 5, 2019 approved the re–appointment of Mr. Sujay Sheth as Independent Director of the Company for another term of Five (5) years w.e.f. August 7, 2019, subject to approval of the members at the ensuing AGM.

The requisite details with regard to the proposed appointment(s)/re–appointment(s) have been provided in the notice of the ensuing AGM of the Company.

INDEPENDENT DIRECTORS

At present, the Board of the Company consists of Two (2) Independent Directors, the strength of Independent Directors on the Board being 40% is in conformity with the requirements of Regulation 17 of the Listing Regulations. All the Independent Directors of the Company have submitted declarations stating that they meet the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance/situation, which exists or may be reasonably anticipated, that could impair/impact their ability to discharge the duties of an Independent Director with objective independent judgment or without any external influence. Based on the above declaration, the Board is of the opinion that the Independent Directors of the Company fulfill the conditions specified in these Regulations and are independent of the management.

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views; to review the performance of non–independent directors and the Board as a whole: to review the performance of the Chairperson of the company taking into account the views of executive directors and non–executive directors and to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. A separate meeting of Independent Directors was held on March 26, 2019 without the presence of Non–Independent Directors.

During the year under review, there was no instance of resignation of an Independent Director of the Company.

FAMILIARIZATION PROGRAMS FOR BOARD MEMBERS

All Directors of the Company, including the Independent Directors, are provided with necessary documents/brochures, reports and internal policies to facilitate their familiarization with the procedures and practices followed by the Company. Further, periodic presentations are made at the meetings of the Board of Directors and its various Committee(s), on business and performance updates of the Company, global business environment, business strategy and risks involved. Updates on new amendments, circulars and notifications issued by the regulatory authorities including ROC, RBI and SEBI which mandates further compliances for the Company and landmark judicial pronouncements encompassing important laws are regularly appraised to the Directors.

Further, at the time of appointment of any Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

BOARD PERFORMANCE EVALUATION

In terms of the requirement of the Act and the Listing Regulations, annual performance evaluation of the Board, the Chairman, Board of Directors and the Committees was undertaken.

The process of performance evaluation of the Board, the Chairman, Board of Directors and the Committees was undertaken through a Digital Platform on questionnaire based rating assessment mechanism where the evaluators were requested to give rating for each criteria set for evaluating the performance of the Director or the Committee of which, performance was being evaluated. The Board Evaluation process was focused around how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks. The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with Management. Additionally, during the evaluation process, the Board also focused on the contribution being made by the Board as a whole, through various Committees. The overall assessment of the Board concluded that it was functioning as a cohesive body including the Committees of the Board that were functioning effectively.

BOARD DIVERSITY POLICY

In compliances with the provision of the Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity.

The objective of the Policy is to ensure that the Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition at present meets the above objective.

KEY BOARD ATTRIBUTES, SKILLS AND EXPERTISE

The Board of the Company comprises of qualified members who bring in requisite and diverse knowledge, skills and experience, which enables them to make effective contribution to the Board and its Committees as well as best serve the governance and strategic needs of the Company.

The below table summarizes the key attributes, skills and expertise which are taken into consideration while nominating candidate to serve on the Board of the Company:

DEFINITION OF DIRECTOR QUALIFICATIONS/SKILLS

Financial	Expertise to deal in complex financial market by having a deep understanding of its behavior and consequent effects on various industries. Skillsets to handle financial management, capital allocation and financial reporting process or experience in performing similar functions.
Technology	Significant background in technology resulting in knowledge of how to anticipate industry trends, generate disruptive innovation and expand or create new business models.
Leadership	Extensive experience in holding leadership roles in a significant enterprise generating practical understanding of organizations, process, strategic planning and risk management. Demonstrated strengths in developing talents, planning succession and driving change and long term growth.
Global Outlook	Experience in managing business activities across various GEOs resulting in better understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and a broad perspective on global opportunities.
Strategy and Expansion	Experience in leading the effort of an organisation for acquisition and other forms of corporate restructuring, ability to analyze the compatibility of the acquisition targets with the Company's strategy and culture, negotiation skills & accuracy in valuation of said transaction and ability to formulate & effectively implement integration plans post restructuring.
Governance	Experience of service on the board of companies belonging to various industries/sectors, including public companies, to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Sales & Marketing	Experience in developing sale and marketing strategies aimed at generating higher sale with better margins, increasing market share, building strong business relations with desired vendors and customer base, building brand awareness and equity and enhance enterprise reputation.
Industry – specific Expertise	Experience in managing or leading operations of an enterprise engaged in providing IT Solutions Integration services; Possesses understanding of integrated real–time communications solutions, Data Center Technology including its networking and security requirements, Cyber Security Solutions & various IT Solutions services offered in the industry such as Remote maintenance of IT Infrastructure & applications etc. Ability to analyze the current industry trends, its implications on the Company's business and accordingly devise strategic business plans to bank on opportunities or overcome challenges presented by the industry.

BOARD COMMITTEES

As of March 31, 2019, the Company has following Board Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Ethics and Compliance Committee
4. Stakeholders Relationship Committee
5. Corporate Social Responsibility Committee

MEETINGS OF VARIOUS COMMITTEES OF THE BOARD HELD DURING THE YEAR AND ATTENDANCE OF THE MEMBERS OF SUCH COMMITTEES:

Board Committees	Audit Committee	Nomination and Remuneration Committee	Ethics and Compliance Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Meetings held	6	8	4	4	1
Directors' Attendance					
Mr. Sujay R. Sheth	6	8	4	4	1
Mr. Dilip Thakkar	6	8	N.A.	4	N.A.
Mr. Sanjeev Verma	N.A.	N.A.	N.A.	4	1
Mrs. Mahua Mukherjee	6	N.A.	4	N.A.	0
Mr. Kaustubh Sonalkar	N.A.	4	N.A.	N.A.	N.A.
Mr. Naresh Kothari	N.A.	3	N.A.	N.A.	N.A.
Mrs. Suparna Singh	N.A.	1	N.A.	N.A.	N.A.

TERMS OF REFERENCE AND OTHER DETAILS OF BOARD COMMITTEES:

Audit Committee

Constitution of the Audit Committee as on March 31, 2019:

Mr. Sujay R. Sheth	Independent Director (Chairman)
Mr. Dilip Thakkar	Independent Director (Member)
Mrs. Mahua Mukherjee	Executive Director (Member)

The Committee's composition meets the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure.

Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of the Audit Committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company. Approving payment to statutory auditors, including cost auditors, for any other services rendered by them
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub–section 3 of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in draft audit report.
- Reviewing the quarterly financial statements before submission to the Board for approval
- Monitoring and reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice or the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing and monitoring the auditor's independence and performance as well as effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter–corporate loans and investments
- Examination of the financial statement and the Auditors' report thereon
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Establish a vigil mechanism for Directors and Employees to report genuine concerns in such manner as may be prescribed
- Reviewing, with the management, the performance of statutory auditors and internal auditors and adequacy of internal control systems
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow–up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non–payment of declared dividends) and creditors
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- Approval of appointment of the CFO (i.e. the whole–time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience, background etc. of the candidate
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries
- Reviewing the utilization of loans and/or advances from/investments made by the Company in its subsidiary exceeding ₹ 100 crores or 10% of the asset size of such Subsidiary, whichever is lower
- Reviewing the following information:
  - The Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letter/letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s); and
  - Quarterly Statement of Deviations including reports of Monitoring Agency, if applicable, submitted to the Stock Exchange(s) in accordance with Regulation 32(1) of the Listing Regulations or Annual Statement of Utilisation of Funds for purposes other than those stated in the Offer documents/prospectus/notice pursuant to Regulation 32(7) of the Listing Regulations.

NOMINATION AND REMUNERATION COMMITTEE

Constitution of the Nomination and Remuneration Committee as on March 31, 2019

Mr. Dilip Thakkar	Independent Director (Chairman)
Mr. Sujay R. Sheth	Independent Director (Member)
Mr. Naresh Kothari	Non–Executive Director (Member)

The Committee's composition meets the requirements of Section 178 of the Act, Regulation 19 of the Listing Regulations and SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.

Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down as well as to recommend to the Board their appointment and/or removal
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board

- To devise a policy on Board diversity
- To recommend the continuance or extension of the term of appointment of Independent Directors, on the basis of the report of performance evaluation of such Director
- To recommend to the Board, all remunerations, in whatever form, payable to the senior management
- To recommend/review remuneration of the Managing Director(s) and Whole–time Director(s) based on their performance and defined assessment criteria
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:
  - the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
  - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
  - the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
  - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - the right of an employee to exercise all options vested in him at one time or various points of time within the exercise period;
  - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;
  - the granting, vesting and exercising of options in case of employees who are on long leave; and
  - the procedure for cashless exercise of options.

Remuneration to Directors

The Company does not pay remuneration to any of its Non–Executive Directors (including Independent Directors) except the sitting fee for attendance during the meeting(s) of the Board of Directors and its various Committees.

The details of remuneration paid to the Executive Directors during the period from April 1, 2018 to March 31, 2019 are as follows:

(₹ in Crores)

Sr. No.	Name of Director	Fixed Salary	Bonus/Incentives/ Variable pay	Perquisites on account of Stock Options	Commission	Total
1.	Mrs. Mahua Mukherjee	0.617	0.161	–	–	0.778

The details in respect of the remuneration paid to the Non–Executive Directors (including Independent Directors) during the period from April 1, 2018 to March 31, 2019 are as under:

Name	Designation	Particulars of Remuneration	Gross Amount (in ₹)
Mr. Sujay R. Sheth	Independent Director and Chairman	Sitting Fees	17,50,000
Mr. Dilip Thakkar	Independent Director	Sitting Fees	15,00,000
Total			**32,50,000**

ETHICS AND COMPLIANCE COMMITTEE

Constitution of the Ethics and Compliance Committee as on March 31, 2019

Mr. Sujay R. Sheth	Independent Director (Chairman)
Mrs. Mahua Mukherjee	Executive Director (Member)

The Committee, at its meeting(s), sets forth the policies relating to “Code of Conduct”; oversees the implementation of the ‘Code of Conduct’, adopted by the Board of Directors, at its meeting held on 23rd October, 2002, pursuant to the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; takes on record the status reports prepared by the Compliance Officer detailing the dealings in securities by the specified persons and decides penal action in respect of violation of the Regulations or the Code by any specified person. The Committee also overviews the ‘Code of Conduct’ of the Company and related matters (including review of complaints received under Whistle Blower Policy of the Company, any violations, penal actions, etc.).

STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution of the Stakeholders Relationship Committee as on March 31, 2019

Mr. Sujay R. Sheth	Independent Director (Chairman)
Mr. Dilip Thakkar	Independent Director (Member)
Mr. Sanjeev Verma	Whole–Time Director (Member)

The Stakeholders Relationship Committee’s composition and the terms of reference meet with the requirements of Regulation 20 of the Listing Regulations and Section 178 of the Act.

Terms of Reference of the Committee, inter alia, includes the following:

– Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of the shares, non–receipt of the Annual Report, non–receipt of dividend declared, issue of new/duplicate share certificates, general meetings etc.

– Review of measure taken for effective exercise of voting rights by the shareholders.

– Review of adherence to the service standards adopted by the Company in respect of the services being rendered by the Registrar & Share Transfer Agent.

– Review of the measures and initiative taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrant/annual report/statutory notices by the shareholders of the Company.

The Board has designated Mr. Aditya Goswami, Company Secretary, as the Compliance Officer.

.The total number of correspondence (including complaints / queries) received and replied to the satisfaction of shareholders during the period April 1, 2018 to March 31, 2019, was 289. Further, there was no outstanding complaint / query or request for transfer as on March 31, 2019.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution of the Corporate Social Responsibility Committee as on March 31, 2019

Mr. Sujay R. Sheth	Independent Director (Chairman)
Mr. Sanjeev Verma	Whole–Time Director (Member)
Mrs. Mahua Mukherjee	Executive Director (Member)

The Committee’s prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of ‘Corporate Social Responsibility (CSR) Policy’, observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee’s constitution and terms of reference meets the requirements of the Act.

Terms of Reference of the Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.

PREVENTION OF INSIDER TRADING

The Company has adopted a policy to regulate, monitor and report trading by insider under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Regulations"). The policy includes practices and procedures for fair disclosure of unpublished price sensitive information (UPSI), initial and continual disclosure by identified designated employee and the Board receives the policy on a need basis. The Company Secretary–cum–Compliance Officer is responsible for implementation of the Code/Policy.

The Company has established an online IT portal which shall be used by the insiders (including specified employee of the Company) for submission of application for obtaining pre–clearance of trades and reporting of trades executed by the insiders in the securities of the Company. The said portal shall also assist in maintaining a structured digital database of such persons/entities with whom UPSI is shared in accordance with the provisions of the Insider Regulations. The Company has ensured that adequate internal controls and checks are incorporated to the portal to ensure security and non–tampering of any data, information or database.

CODE OF CONDUCT

In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted the code of conduct. The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code for the Financial Year 2018–19. The below given is the declaration made by Mr. Sanjeev Verma, Whole–Time Director, with respect to the said affirmation received from Directors and member of Senior Management of the Company, pursuant to the applicable provisions of Schedule V of Listing Regulations:

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

[Issued in accordance with Regulation 34(3) read with Schedule V Part D of SEBI
(Listing Obligations and Disclosure Requirements) Regulation, 2015]

To,
The Members
AGC Networks Limited

Sub: Declaration on compliance with Code of Conduct of the Company during FY 2018–19

I, **Sanjeev Shekhar Verma**, Whole–Time Director of the Company, based on the affirmations received from the members of the Board of Directors and Senior Management of the Company, hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the 'Code of Conduct for Directors & Senior Management' of the Company during the FY 2018–19.

Yours Sincerely,

Sanjeev Shekhar Verma
Whole–Time Director
DIN: 06871685

Place: Mumbai
Date: May 29, 2019

RECONCILIATION OF CAPITAL AUDIT

A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted Equity Share Capital with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total issued and Listed Equity Share Capital. The Secretarial Audit Report confirms that the total Issued / Paid–up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized share held with NSDL and CDSL.

SHARE TRANSFER SYSTEM

The shares of the Company, being in the compulsory demat list, are transferable through the Depository System. Shares in physical & dematerialized form are processed through M/s. Datamatics Business Solutions Limited, Registrar & Share Transfer Agent (RTA) of the Company. Shares lodged for transfer at the Registrar's address are normally processed and approved by the Stakeholders Relationship Committee or the authorized official(s) of the RTA. All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within the stipulated timeline. Grievance received from members & other miscellaneous correspondence on change of address etc. is processed by the Registrar at the earliest within the prescribed time frame.

NOMINATION

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye–laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

GENERAL BODY MEETINGS

The particulars of last three Annual General Meetings (AGM) of the Company are as under. The shareholders passed all the resolutions set out in the respective notices.

Date	Location	Time	No. of Special Resolution(s)
August 1, 2018	Banquet Hall, Equinox Business Park, Off B.K.C, LBS Marg, Kurla West, Mumbai – 400070	11.15 AM	4
September 22, 2017	Banquet Hall, Equinox Business Park, Off B.K.C, LBS Marg, Kurla West, Mumbai – 400070	11.00 AM	0
September 28, 2016	Banquet Hall, Equinox Business Park, Off B.K.C, LBS Marg, Kurla West, Mumbai – 400070	11.15 AM	1

RESOLUTION PASSED BY POSTAL BALLOT

During the year, the Company has not passed any resolution by way of postal ballot.

DISCLOSURES

a. Disclosure of material financial and commercial transactions where management has personal interest that may have a potential conflict with the interest of the company at large:

   During the year, there were no material financial and commercial transactions where management had personal interest that may have a potential conflict with the interest of the company at large. Details with regards to Related Party Transactions are provided under financial section of this report.

b. Details of non–compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

   None.

c. Disclosure relating to Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee:

The Company has established a Vigil Mechanism through the Whistle Blower Policy/Policy on Vigil Mechanism and no personnel have been denied access to the Audit Committee of the Company. The said policy is accessible on the website of the Company at https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Whistle–Blower–Policy.pdf

d. Details of compliance with mandatory requirements and adoption of the non–mandatory requirements:

The Company has complied with all the mandatory requirements as specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has adopted the following non–mandatory requirements:

(i) Separate personnel are appointed to the post of Chairman and WTD/Managing Director/CEO, (ii) Company strives to move towards a regime of unqualified financial statements and (iii) Internal Auditor of the Company reports directly to Audit Committee of the Company.

e. Web–link for Policy for determining 'Material' subsidiaries:

Pursuant to the provisions of Regulation 16(c) of Listing Regulations, the Company has adopted a Policy for determination of Material Subsidiaries of the Company. The said policy is accessible on the website of the Company at https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Policy–for–Determining–Material–Subsidiary.pdf

f. Web–link for Policy on dealing with Related Party Transaction ("RPT"):

Pursuant to the provisions of Regulation 23(1) of Listing Regulations and applicable provisions of the Companies Act, 2013, the Company has adopted a policy on determining materiality of RPTs as well as for dealing with RPTs. The said policy is accessible on the website of the Company at https://www.agcnetworks.com/in/wp–content/uploads/2016/08/Related_Party_Transaction_policy.pdf

g. Disclosure on Commodity Risk, Foreign Exchange Risk and Hedging Activities:

In accordance with the provisions of Regulation 34(3) of Listing Regulations read with Schedule V therein and pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018, the Company makes the following disclosure regarding Commodity Risk faced by it and the corresponding hedging activities undertaken by the Company during the year under review:

i. **Risk Management Policy:** The Company has adopted a Risk Management Policy for the purpose of identification, analysis & mitigation of all present and future risk exposures of the Company, establishing a framework for risk management and thereby assuring business growth and stability. The said Policy is accessible on the website of the company at https://www.agcnetworks.com/in/wp–content/uploads/2016/10/Risk–Management–Policy.pdf

ii. **Commodity Risk Exposure:**

a) Total Exposure of the Company to commodities (in ₹): NIL

b) Commodity–wise break–up of exposure: NA

c) Commodity risks faced by the Company during the year and how they have been managed:

The nature of business of the Company and the investment activities undertaken by the Company, if any, has not resulted in any commodity risk exposure and thus during the year under review, there was no need for the Company to undertake mitigation measures with respect to commodity risk.

iii. **Foreign Exchange Risk:** The foreign exchange risk borne by the Company has been disclosed in Note 36.3 to the Standalone Financial Statements of the Company provided in the Annual Report.

h. Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placement ("QIP"):

During the year under review, the Company has issued 12,71,185 equity shares of ₹ 10/– (Rupees Ten Only) each at the issue price of ₹ 118/– each (including a premium of ₹ 108/–), to the holders of 1,50,000 0.01% Compulsorily Convertible Preference Shares ("CCPS") of ₹ 1,000/– each, pursuant to conversion of CCPS into equity shares of the Company on August 31, 2018. Since the said CCPS were issued on preferential basis consequent to variation in terms of Non–Cumulative Non–Convertible Redeemable Preference Shares ("NCRPS") issued in the year 2014, no fresh funds were received by the Company on such issue and allotment. Thus, requirement to disclose the details of utilization of funds during the current year as well as following year is not applicable to the Company.

i. Details of total fees paid to Statutory Auditors:

The details of the total fees paid by the Company or its Subsidiaries, on consolidated basis, to the Statutory Auditor (including its network entities) with respect to all services provided by them, is given below:

(In ₹)

Sr. No.	Particulars of Services	Amount of Fees paid to Statutory Auditor	Amount of Fees paid to entities belonging to Statutory Auditor's network	Total Amount of Fees paid
1	Audit Services	1,31,00,200	82,01,146	2,13,01,346
2	Other Services	2,50,000	–	2,50,000
	Total	**1,33,50,200**	**82,01,146**	**2,15,51,346**

j. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

No Complaints were received by the Internal Compliance Committee w.r.t. Sexual Harassment of Women at Workplace during the FY 18–19.

k. Disclosure of shareholding of Non–Executive Directors.

As on March 31, 2019, Mr. Naresh Kothari, Additional Director of the Company beneficially holds 1.01% shareholding in the Company. No other Director of the Company (including executive director) holds any shares in the Company as on March 31, 2019.

MEANS OF COMMUNICATION

The quarterly results (including half–yearly and annual results) are usually published in ''The Free Press Journal' (English Daily) and 'Nav Shakti' (Marathi Daily). The results are also promptly forwarded to the Bombay Stock Exchange ("BSE") Limited and The National Stock Exchange of India ("NSE") Limited where the securities of the Company are listed. The Company has developed a section dedicated for Investors on the Company's website (www.agcnetworks.com) to display latest annual, half–yearly & quarterly results. The official news releases and the presentations made to the Investors / Analysts, if any, are also displayed on the said website. The Management Discussion and Analysis Report is attached to and forms part of the Annual Report. All Financial and other important information is promptly communicated to BSE Limited and NSE Limited where the securities of the Company are listed.

CERTIFICATE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS BY PRACTICING COMPANY SECRETARY

In accordance with the applicable provisions of Regulations 34(3) of Listing Regulations read with Schedule V to the said regulations, M/s. S. K. Jain & Co., Practicing Company Secretaries, has issued the certificate on compliance by the Company with the conditions of Corporate Governance specified under the Listing Regulations, which is given on page no. 47 of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM)

The AGM of the Company for the financial year ended March 31, 2019 shall be held on Thursday, September 26th, 2019 at 11:00 A.M. at Yashwantrao Chavan Centre, General Jagannath Bhosle Road, Nariman Point, Mumbai – 400021.

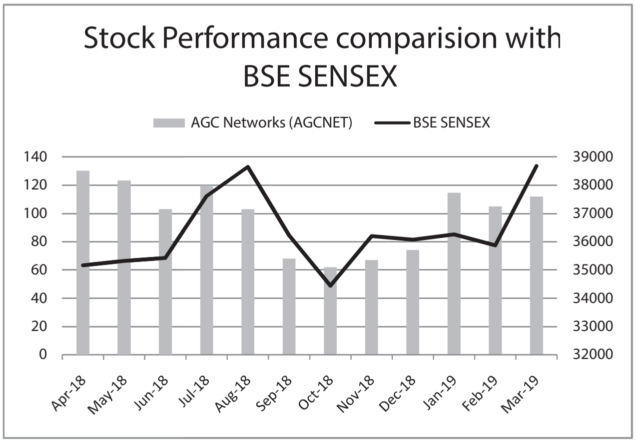
Following are the other general shareholder information:

Financial Year	April 1 to March 31
Dates of Book Closure	Friday, September 20th, 2019 till Thursday, September 26th, 2019 (Both days inclusive)
Dividend Payment Date	No dividend is recommended by Directors of the Company on Equity Shares for the current Financial Year.
Name and Address of the Stock Exchanges where the securities of the Company are listed	**Bombay Stock Exchange (BSE) Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 **The National Stock Exchange of India (NSE) Limited** Exchange Plaza, C–1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 The Company has paid the annual listing fees to the Stock Exchanges.
Stock Code / Symbol Demat ISIN Numbers in NSDL & CDSL for Equity Shares	BSE – 500463, NSE – AGCNET ISIN – INE676A01019
Market price Data : High, Low during each month in the financial year 2018– 2019 and stock performance comparison with BSE Sensex & NSE Nifty 50	See Table No.1 below
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	Not Applicable
Registrar and Share Transfer Agents	Datamatics Business Solutions Limited, Plot No. B–5, MIDC, Part B, Cross Lane, Andheri (East), Mumbai – 400093 to whom the authority has been delegated by the Board to attend share transfer formalities etc.
Share Transfer System	Share Transfers are registered and returned within the specified period from the date of receipt, if the documents are clear in all respects. The Company ensures that the half yearly Compliance Certificate pursuant to Regulations 40(9) and 40(10) of the Listing Regulations are filed with the Stock Exchanges.
Distribution of shareholding & Category– wise distribution	See Table No. 2 & 3
Dematerialization of shares and liquidity as on March 31, 2019	See Table No. 4
Credit Rating(s)	The Company had obtained CARE BB+ (CARE Double B Plus) rating with Stable Outlook for the Long Term Banking Facilities availed by it and CARE A4 (CARE A Four) for the Short Term Banking Facility availed by it. During the year under review, these ratings were subject to periodic review by CARE and there was no change in the ratings assigned to the Company.
Address for correspondence	Registered Office: Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex, LBS Marg, Kurla West, Mumbai – 400070

Table No. 1 – Market price Data – High, Low during each month in the financial year 2018–2019 and stock performance comparison with BSE Sensex & NSE Nifty 50

Month	BSE		NSE	
	High	Low	High	Low
April 2018	137.90	102.00	139.60	103.00
May 2018	142.00	101.60	139.75	105.25
June 2018	129.90	100.65	128.00	101.25
July 2018	124.90	98.10	124.80	98.00
August 2018	117.00	102.15	121.30	101.90
September 2018	112.00	68.00	109.00	64.00
October 2018	76.30	46.00	74.60	49.10
November 2018	73.90	59.50	74.80	59.50
December 2018	77.00	60.05	80.50	59.15
January 2019	126.70	72.60	128.45	72.35
February 2019	117.05	80.00	119.00	78.40
March 2019	119.95	101.60	120.55	103.00

Stock performance comparison with BSE Sensex & NSE Nifty 50



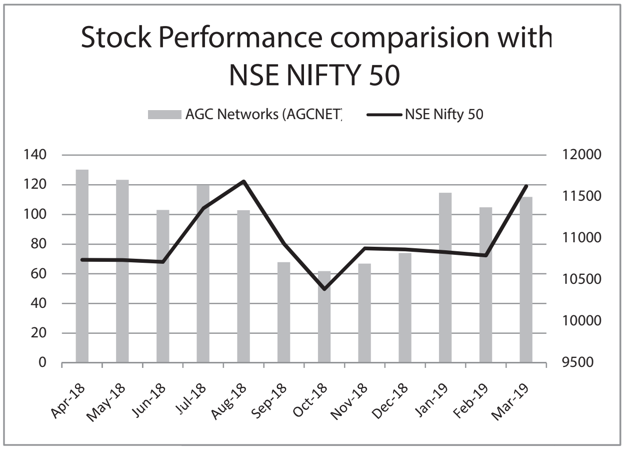


Table No. 2 – Distribution of shareholding as on March 31, 2019

Sr. No.	Shares Range		No. of Shares	% of Total Shares	No. of Shareholders	% of Total Shareholders
	From	To				
1	1	100	189719	0.64	3837	44.44
2	101	500	976013	3.28	3629	42.04
3	501	1000	520579	1.75	731	8.47
4	1001	5000	681242	2.29	324	3.75
5	5001	10000	336706	1.13	46	0.53
6	10001	100000	1584344	5.33	53	0.61
7	100001 & above		25449046	85.58	14	0.16
	TOTAL		**29737649**	**100.00**	**8634**	**100.00**

Table No. 3 – Category–wise distribution as on March 31, 2019

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Shares held	% to Capital
1	Promoter & Promoter Group Companies	3	19116346	64.28
2	Foreign Institutional Investors & OCB	5	1699103	5.72
3	Banking/Financial Institutions/Insurance Companies	10	2245174	7.55
4	Central Government/State Government	2	149976	0.50
5	Mutual Funds/UTI	7	6828	0.02
6	Bodies Corporate/Trusts/Clearing Members	188	2847979	9.58
7	Non–Resident Individuals	186	132652	0.45
8	Resident Individuals	8233	3539591	11.90
	TOTAL	**8634**	**29737649**	**100.00**

Shareholding pattern as on March 31, 2019

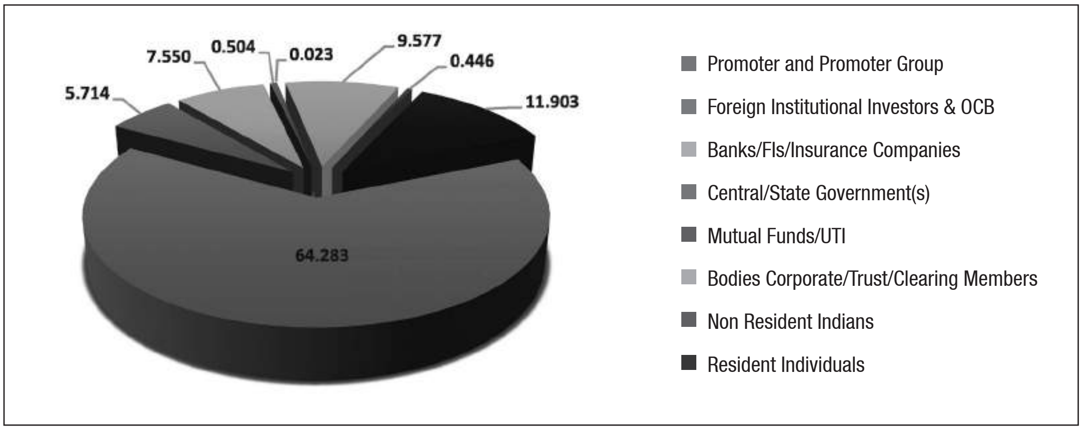


Table No. 4 – Dematerialization of shares and liquidity as on March 31, 2019

Description	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
NSDL	5115	59.24	21494203	72.28
CDSL	2156	24.97	7842962	26.37
Physical	1363	15.79	400484	1.35
TOTAL	**8634**	**100.00**	**29737649**	**100.00**

Sanjeev Shekhar Verma
Whole–Time Director
DIN: 06871685

Place: Mumbai
Date: July 5, 2019

ANNEXURE "A" TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON–DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
AGC NETWORKS LIMITED
Equinox Business Park (Peninsula Techno Park),
Off. Bandra Kurla Complex,
LBS Marg, Kurla (West),
Mumbai–400070.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AGC NETWORKS LIMITED** having CIN L32200MH1986PLC040652 and having registered office at Equinox Business Park (Peninsula Techno Park), Off. Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai–400070 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para–C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Sujay Rajababu Sheth	03329107	21/05/2011
2.	Mr. Dilip Jayantilal Thakkar	00007339	08/02/2018
3.	Mr. Naresh Lakshman Singh Kothari	00012523	17/01/2019
4.	Mr. Sanjeev Shekhar Verma	06871685	15/05/2014
5.	Mrs. Mahua Mukherjee	08107320	05/04/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. K. Jain & Co.
CS. Dr. S. K. Jain
Membership No. FCS 1473
C. P. NO. 3076

Place: Mumbai
Date: May 22, 2019

SECRETARIAL COMPLIANCE REPORT

FOR THE YEAR ENDED MARCH 31ST, 2019

To,

The Board of Directors,
AGC Networks Limited (“The Listed Entity”)
CIN: L32200MH1986PLC040652
Equinox Business Park (Peninsula Techno Park),
Off Bandra–Kurla Complex, LBS Marg,
Kurla – West, Mumbai 400070.

I, Jaya Sharma, Proprietor of M/s. Jaya Sharma & Associates, Practicing Company Secretaries, have examined:

(a) all the documents and records made available to me and explanation provided by the listed entity;

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity;

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31st, 2019 (“Review Period”) in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:–

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the listed entity during the Review Period);

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the listed entity during the Review Period);

(g) Securities and Exchange Board of India(Issue and Listing of Non– Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable to the listed entity during the Review Period);

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder;

And based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder during the period under review. Further, there are no instances of any non–compliance reported during the review period.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records during the review period.

(c) No actions were taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during the review period.

(d) This year being the first year of reporting of Annual Secretarial Compliances the question of observations in the previous compliance Report(s) does not arise.

For Jaya Sharma & Associates
Jaya Sharma
Proprietor
FCS No.: 7557
CP No.: 8154

Place: Mumbai
Date: April 25, 2019

This report is to be read with our letter of even date which is annexed as 'Appendix 1' and forms an integral part of this report.

APPENDIX 1

To,
The Board of Directors,
AGC Networks Limited ("The Company")
CIN: L32200MH1986PLC040652
Equinox Business Park (Peninsula Techno Park),
Off Bandra–Kurla Complex, LBS Marg,
Kurla – West, Mumbai 400070.

My report of even date is to be read along with this letter:

1) The compliance of provision of all the SEBI laws, rules, regulations, standards applicable to the Company is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Annual Secretarial Compliance Report;
2) Maintenance of records as required under the SEBI laws, rules and regulations is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
3) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records as required under the SEBI laws, rules and regulations. The verification was done on test basis to ensure that correct facts are reflected in these records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
4) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5) Wherever required, I have obtained the Management Representation about the compliance under the SEBI laws, rules and regulations and major events during the review period.
6) The Annual Secretarial Compliance report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7) Any liability on us arising from this certificate shall not increase due to a contractual or other limitation on liability of another party. Our liability shall be limited to the extent of fees charged by it in respect of this assignment.

For **Jaya Sharma & Associates**
Jaya Sharma
(Proprietor)
FCS No.: 7557
CP No.: 8154

Place: Mumbai
Date: April 25, 2019

CEO/CFO CETIFICATE

To,
The Board of Directors
AGC Networks Limited

Sub: WTD & CFO Certificate

[Issued in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

Dear Members of the Board,

We, Sanjeev Shekhar Verma, Whole–Time Director and Deepak Kumar Bansal, Chief Financial Officer of the Company hereby certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2019 and to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There was no instance of significant change in internal control over financial reporting during the year under reference;

   ii) There was no instance of significant change in accounting policies during the year under reference; and

   iii) During the year under reference, we are not aware of any instance of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

Sanjeev Shekhar Verma	**Deepak Kumar Bansal**
Whole–Time Director	**Chief Financial Officer**

Place: Mumbai
Date: May 29, 2019

Independent Auditor's Report

To the Members of AGC Networks Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of AGC Networks Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 38 to the accompanying standalone financial statements, 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 ₹ 0.74 Crores, and recorded profit on such sale amounting to ₹ 40.85 Crores (net of incidental selling expenses amounting to ₹ 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 Ind AS 16, Property, Plant and Equipment.

   Our report on the standalone financial statements for the 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 ₹ 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 ₹ 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 year ended 31 March 2019 would have been higher by ₹ 22.79 Crores (year ended 31 March 2018: Nil) while depreciation expense for the year ended 31 March 2019 would have been higher by ₹ 0.02 Crores (year ended 31 March 2018: ₹ 0.04 Crores). The balance consideration receivable from the buyer in the first sale transaction amounting to ₹ 22.40 Crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings for the year ended 31 March 2019 would be Nil (year ended 31 March 2018: ₹ 37.58 Crores).

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Information other than the Standalone Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
15. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
16. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) the standalone financial statements dealt with by this report are in agreement with the books of account;
    d) except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
    f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;

g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 May 2019 as per Annexure II expressed modified opinion; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. the Company, as detailed in note 34 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

    ii. the Company did not have any long–term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

    iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

    iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Nikhilesh Nagar
Partner
Membership No.: 079597

Place : Mumbai
Date : 29 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of AGC Networks Limited, on the standalone financial statements for the year ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (PPE).

(b) The PPE have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the PPE is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of guarantee, investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185. Also, the Company has not entered into any transaction covered under Section 186 of the Act in respect of security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub–section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income–tax, sales–tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year–end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income–tax, sales–tax, service–tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ In Crores)	Amount paid under protest (₹ In Crores)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act,1944	Demand on account of incorrect duty credit / short payment	0.47	0.04	1991–92 to 1996–97	Customs, Excise and Service Tax Appellate Tribunal
Finance Act,1994	Service tax demand on Right–to–use activation and penalty thereon	4.17	0.35	2003–04 to 2006–07	Customs, Excise and Service Tax Appellate Tribunal
Finance Act,1994	Excise Duty on CT 3 clearance and incorrect input tax credit of service tax paid on foreign service provider	4.73	0.05	2003–04 to 2007–08	Customs, Excise and Service Tax Appellate Tribunal

Annexure I to the Independent Auditor's Report of even date to the members of AGC Networks Limited, on the standalone financial statements for the year ended 31 March 2019

Name of the statute	Nature of dues	Amount (₹ In Crores)	Amount paid under protest (₹ In Crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act,1994	Service tax demand on royalty payment	0.74	0.04	2004–05 to 2006–07	Customs, Excise and Service Tax Appellate Tribunal
Finance Act,1994	Service tax demand along with penalty on excess CENVAT utilization	5.40	0.50	2004–05 to 2007–08	Customs, Excise and Service Tax Appellate Tribunal
Finance Act,1994	Interest and penalty on service tax payable under reverse charge as a recipient of foreign service	0.06	0.03	2005–06	Commissioner of Central Excise and Service Tax – Appeals
Finance Act,1994	Service tax demand on Right–to–use activation and penalty thereon	0.50	0.05	2006–07, 2007–08 and 2011–12	Customs, Excise and Service Tax Appellate Tribunal
Finance Act,1994	Service tax penalty under reverse charge mechanism	0.38	–	2017–18	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act,1962	Demand for the payment of custom duty on royalty payments	6.60	–	Various financial years	Customs, Excise and Service Tax Appellate Tribunal
West Bengal Sales Tax Act, 1994	Interest on works contract tax / sales tax	0.03	–	2003–04, 2005–06 and 2006–07	Senior Joint Commissioner of Commercial Tax
The Kerala Value Added Tax Act, 2003	Differential value added tax rate demand	0.08	–	2008–09	Kerala Value Added Tax Tribunal
The Kerala Value Added Tax Act, 2003	Non–submissions of F–forms	0.08	0.03	2009–10 and 2011–12	Assistant Commissioner (Appeals)
The Maharashtra Value Added Tax Act, 2002	Demand on account of disallowance of works contract tax, tax deducted at source credit and applicability of value added tax on service tax	0.39	0.20	2008–09	The Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Demand on account of disallowance of works contract tax, tax deducted at source credit and applicability of value added tax on service tax	0.13	0.13	2010–11	The Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Demand on account of disallowance of works contract tax, tax deducted at source credit and applicability of value added tax on service tax	0.18	0.04	2011–12	Joint Commissioner of Sales Tax (Appeals)
The Maharashtra Value Added Tax Act, 2002	Value added tax and interest payable on the basis of regular assessment	0.17	0.01	2012–13	Joint Commissioner of Sales Tax (Appeals)

Annexure I to the Independent Auditor's Report of even date to the members of AGC Networks Limited, on the standalone financial statements for the year ended 31 March 2019

Name of the statute	Nature of dues	Amount (₹ In Crores)	Amount paid under protest (₹ In Crores)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Value Added Tax Act, 2008	Value added tax and interest payable on the basis of regular assessment	0.28	0.08	2008–09	Additional Commissioner (Appeals)
The Gujarat Value Added Tax Act, 2003	Demand on non–receipt of statutory forms	0.74	0.26	2011–12	Gujarat Value Added Tax Tribunal
The Gujarat Value Added Tax Act, 2003	Demand on non–receipt of statutory forms	1.58	0.43	2012–13	Gujarat Value Added Tax Tribunal
The Gujarat Value Added Tax Act, 2003	Non receipt of C / I / F forms, disallowance of input tax credits and levy of penalty	0.20	0.06	2013–14	Gujarat Value Added Tax Tribunal
Income–tax Act, 1961	Reopening of assessment under section 147	0.62	0.62	2003–04	High Court
Income–tax Act, 1961	Tax and penalty on deferred revenue treated as revenue	20.26	20.26	2004–05, 2005–06 and 2006–07	Income Tax Appellant Tribunal (ITAT)
Income–tax Act, 1961	Penalty levied on concealment of income under section 271(1)(c)	0.28	0.28	2007–08	Commissioner of Income Tax (Appeal)
Income–tax Act, 1961	Demand on account of disallowance of expenditure incurred towards employee separation scheme (Re–assessment)	0.55	0.55	2008–09	Commissioner of Income Tax (Appeal)
Income–tax Act, 1961	Tax and penalty on deferred revenue treated as revenue	5.53	5.53	2009–10	Commissioner of Income Tax (Appeal)
Income–tax Act, 1961	Penalty levied on concealment of income under section 271(1)(c)	2.22	–	2010–11	Commissioner of Income Tax (Appeal)
Income–tax Act, 1961	Demand on account of disallowance of certain expenditures	4.73	4.73	2011–12	Income Tax Appellant Tribunal (ITAT)
Income–tax Act, 1961	Demand on account of disallowance of certain expenditures	4.43	–	2012–13	Commissioner of Income Tax (Appeal)
Income–tax Act, 1961	Demand on account of disallowance of provision of expenses, renovation expense and unearned revenue	11.94	–	2013–14	Commissioner of Income Tax (Appeal)
Income–tax Act, 1961	Demand on account of disallowance of certain expenditures	0.55	–	2014–15	Commissioner of Income Tax (Appeal)

Annexure I to the Independent Auditor's Report of even date to the members of AGC Networks Limited, on the standalone financial statements for the year ended 31 March 2019

(viii) There are no loans or borrowings payable to financial institutions or government and no dues payable to debenture–holders. The Company has defaulted in repayment of loans to the following banks:

Name of the bank	Amount of default as on 31 March 2019 (₹ In Crores)	Period of default	Remarks
Yes Bank	4.50	February 2019	The repayment has subsequently been made in April 2019

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) In our opinion, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non–cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45–IA of the Reserve Bank of India Act, 1934.

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

Nikhilesh Nagar
Partner
Membership No.: 079597

Place : Mumbai
Date : 29 May 2019

Annexure II to the Independent Auditor's Report of even date to the members of AGC Networks Limited on the standalone financial statements for the year ended 31 March 2019

Independent Auditor's Report on the Internal Financial Controls under clause (i) of sub–section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of AGC Networks Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure II to the Independent Auditor's Report of even date to the members of AGC Networks Limited on the standalone financial statements for the year ended 31 March 2019

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

8. 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 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.

9. 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.

Qualified Opinion

10. In our opinion, the Company has, in all material respects, adequate IFCoFR as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note, and except for the effects of the material weakness described above, on the achievement of the objectives of the control criteria, the Company's IFCoFR were operating effectively as at 31 March 2019.

11. 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.

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

Nikhilesh Nagar
Partner
Membership No.: 079597

Place : Mumbai
Date : 29 May 2019

STANDALONE BALANCE SHEET as at 31 March 2019

₹ in Crores

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non–current assets			
Property, plant and equipment	3	7.70	7.89
Other intangible assets	4	0.78	1.47
Financial assets			
Investments	5	48.72	48.72
Trade receivables	6	–	0.32
Loans	7	1.46	2.60
Other financial assets	8	1.03	1.89
Current tax assets (net)		62.25	57.97
Other non–current assets	9	5.85	5.82
Total non–current assets		**127.79**	**126.68**
Current assets			
Inventories	10	16.18	22.45
Financial assets			
Trade receivables	6	93.92	103.64
Cash and cash equivalents	11	0.73	0.86
Other bank balances	11	2.76	0.84
Loans	7	25.57	2.05
Other financial assets	8	22.88	37.12
Other current assets	9	54.20	44.99
Total current assets		**216.24**	**211.95**
TOTAL ASSETS		**344.03**	**338.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	29.74	28.47
Other equity	13	63.05	57.04
Total equity		**92.79**	**85.51**
Liabilities			
Non–current liabilities			
Financial liabilities			
Other financial liabilities	14	0.52	5.50
Provisions	15	6.31	6.69
Other non–current liabilities	16	12.63	5.09
Total non–current liabilities		**19.46**	**17.28**
Current liabilities			
Financial liabilities			
Borrowings	17	98.04	117.27
Trade payables	18		
Total outstanding dues to micro enterprises and small enterprises		6.99	6.64
Total outstanding dues to creditors other than micro enterprises and small enterprises		76.12	58.14
Other financial liabilities	14	14.85	16.34
Provisions	15	0.65	0.79
Other current liabilities	16	35.13	36.66
Total current liabilities		**231.78**	**235.84**
TOTAL EQUITY AND LIABILITIES		**344.03**	**338.62**

Notes 1 to 44 form an integral part of the financial statements.
This is the standalone balance sheet referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2019

₹ in Crores

	Notes	31 March 2019	31 March 2018
Income			
Revenue from operations (net)	19	306.85	303.39
Other income	20	6.25	5.30
Total income (I)		**313.10**	**308.69**
Expenses			
Cost of materials and components consumed	21	–	0.27
Purchase of stock–in–trade		115.48	129.55
Changes in inventories of work–in–progress and stock–in–trade	22	5.39	(11.46)
Service charges		98.09	81.79
Employee benefits expense (net)	23	45.87	46.27
Finance costs	24	17.05	20.90
Depreciation and amortisation expense	25	2.01	2.13
Other expenses	26	33.60	28.02
Total expenses (II)		**317.49**	**297.47**
(Loss) / profit before exceptional items and tax (I–II)		**(4.39)**	**11.22**
Exceptional items – income	27	5.67	20.52
Profit before tax		**1.28**	**31.74**
Tax expenses		–	–
Net profit for the year		**1.28**	**31.74**
Other comprehensive income / loss			
Items that will not be reclassified to profit or loss			
Re–measurement gain / (loss) on defined benefit plans		0.83	(0.90)
Other comprehensive income / (loss) for the year		**0.83**	**(0.90)**
Total comprehensive income for the year		**2.11**	**30.84**
Earnings / (loss) per equity share	28		
Earnings / (loss) per share of ₹10 each before exceptional items:			
Basic (in ₹)		(1.50)	3.94
Diluted (in ₹)		(1.50)	3.91
Earnings per share of ₹10 each after exceptional items :			
Basic (in ₹)		0.44	11.15
Diluted (in ₹)		0.44	11.06

Notes 1 to 44 form an integral part of the financial statements.

This is the standalone statement of profit and loss referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

STANDALONE CASH FLOW STATEMENT for the year ended 31 March 2019

₹ in Crores

	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before tax	**1.28**	**31.74**
Adjustments for non–cash transactions and items considered separately:		
Depreciation and amortisation expense	2.01	2.13
Loss / (gain) on disposal of property, plant and equipment	0.01	(0.01)
Provision for warranties	0.02	0.07
Allowance for doubtful debts	0.41	(0.42)
Liabilities / provisions for earlier years no longer required written back	(2.00)	(9.93)
Unrealised foreign exchange (gain) / loss	(0.77)	0.47
Finance costs	17.05	20.90
Interest income on bank deposits	(0.18)	(0.49)
Expenses on employee stock option scheme	0.64	0.98
Reversal of provision against obsolete / non–moving inventory	(3.65)	(12.08)
Reversal of rent provision	–	(5.21)
Interest income against sale of Gandhinagar land and building	(0.91)	(3.23)
Interest income on inter corporate deposits	(1.89)	–
Profit on sale of Gandhinagar land and building	(1.11)	–
Operating profit before working capital changes	**10.91**	**24.92**
Changes in working capital		
Trade receivables	10.36	(26.68)
Inventory	9.92	1.46
Loans and other assets	6.15	10.69
Trade payables	20.46	3.66
Other liabilities and provisions	4.55	4.89
Cash generated from operating activities before taxes	**62.35**	**18.94**
Income taxes (paid) / refund	(4.28)	14.52
Net cash generated from operating activities (A)	**58.07**	**33.46**
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets (including Gandhinagar land and building)	(23.54)	(0.15)
Proceeds from sale of property, plant and equipment (including Gandhinagar land and building)	23.50	0.02
Interest received on bank deposits	0.29	2.04
Inter corporate deposits given	(22.39)	–
Interest income on inter corporate deposits	1.89	–
(Investment in) / liquidation of margin money and bank deposits	(1.40)	1.62
Net cash (used in) / generated from investing activities (B)	**(21.65)**	**3.53**

STANDALONE CASH FLOW STATEMENT for the year ended 31 March 2019

₹ in Crores

	31 March 2019	31 March 2018
Cash flows from financing activities		
Repayment of working capital loan	(12.74)	(12.98)
Repayment of cash credits and buyers' credits	(6.49)	(4.29)
Payment of preference dividend	–	(0.15)
Payment of unclaimed dividend	(0.03)	(0.05)
Payment of finance costs	(17.20)	(19.74)
Net cash used in financing activities (C)	**(36.46)**	**(37.21)**
Net decrease in cash and cash equivalents (A + B + C)	**(0.04)**	**(0.22)**
Cash and cash equivalents at the beginning of the year	0.86	1.08
Unrealised gain on foreign currency cash and cash equivalents	(0.09)	–
Cash and cash equivalents at the end of the year (refer note 11)	**0.73**	**0.86**
Components of cash and cash equivalents		
Balances with banks:		
– In current accounts	0.32	0.48
– In deposit accounts	0.30	0.28
Cheques on hand	0.10	0.09
Cash on hand	0.01	0.01
Total cash and cash equivalents	**0.73**	**0.86**

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS –7 "Statement of Cash Flow" issued by the Institute of Chartered Accountants of India.

This is the standalone statement of cash flow referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2019

Equity share capital

Particulars	Note	Number of shares	₹ in Crores
As at 1 April 2017	**12**	**28,466,464**	**28.47**
Changes during the year		–	–
As at 31 March 2018	**12**	**28,466,464**	**28.47**
Changes during the year		1,271,185	1.27
As at 31 March 2019	**12**	**29,737,649**	**29.74**

Other equity ₹ in Crores

Particulars	Reserves and surplus					Equity component of compound financial instrument (refer note 13)	Other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Stock option outstanding		Re–measurement of defined benefit obligation	
Balance as at 1 April 2017	**22.64**	**32.10**	**100.58**	**(145.24)**	**0.75**	**9.41**	**0.40**	**20.64**
Profit for the year	–	–	–	31.74	–	–	–	31.74
Re–measurement of defined benefit obligation	–	–	–	–	–	–	(0.90)	(0.90)
Preference dividend paid	–	–	–	(0.15)	–	–	–	(0.15)
Expenses on employee stock option scheme	–	–	–	–	0.96	–	–	0.96
Equity component of compound financial instrument	–	–	–	–	–	4.74	–	4.74
Balance as at 31 March 2018	**22.64**	**32.10**	**100.58**	**(113.65)**	**1.71**	**14.15**	**(0.50)**	**57.04**
Profit for the year	–	–	–	1.28	–	–	–	1.28
Re–measurement of defined benefit obligation	–	–	–	–	–	–	0.83	0.83
Expenses on employee stock option scheme	–	–	–	–	0.64	–	–	0.64
Equity component of compound financial instrument	–	–	–	–	–	(14.15)	–	(14.15)
Securities premium on account of conversion of 1% non–cumulative, non–convertible, redeemable preference shares ('NCRPS') to 0.01% compulsory convertible preference shares ('CCPS') and further conversion to equity shares	–	13.73	–	–	–	–	–	13.73
Ind AS impact on opening reserves on account of conversion of NCRPS to CCPS	–	–	–	3.69	–	–	–	3.69
Balance as at 31 March 2019	**22.64**	**45.83**	**100.58**	**(108.68)**	**2.35**	**–**	**0.33**	**63.05**

Notes 1 to 44 form an integral part of the financial statements.
This is the standalone statement of changes in equity referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

1 Corporate information

AGC Networks Limited ('the Company') or 'AGC' is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. Its shares are listed on two stock exchanges in India, Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company's registered office is located at Equinox Business Park, Off Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400 070. The Company, along with its foreign subsidiaries, is a global information, communications technology (ICT) solutions provider and Integrator seamlessly delivering technology based solutions across global markets and verticals layered with a spectrum of applications and services. The Company is the leader in Enterprise Communications in India with global footprint in locations spanning India, Middle East / Africa, North America, Australia, New Zealand, Singapore and Europe.

2 Basis of preparation and presentation

A. Statement of compliance

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

All amounts included in the financial statements are reported in Indian Rupees (INR) in Crores except share and per share data unless otherwise stated and ""0"" denotes amounts less than fifty thousands rupees.

B. Basis of preparation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Share based payment transactions; and

iii. Defined benefit and other long–term employee benefits

C. Use of estimate and judgment

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

(i) Income tax: Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

(ii) Defined benefit plans and compensated absences: The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long–term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Property, plant and equipment: Property, plant and equipment (PPE) represent a significant proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of the PPE's

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

expected useful life and the expected residual value at the end of its life. Depreciation of PPE is calculated on straight line basis over the useful life estimated by the management, based on technical evaluation or those prescribed under schedule II of the Act, whichever is higher.

(iv) Expected credit losses on financial assets: On application of Ind AS 109 "Financial Instruments", the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit–worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(vi) Provisions: Provisions are recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit plan and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

(vii) Share–based payments: The grant date fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "stock option outstanding". The amount recognised as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vests, in the statement of profit and loss with a corresponding adjustment to equity.

D. Summary of significant accounting policies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these Company operates (i.e. the "functional currency"). The financial statements are presented in INR, which is the functional and presentation currency of the Company.

(ii) Foreign currency transactions and translations

Foreign currency transactions of the Company are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the balance sheet date whereas non–monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss.

(iii) Financial instruments

a. Initial recognition and measurement

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

b. Subsequent measurement

Non–derivative financial instruments:

a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. Derecognition of financial instruments

The Company derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

d. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(iv) Current versus non–current classification

(i) An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in normal operating cycle

b. Held primarily for the purpose of trading

c. Expected to be realised within twelve months after the reporting period, or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(ii) All other assets are classified as non–current.

(iii) Liability is considered as current when it is:

a. Expected to be settled in normal operating cycle

b. Held primarily for the purpose of trading

c. Due to be settled within twelve months after the reporting period, or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(iv) All other liabilities are classified as non–current.

(v) Deferred tax assets and liabilities are classified as non–current assets and liabilities.

(vi) All assets and liabilities have been classified as current or non–current as per the Company's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products / services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non–current classification of assets and liabilities.

(v) Property, plant and equipment (PPE)

PPE are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical costs include expenditure directly attributable to acquisition which are capitalised until the PPE are ready for use, as intended by management. An item of PPE and any significant part initially recognised is de–recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de–recognition of the asset is included in the statement of profit and loss when the asset is derecognised.

The Company depreciates PPE over their estimated useful lives using the straight–line method, based on a technical evaluation or those prescribed under Schedule II of the Act, whichever is higher. The estimated useful lives of PPE are as follows:

Assets	Number of years
Plant and equipment	3 to 15 years
Furniture and fixtures	5 years
Office equipment	3 to 5 years
Buildings	30 to 60 years
Motor vehicles	4 years
Computers and servers	3 to 4 years
Electrical installations	5 years

Depreciation on addition to property, plant and equipment or on sale / disposal of property, plant and equipment is calculated pro–rata from the month of such addition or up to the month of such sale / disposal as the case may be.

(vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Computer software is amortised on a straight line basis over the estimated useful economic life which is expected as four years. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted annually.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(vii) Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term.

(viii) Impairment of assets

(a) Non Financial assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(b) Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 "Financial Instruments" requires expected credit loss to be measured through a loss allowance. The Company recognises lifetime expected loss for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit loss are measured at an amount equal to the twelve months expected credit loss or at an amount equal to the life time expected credit loss if the credit risk on the financial asset has increased significantly since initial recognition.

(ix) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non–current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non–current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of these investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(x) Employee benefits

a. Long term employee benefits

(a) Defined contribution plan

The Company has defined contribution plans for post employment benefits in the form of provident fund,

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

employees' state insurance and labour welfare fund. Under the defined contribution plans, the Company has no further obligation beyond making the contributions. Such contributions are charged to the statement of profit and loss as incurred.

(b) Defined benefit plan

The Company has defined benefit plans for post employment benefits in the form of gratuity for its employees in India. Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re–measurement of net defined liability or asset through other comprehensive income. Measurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(c) Other long–term employee benefits

The employees of the Company are also entitled for other long–term benefit in the form of compensated absences as per the policy of the Company. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long–term employee benefit for measurement purposes. Such long–term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains / loss are recognised in the statement of profit and loss during the period in which they arise.

b. Short–term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits comprise compensated absences and performance incentives.

(xi) Share based payments

The Company determines the compensation cost based on the fair value method in accordance with Ind AS 102 "Share–based Payment". The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on graded basis over the vesting period. The share based compensation expense is determined based on the Company's estimate of equity instrument that will eventually vest.

(xii) Unamortised cost for maintenance contracts:

Contractual obligation relating to maintenance contracts, benefits of which will be consumed in subsequent years, have been recognised as unamortised cost for maintenance contracts and disclosed under "other assets".

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(xiii) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non–occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

(xiv) Warranty provisions

Provisions for warranty–related costs are recognised when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty–related costs is reviewed annually.

(xv) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(xvi) Inventories

Inventories of materials and components, work–in–progress and stock–in–trade are valued at cost or net realisable value, whichever is lower. The cost is determined on weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. In the case of work–in–progress, cost also includes costs of conversion.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Further, inventory contains service spares which are used as replacement stocks by the Company for servicing the customers repairs and maintenance requirements during the service period. Adequate allowances are recognised as a measure of consumption over their expected life based on their usage.

(xvii) Income recognition

(a) Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The following specific recognition criteria must also be met before revenue is recognised:

Sale of products

Revenue from sale of product is recognised when control of the product is transferred to the buyer which generally coincides with acknowledgement of delivery pending which the sale is disclosed as unearned revenue. Revenue for

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

the year ended 31 March 2018 includes excise duty levied goods manufactured up to 30 June 2017, in accordance with erstwhile The Central Excise Act, 1944 but excludes goods and service tax (GST) and other indirect taxes. The Company collects GST and other indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the Company and accordingly excluded from the revenue.

Sale of services

1. Revenue from implementation services (including installation and commissioning) related to products supplied or on a standalone basis are recognised based on output method, where revenue is recognised proportionately to milestone reached.
2. Revenue from maintenance contracts is recognized based on time elapsed and revenue is straight lined over the period of the performance or on the performance of services as specified in the contract.
3. Service income of a periodic nature which is billed but has not accrued during the year is disclosed as unearned revenue.
4. The Company collects GST and other indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the Company and accordingly excluded from the revenue.

(b) Other operating income

It includes revenue arising from the reversal of liabilities / provisions no longer required or revenue arising from company's ancillary revenue–generating activities. Revenue from these activities are recorded only when company is reasonably certain of such income.

(c) Other income

Other income comprises

a. Interest income on deposits: Interest income is recognised using the effective interest method and on time proportion basis.

b. Commission income: It is accounted on accrual basis, except where receipt of income is uncertain.

(xviii) Income tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting base and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax liabilities are recognised for all taxable temporary differences.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xix) Finance costs

Finance costs comprise interest cost and other costs on borrowings. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xx) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xxi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and other short term liquid investments with original maturities of three months or less.

(xxii) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

(xxiii) Recent accounting pronouncements

Ind AS 116 “Leases”

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 “Leases”, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1 April 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 on key profit and loss and balance sheet ratios i.e. earnings before interest, tax, depreciation and amortisation (EBITDA), asset coverage, debt equity, interest coverage, etc.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

3. Property, plant and equipment ₹ in Crores

	Buildings*	Plant and equipment	Computers and servers	Electrical installations	Furniture and fixtures	Office equipment	Motor vehicles	Total
Gross carrying amount								
At 1 April 2017	0.57	24.53	11.37	1.33	2.27	11.15	0.07	51.29
Additions	–	–	0.01	0.02	0.01	0.11	–	0.15
Disposals / adjustments	–	0.08	0.01	0.00	0.00	0.04	–	0.13
At 31 March 2018	**0.57**	**24.45**	**11.37**	**1.35**	**2.28**	**11.22**	**0.07**	**51.31**
Additions	22.40	0.02	0.14	0.15	0.36	0.43	–	23.50
Disposals	22.88	5.20	0.12	0.41	0.38	1.64	–	30.63
At 31 March 2019	**0.09**	**19.27**	**11.39**	**1.09**	**2.26**	**10.01**	**0.07**	**44.18**
Accumulated depreciation								
At 1 April 2017	0.53	18.57	8.39	1.33	2.25	10.85	0.07	41.99
Charge for the year	0.02	0.53	0.85	0.02	0.02	0.11	–	1.55
Disposals	–	0.08	0.01	0.00	0.00	0.03	–	0.12
At 31 March 2018	**0.55**	**19.02**	**9.23**	**1.35**	**2.27**	**10.93**	**0.07**	**43.42**
Charge for the year	0.00	0.54	0.63	0.01	0.01	0.09	–	1.28
Disposals	0.47	5.20	0.12	0.41	0.38	1.64	–	8.22
At 31 March 2019	**0.08**	**14.36**	**9.74**	**0.95**	**1.90**	**9.38**	**0.07**	**36.48**
Net carrying amount								
At 31 March 2018	**0.02**	**5.43**	**2.14**	**–**	**0.01**	**0.29**	**–**	**7.89**
At 31 March 2019	**0.01**	**4.91**	**1.65**	**0.14**	**0.36**	**0.63**	**–**	**7.70**

Notes:

1. Building includes those constructed on leasehold land.
2. For capital commitments, refer note 34(B).

* Refer note 38

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

4 Other intangible assets

	₹ in Crores Computer software
Gross carrying amount	
At 1 April 2017	12.86
Additions	–
Disposals / adjustments	0.05
At 31 March 2018	**12.81**
Additions	0.04
Disposals	0.02
At 31 March 2019	**12.83**
Accumulated amortisation	
At 1 April 2017	10.74
Charge for the year	0.58
Disposals	(0.02)
At 31 March 2018	**11.34**
Charge for the year	0.73
Disposals	0.02
At 31 March 2019	**12.05**
Net carrying amount	
At 31 March 2018	**1.47**
At 31 March 2019	**0.78**

5. Non–current investments

	31 March 2019				31 March 2018			
	No. of shares	Currency	Face value	₹ in Crores	No. of shares	Currency	Face value	₹ in Crores
Investment in equity instruments (at cost) **Unquoted (fully paid–up)** **Investment in subsidiaries**								
AGC Networks Pte. Limited	100	SGD	1		100	SGD	1	
	4	SGD	481,111	34.22	4	SGD	481,111	34.22
	10	SGD	607,870		10	SGD	607,870	
AGC Networks Australia Pty. Limited	4,224,993	AUD	1	14.50	4,224,993	AUD	1	14.50
				48.72				**48.72**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

6. Trade receivables

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured, considered good	–	0.32	80.81	84.56
Unsecured, considered doubtful	–	–	50.79	50.38
Unsecured, considered good – related parties [refer note 33 (III)]	–	–	13.11	19.08
	–	**0.32**	**144.71**	**154.02**
Less: Allowance for doubtful debts	–	–	50.79	50.38
	–	**0.32**	**93.92**	**103.64**

7. Loans

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured, considered good				
Deposits	1.46	2.60	3.18	2.05
Inter corporate deposits (refer note 39)	–	–	22.39	–
	1.46	**2.60**	**25.57**	**2.05**

8. Other financial assets

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured, considered good				
Margin money deposits with banks *	0.49	1.00	–	–
Receivable against sale of property, plant and equipment (refer note 38)	–	–	1.46	28.76
Other receivable from related parties	0.52	0.89	21.22	8.03
Interest accrued on bank deposits	0.02	–	0.20	0.33
	1.03	**1.89**	**22.88**	**37.12**

* As lien against bank guarantees issued amounting ₹ 15.67 Crores (31 March 2018 : ₹ 28.51 Crores).

9. Other assets

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Advances to vendors	–	0.03	3.05	6.77
Prepaid expenses	0.18	0.31	0.64	1.92
Balances with statutory / government authorities	5.67	5.48	13.03	7.02
Unamortised cost for maintenance contracts	–	–	30.85	22.65
Other receivables	–	–	6.63	6.63
	5.85	**5.82**	**54.20**	**44.99**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

10. Inventories

₹ in Crores

	31 March 2019	31 March 2018
Materials and components (refer note 21)	–	0.14
Work–in–progress (refer note 22)	0.49	0.45
Stock in trade (includes in transit ₹ 0.39 Crores) (31 March 2018: ₹ 0.23 Crores) [refer note 22 and note 27(a)]	13.59	19.02
Stores and spares	2.10	2.84
	16.18	**22.45**

11. Cash and cash equivalents and other bank balances

₹ in Crores

	31 March 2019	31 March 2018
Cash and cash equivalents		
Balances with banks:		
– In current accounts	0.32	0.48
– In deposit accounts	0.30	0.28
Cheques on hand	0.10	0.09
Cash on hand	0.01	0.01
	0.73	**0.86**
Other bank balances		
Margin money deposits with maturity of more than 3 months and less than 12 months*	2.60	0.65
Unclaimed dividend account** (refer note (a) below)	0.16	0.19
	2.76	**0.84**
	3.49	**1.70**

* As lien against bank guarantees issued amounting ₹ 15.67 Crores (31 March 2018 : ₹ 28.51 Crores).

** Represents earmarked balance in respect of unpaid dividend.

Note (a) – Unclaimed dividend account

₹ in Crores

Financial year	31 March 2019	31 March 2018
2005–06 *	–	0.00
2010–11	–	0.02
2011–12	0.16	0.17
	0.16	**0.19**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

* The amount was under dispute as at 31 March 2018. It has been transferred to Investor Education and Protection Fund (IEPF) on 18 June 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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12 Equity share capital

₹ in Crores

	31 March 2019	31 March 2018
Authorised share capital		
45,000,000 (31 March 2018: 45,000,000) equity shares of ₹10 each	45.00	45.00
Nil (31 March 2018: 10,000,000) 1% Non–cumulative, non–convertible, redeemable preference shares of ₹ 100 each	–	100.00
5,000,000 (31 March 2018: Nil) Cumulative / non–cumulative redeemable preference shares of ₹ 100 each	50.00	–
5,000,000 (31 March 2018: Nil) Convertible preference shares of ₹ 100 each	50.00	–
Issued, subscribed and fully paid–up share capital		
29,737,649 (31 March 2018 : 28,466,464) equity shares of ₹ 10 each	29.74	28.47
Total issued, subscribed and fully paid–up share capital	**29.74**	**28.47**

Notes:

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2019		31 March 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	28,466,464	28.47	28,466,464	28.47
Issued during the year	1,271,185	1.27	–	–
Outstanding at the end of the year	**29,737,649**	**29.74**	**28,466,464**	**28.47**

1% Non–cumulative Non–convertible redeemable preference shares ('NCRPS')

	31 March 2019		31 March 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	1,500,000	15.00	1,500,000	15.00
Conversion of NCRPS to CCPS during the year	(1,500,000)	(15.00)	–	–
Outstanding at the end of the year	**–**	**–**	**1,500,000**	**15.00**

0.01% Compulsory convertible preference shares ('CCPS')

	31 March 2019		31 March 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	–	–	–	–
Conversion of NCRPS to CCPS during the year	150,000	15.00	–	–
Conversion of CCPS to equity shares during the year	(150,000)	(15.00)	–	–
Outstanding at the end of the year	**–**	**–**	**–**	**–**

The members of the Company at the annual general meeting held on 1 August 2018, approved the re–classification of authorised share capital whereby authoritised preference share capital was re–classified to ₹ 100 Crores comprising of 5,000,000 cumulative / non–cumulative redeemable preference shares of ₹ 100 each and 5,000,000 convertible preference shares of ₹ 100 each.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

The Board at its meeting held on 12 August 2014 allotted 1,500,000 NCRPS having face value of ₹100 each for the period of seven years. On 30 March 2018, the Company received approval from the preference shareholders for extension of term by five years post expiry of original term of seven 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 CCPS. Subsequently on 31 August 2018, Company has allotted 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 ₹ 118 per equity share.

The Company declared the dividend of ₹1 per NCRPS having face value of ₹ 100 each which was approved at annual general meeting held on 1 August 2018.

The Company had recognised preference shares as compound financial instrument. The equity component of compound financial instrument is presented as a part of “Other equity” (refer note 13) and the liability component of compound financial instrument is disclosed under “Other financial liabilities” (refer note 14).

(b) Rights, preference and restriction on equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Essar Telecom Limited (ETL) was the holding company up to 4 January 2019. As at 31 March 2019, ETL is holding 13,884,143 (31 March 2018 : 21,320,348) equity shares of ₹ 10 each fully paid–up amounting ₹ 13.88 Crores (31 March 2018 : ₹ 21.32 Crores).

(d) Aggregate number of bonus shares issued and buy back of shares during the period of five years immediately preceding the reporting date:

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2019.

(e) Shares issued for consideration other than cash:

1,271,185 Equity shares of ₹ 10 each allotted as fully paid–up equity shares on conversion of CCPS during the year ended 31 March 2019.

(f) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid–up				
– Essar Telecom Limited	13,884,143	46.69%	21,320,348	74.90%
– Onir Metallics Limited (formerly known as Bhagwat Metallics Limited)	4,300,000	14.46%	–	–
– Export–Import Bank of India	1,958,606	6.59%	–	–
– Silverleaf Oak Advisors LLP	1,500,000	5.04%	–	–
Preference shares of ₹ 100 each fully paid				
– Onir Information Technology Limited (formerly known as Essar Information Technology Limited)	–	–	1,500,000	100.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

13 Other equity

₹ in Crores

		31 March 2019	31 March 2018
a)	**Capital reserve**		
	Any profit or loss on purchase, sale, issue or cancellation of the company's own equity instrument is transferred to capital reserve	22.64	22.64
b)	**Securities premium**		
	Amount received (on issue of shares) in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Act	45.83	32.10
c)	**Stock option outstanding**		
	The share option outstanding account is used to record the value of equity–settled share based payment transactions with employees. The amount recorded in this account are transferred to the securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	2.35	1.71
d)	**General reserve**		
	This represent appropriation of profit by the company	100.58	100.58
e)	**Equity component of compound financial instrument (preference shares)**		
	Fair valuation of preference share capital	–	14.15
f)	**Retained earnings**		
	Retained earnings comprise of prior years undistributed earning / (loss) after taxes	(108.68)	(113.65)
g)	**Other item of other comprehensive income**		
	Amount represents re–measurement of defined benefit obligation	0.33	(0.50)
	Total other equity	**63.05**	**57.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

14 Other financial liabilities

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Liability component of compound financial instrument (refer note 12)	–	4.60	–	–
Employee related payables	–	–	5.08	5.05
Payables for expenses	–	–	8.65	9.99
Unclaimed dividend *	–	–	0.16	0.19
Interest accrued and due on borrowings	–	–	0.58	0.73
Guarantee liability (refer note 33 (III))	0.52	0.90	0.38	0.38
	0.52	**5.50**	**14.85**	**16.34**

* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31 March 2019 and 31 March 2018. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

15 Provisions

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits				
Provision for gratuity (refer note 29(b))	5.70	6.00	0.21	0.35
Provision for compensated absences (refer note 29(c))	0.61	0.69	0.06	0.08
	6.31	**6.69**	**0.27**	**0.43**
Other provisions				
Provision for warranties (refer note (a) below)	–	–	0.38	0.36
	–	**–**	**0.38**	**0.36**
	6.31	**6.69**	**0.65**	**0.79**

(a) Provision for warranties

A provision is recognised for expected warranty claims on products sold during the last one year, based on the past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within a year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one–year warranty period for all products sold. The table below gives information about movement in warranty provisions.

₹ in Crores

	31 March 2018	31 March 2019
At the beginning of the year	0.36	0.29
Recognised during the year	0.38	0.36
Unused amounts reversed	(0.36)	(0.29)
At the end of the year	**0.38**	**0.36**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

16 Other liabilities

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unearned revenue	12.63	5.09	30.12	27.33
Advances from customers	–	–	2.27	3.74
Statutory dues payable	–	–	2.02	2.30
Other payables	–	–	0.72	3.29
	12.63	**5.09**	**35.13**	**36.66**

17 Borrowings – Current

₹ in Crores

	31 March 2019	31 March 2018
Secured		
Working capital loan from bank (refer footnote 1)	7.03	19.77
Loans repayable on demand		
Cash credits from banks (refer footnote 2)	91.01	90.82
Buyers' credit from banks (refer footnote 3)	–	6.68
	98.04	**117.27**

Footnotes:

1. Working capital loan from Yes bank is secured by second pari–passu charge on entire current assets (present and future) including inventory of materials and components, work–in–progress, stock–in–trade, trade receivables etc. As per the original repayment schedule, loan was repayable in fourteen quarterly instalments starting from 9 February 2016 viz six instalments of ₹ 2.25 Crores each, four instalments of ₹ 3.38 Crores each and four instalments of ₹ 4.50 Crores each. The effective rate of interest is the base rate of the lending bank which is 10.25% p.a. (31 March 2018 : 10.25% p.a.) plus spread 1.5%. Hence effective rate is 11.75% p.a. (31 March 2018 : 11.75% p.a.).

During the year ended 31 March 2018, the Company had additionally paid ₹ 1.95 Crores in addition to the above repayment schedule. This repayment is through redemption of DSRA fixed deposit of ₹ 1.88 Crores kept for this facility with Yes Bank.

2. Cash credits from banks are secured by first pari–passu charge on entire current assets of the Company (present and future) including inventory of materials and components, work–in–progress, stock–in–trade, trade receivables, insurances etc. and by second pari–passu charge on all moveable PPE of the Company.

Cash credit carry an effective interest rate of 13.00% to 15.00% p.a. (31 March 2018 : 13.00% to 14.80% p.a.).

3. Buyers' credits from banks are secured by first pari–pasu charge on entire current assets of the Company (present and future) including inventory of materials and components, work–in–progress, stock–in–trade, trade receivables, insurances etc. and by second pari–pasu charge on all moveable PPE of the Company.

No buyers' credit has been availed against imports during the year. Interest rate for the year ended 31 March 2018 was LIBOR plus 0.25% to LIBOR plus 2.00%.

Note:

The Company has defaulted in repayment of working capital loan to Yes Bank amounting ₹ 3.38 Crores, ₹ 4.50 Crores, ₹ 4.50 Crores and ₹ 4.50 Crores which was due on 9 May 2018, 9 August 2018, 9 November 2018 and 9 February 2019 respectively. The repayment has subsequently been made after the due date on 22 May 2018, 10 August 2018, 31 January 2019 and 9 April 2019 for the above–mentioned defaults.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

18 Trade payables

₹ in Crores

	31 March 2019	31 March 2018
Due to micro enterprises and small enterprises (refer note 35)	6.99	6.64
Due to creditors other than micro enterprises and small enterprises	76.12	58.14
	83.11	**64.78**

19 Revenue from operations (net)

₹ in Crores

	31 March 2019	31 March 2018
Revenue from operations (net)		
Sale of products (refer footnote of note 22)		
Finished goods	–	0.33
Stock in trade	148.26	142.89
Sale of services (refer note (a) below)	156.59	149.82
	304.85	**293.04**
Other operating income		
Reversal of trade receivable allowance	–	0.42
Liabilities / provisions for earlier years no longer required written back [refer note (b) below]	2.00	9.93
Revenue from operations	**306.85**	**303.39**

Notes:

(a) Details of sale of services

₹ in Crores

	31 March 2019	31 March 2018
Maintenance services	68.58	58.89
Implementation services	88.01	90.93
	156.59	**149.82**

(b) Details of liabilities / provisions for earlier years no longer required written back

₹ in Crores

	31 March 2019	31 March 2018
– pertaining to expenses	0.07	0.47
– pertaining to employee related payables	–	0.54
– pertaining to trade payables	1.40	5.68
– pertaining to goods receipts / invoice receipts balances	0.20	0.79
– pertaining to advance from customers	0.33	0.48
– pertaining to inventory	–	1.97
	2.00	**9.93**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

20 Other income

₹ in Crores

	31 March 2019	31 March 2018
Interest income on		
Bank deposits	0.18	0.24
Income tax refund	2.85	3.32
Inter corporate deposits	1.89	–
Others	0.25	0.25
Corporate guarantee commission	0.74	1.02
Gain on disposal of property, plant and equipment (net)	–	0.01
Exchange differences (net)	0.30	0.45
Miscellaneous income	0.04	0.01
	6.25	**5.30**

21 Cost of materials and components consumed

₹ in Crores

	31 March 2019	31 March 2018
Inventory at the beginning of the year	0.14	0.15
Add: Purchases (return) / made during the year	(0.14)	0.26
	–	**0.41**
Less: Inventory at the end of the year	–	0.14
	–	**0.27**

Details of materials and components consumed

₹ in Crores

	31 March 2019	31 March 2018
Printed circuit boards	–	0.01
Static converters	–	0.14
Cabinet	–	0.11
Peripherals	–	0.01
	–	**0.27**

22 Changes in inventories of work–in–progress and stock–in–trade

₹ in Crores

	31 March 2019	31 March 2018
Inventories at the end of the year		
Stock–in–trade	13.59	19.02
Work–in–progress	0.49	0.45
	14.08	**19.47**
Inventories at the beginning of the year		
Stock–in–trade	19.02	7.36
Work–in–progress	0.45	0.65
	19.47	**8.01**
	5.39	**(11.46)**

Footnote: The Company is a global ICT solution provider and integrator operating in various quadrants and the solutions sold to customers are configured as per specific customer requirements. The heterogeneous mix of components in solutions offered to customers makes it difficult to establish a meaningful / homogenous relationship for providing breakup of goods purchased / sold during the year and the stock position. Consequently, it is neither feasible nor meaningful to give the category–wise details of goods purchased and sold during the year and stock position for all its product solutions.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

23 Employee benefits expense (net)

₹ in Crores

	31 March 2019	31 March 2018
Salaries, wages and bonus *	42.37	42.72
Contribution to provident fund and other funds (refer note 29(a)) *	0.99	0.96
Staff welfare expenses	1.87	1.61
Expenses on employee stock option scheme (refer note 30)	0.64	0.98
	45.87	**46.27**

* Includes amount paid to key managerial personnel amounting ₹ 2.25 Crores (31 March 2018: ₹ 1.34 Crores) (refer note 33 (IV))

24 Finance costs

₹ in Crores

	31 March 2019	31 March 2018
Interest on loans	14.79	18.47
Guarantee commission	0.18	0.24
Others	2.08	2.19
	17.05	**20.90**

25 Depreciation and amortisation expense

₹ in Crores

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment (refer note 3)	1.28	1.55
Amortisation of intangible assets (refer note 4)	0.73	0.58
	2.01	**2.13**

26 Other expenses

₹ in Crores

	31 March 2019	31 March 2018
Consumption of stores and spares	1.35	1.90
Power and water charges	0.97	0.40
Rent (refer note 27(b) and note 31)	8.21	2.32
Rates and taxes	1.02	0.32
Insurance	0.11	0.15
Repairs and maintenance – Others	3.20	3.59
Travelling and conveyance	9.48	9.13
Communication expenses	0.96	1.00
Legal and professional fees	2.88	3.84
Advertisement and sales promotion	0.96	0.35
Outward freight, clearing and forwarding charges	0.39	0.55
Commission on sales	0.06	0.33
Directors' sitting fees (refer note 33(IV))	0.33	0.22
Auditor's remuneration (refer note (a) below)	0.71	0.64
Allowance for doubtful debts	0.41	–
Loss on disposal of property, plant and equipment (net)	0.01	–
Miscellaneous expenses	2.55	3.28
	33.60	**28.02**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note (a) : Auditor's remuneration (including goods and service tax)

₹ in Crores

	31 March 2019	31 March 2018
As auditor:		
Audit fees and limited review fees (including consolidation)	0.60	0.57
In other capacities:		
Other services (certification fees)	0.02	0.01
Reimbursement of expenses	0.09	0.06
	0.71	**0.64**

27 Exceptional items

₹ in Crores

	31 March 2019	31 March 2018
Reversal of provision against obsolete / non–moving inventory (refer note (a) below)	3.65	12.08
Reversal of rent (refer note (b) below)	–	5.21
Interest income against sale of property, plant and equipment (refer note (c) below)	0.91	3.23
Profit on sale of property, plant and equipment (refer note (d) below and note 38)	1.11	–
	5.67	**20.52**

Notes

(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 (also, refer note 38).

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

28 Earnings / (loss) per equity share (EPS)

		31 March 2019	31 March 2018
	The components of basic and diluted earnings / (loss) per share are as follows:		
(a)	**Net income / (loss) attributable to equity shareholders**		
	Net (loss) / income before exceptional items (₹ in Crores)	(4.39)	11.22
	Net income after exceptional items (₹ in Crores)	1.28	31.74
(b)	**Weighted average number of outstanding equity shares**		
	Considered for basic EPS	29,201,313	28,466,464
	Add : Effect of dilutive potential equity shares arising from outstanding stock options *	156,841	236,256
	Considered for diluted EPS	29,358,154	28,702,720
(c)	**Earnings / (loss) per equity share**		
	Earnings / (loss) per share of ₹10 each before exceptional items:		
	Basic (in ₹)	(1.50)	3.94
	Diluted (in ₹)	(1.50)	3.91
	Earnings / (loss) per share of ₹10 each after exceptional items:		
	Basic (in ₹)	0.44	11.15
	Diluted (in ₹)	0.44	11.06

* As at 31 March 2019, 626,262 (31 March 2018 : 471,120) potential equity shares outstanding as share option under the ESOP Scheme 2015 (refer note 32), are considered for calculation of diluted EPS.

The effect of 626,262 potential equity shares outstanding as at 31 March 2019 is anti–dilutive and thus these shares are not considered in determining diluted earnings / (loss) per share.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

29 Employee benefits plan

(a) Defined contribution plan – The following amount is recognised in the statement of profit and loss for the year ended:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Contribution to provident fund	0.95	0.94

Above amount has been included in the line item `Contribution to provident fund and other funds' in note 23.

(b) Defined benefit plan – The Company has an unfunded defined benefit plan i.e. Gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following tables summarises the components of benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Current service cost	0.72	0.51
Interest expense	0.48	0.30
Past service cost – plan amendments	–	1.06
Net employee benefits expense recognised in the statement of profit and loss	**1.20**	**1.87**
Actuarial (gain) / loss charged to Other Comprehensive Income (OCI)		
Actuarial (gain) / loss due to experience adjustment	(0.29)	1.10
Actuarial (gain) due to change in financial assumptions	(0.54)	(0.20)
Net employee benefits (income) / expense recognised in OCI	**(0.83)**	**0.90**

Balance sheet

The following table sets out the status of gratuity plan:

Benefit liability

₹ in Crores

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation (net)	5.91	6.35
Net liability recognised in balance sheet	**5.91**	**6.35**

Changes in the present value of the defined benefit obligation are as follows:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Opening defined benefit obligation (net)	6.35	4.83
Current service cost	0.72	1.57
Interest cost	0.48	0.30
Benefits paid	(0.81)	(1.25)
Amount recognised in OCI	(0.83)	0.90
Closing defined benefit obligation (net)	**5.91**	**6.35**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

₹ in Crores

Bifurcation of defined benefit obligation	31 March 2019	31 March 2018
Current	0.21	0.35
Non–current	5.70	6.00
	5.91	**6.35**

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

₹ in Crores

Particulars	31 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (– /+ 1%)	0.59	(0.51)	0.63	(0.55)
Salary Growth Rate (– / + 1%)	(0.45)	0.50	(0.47)	0.50
Attrition Rate (– /+ 50% of attrition rates provided in principal assumption table)	(0.07)	0.06	–	–
Mortality Rate (– /+ 10%)	0.00	0.01	–	–

The sensitivity analysis presented above may not be a representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

Following are the principal assumptions used as at the balance sheet date:

Particulars	31 March 2019	31 March 2018
Discount rate (% per annum)	7.70%	7.60%
Salary escalation rate (% per annum)	6.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2006–08) (modified) Ultimate	Indian Assured Lives Mortality (2006–08) (modified) Ultimate
Attrition rate	Up to age 26 years: 5%	Up to age 26 years: 5%
	From 27 years to 34 years:12%	From 27 years to 34 years:12%
	From 35 years to 44 years: 5%	From 35 years to 44 years: 5%
	Above age 44 years: 1%	Above age 44 years: 1%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Amounts for the current and previous four periods are as follows: **₹ in Crores**

Particulars	**31 March 2019**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**
Gratuity					
Defined benefit obligation	5.91	6.35	4.81	4.71	4.41
Plan assets	–	–	–	–	0.29
Deficit	5.91	6.35	4.81	4.71	4.12
Experience adjustments on plan liabilities	–	–	(0.05)	0.22	0.41
Experience adjustments on plan assets	–	–	–	–	(0.05)
Actuarial (gain) / loss due to change in assumptions	(0.83)	0.90	0.40	0.05	(0.51)

The Company expects to contribute ₹ Nil to gratuity in the next year (31 March 2018: ₹ Nil).

Maturity profile of Defined Benefit Obligation **₹ in Crores**

Particulars	**31 March 2019**	**31 March 2018**
One year	0.22	0.38
Two to five years	1.43	1.55
Six years and above	12.08	5.99

(c) Compensated absences: With effect from 1 January 2017, the Company has decided to restrict the balance of un–availed privilege leave (PL) to a maximum of 42 days from erstwhile limit of 90 days. Further, PL cannot be en–cashed or accumulated and shall lapse every year in the month of December. The balance as of 31 December 2016 is entitled to be en–cashed only during separation from the Company based on the basic salary as of December 2016.

30 Employees stock option

The Company provides share based payment schemes to its employees. Since the year ended 31 March 2016 an employee stock option plan (ESOP) was in existence i.e. ESOP scheme 2015. The relevant details of the scheme and the grant are as below.

The Shareholders of the Company through postal ballot on 21 April 2015 approved the equity settled ESOP scheme 2015 for issue of stock options to key employees and directors of the Company setting aside 1,423,323 options under this scheme. The Company had previously granted 1,004,866 and 320,248 stock options on 14 May 2015 and 19 May 2016 respectively. Subsequently on 15 June 2018, the Company has granted 170,799 stock options. According to the scheme, the employees selected by the Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grants are as below:

Grant Date	**15 June 2018**	**19 May 2016**	**14 May 2015**
Number of options granted	170,799	320,248	1,004,866
Vesting period (in years)	3 to 5 years	3 to 5 years	3 to 5 years
Exercise period (in years)	2 years from vesting period	2 years from vesting period	2 years from vesting period
Exercise price (₹)	107.00	55.00	80.00
Fair value at grant date (₹)	71.65	42.84	32.85

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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The details of activity under the ESOP scheme 2015 are summarised below:

Particulars	31 March 2019		31 March 2018	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	471,120	63.00	556,520	65.61
Granted during the year	170,799	107.00	–	–
Cancelled during the year	15,657	80.00	85,400	80.00
Exercised during the year	–	–	–	–
Expired during the year	–	–	–	–
Outstanding at the end of the year	626,262	74.58	471,120	63.00
Exercisable at the end of the year	–	–	–	–

* WAEP denotes weighted average exercise price of the options.

The following tables summarizes the information about the options / shares as at 31 March 2019 and 31 March 2018 respectively.

Grant	As at 31 March 2019		
	Grant date	No. of options outstanding	Weighted Average life*
Series 1	14 May 2015	135,215	2.13
Series 2	19 May 2016	320,248	3.14
Series 3	15 June 2018	170,799	5.22

Grant	As at 31 March 2018		
	Grant date	No. of options outstanding	Weighted Average life*
Series 1	14 May 2015	150,872	3.13
Series 2	19 May 2016	320,248	4.14

* Weighted average of remaining contractual life of options outstanding at the end of year.

The weighted average fair value of the stock options outstanding at the year ended 31 March 2019 is ₹ 48.54 (31 March 2018 is ₹ 39.64). Option were priced using Black–Scholes–Merton formula:

Inputs into the model:

Particulars	Grant date		
	15 June 2018	19 May 2016	14 May 2015
Dividend yield (%)	0.00%	0.00%	9.60%
Expected volatility (%)	60.04 – 61.19%	55.71 – 60.74%	54.42 – 57.57%
Risk–free interest rate (%)	7.87 – 8.04%	7.30 – 7.46%	7.77 – 7.82%
Weighted average share price (₹)	116.25	68.20	104.15
Exercise price (₹)	107.00	55.00	80.00
Expected life of options granted (in years)	4.00 – 6.01	4.00 – 6.00	4.00 – 6.01

NOTES TO STANDALONE FINANCIAL STATEMENTS
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Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black–Scholes–Merton formula is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of Company's stock price on national stock exchange over a period prior to the date of grant, corresponding with the expected life of the options.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Expected life of the options : Expected life of the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options can not be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company have calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield: Expected dividend yield has ben calculated by dividing the last declared dividend per share by the market price per share as on the date of grant.

31 Leases

Operating lease:

The Company has entered into various leasing agreements classified as operating leases for office and warehouse premises which are renewable by mutual consent on mutually agreeable terms. These agreement generally range between 11 months to 5 years. Lease payments are recognised in the statement of profit and loss under 'Rent' in note 26.

The future minimum lease payments under non–cancellable operating leases are: **₹ in Crores**

	31 March 2019	31 March 2018
Within one year	7.82	1.04
Later than one year and not later than five years	9.17	0.06
Later than five years	–	–

32 Segment information

The Company has presented data related to its segments in its consolidated financial statements which are included in the same annual report of AGC Networks Limited, no disclosures regarding segments are therefore presented in these standalone financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

33 Related Party Disclosure:

(I) List of related parties and relationship.

(i) Ultimate Holding Company:
Essar Global Fund Limited

(ii) Holding Company:
Essar Telecom Limited (up to 4 January 2019)

(iii) Subsidiary companies (including step down subsidiaries):
AGC Networks Australia Pty Limited
AGC Networks Pte. Limited
AGC Networks Inc.
AGC Networks Philippines, Inc.
AGC Networks and Cyber Solutions Limited
AGCN Solutions Pte. Limited
AGC Networks LLC, Dubai
AGC Networks LLC, Abu Dhabi
AGC Networks New Zealand Limited (w.e.f. 1 November 2018)

w.e.f. 7 January 2019
BBX Main Inc.
BBX Inc.
Black Box Corporation
ACS Communications, Inc.
ACS Dataline, LP
ACS Investors, LLC
BB Technologies, Inc.
BBOX Holdings Mexico LLC
BBOX Holdings Puebla LLC
Black Box Corporation of Pennsylvania
Black Box Network Services, Inc. – Government Solutions
Black Box Services Company
CBS Technologies Corp.
Delaney Telecom, Inc.
Norstan Communications, Inc.
Nu–Vision Technologies, LLC
Black Box Network Services Australia Pty Ltd
Black Box GmbH
Black Box Network Services NV
Black Box do Brasil Industria e Comercio Ltda.
Black Box Canada Corporation
Norstan Canada, Ltd./Norstan Canada, Ltée
Black Box Holdings Ltd.
Black Box Chile S.A.
Black Box E–Commerce (Shanghai) Co., Ltd.
Black Box A/S
Black Box Network Services (UK) Limited
Black Box Finland OY

NOTES TO STANDALONE FINANCIAL STATEMENTS
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Black Box France
Black Box Deutschland GmbH
Black Box Network Services India Private Limited
Black Box Network Services (Dublin) Limited
Black Box Software Development Services Limited
Black Box Network Services S.r.l.
Black Box Network Services Co., Ltd.
Black Box Network Services Korea Limited
Black Box Network Services SDN. BHD.
Black Box de Mexico, S. de R.L. de C.V.
Black Box International B.V.
Black Box International Holdings B.V.
Black Box Network Services New Zealand Limited
Black Box Norge AS
Black Box P.R. Corp.
Black Box Network Services Singapore Pte Ltd
Black Box Comunicaciones, S.A.
Black Box Network Services AB
Black Box Network Services AG
Black Box Network Services Corporation
Servicios Black Box S.A. de C.V.

w.e.f. 1 January 2019
COPC Holdings Inc.
COPC Inc.
COPC International Inc.
COPC Asia Pacific Inc.
COPC International Holdings LLC.
COPC India Private Limited
COPC Consultants (Beijing) Co. Limited

Related party with whom transactions have taken place
(iv) Entities under common control:
Aegis Limited (up to 22 November 2017)
Aegis Services Lanka Private Limited
Essar Bulk Terminal (Salaya) Limited
Essar Bulk Terminal Limited
Essar Oil Limited
Essar Oil UK Limited
Essar Power Hazira Limited
EPC Constructions India Limited (formerly known as Essar Projects India Limited)
Essar Shipping Limited
Essar Steel India Limited
Essar Steel Algoma Inc.
Equinox Business Parks Private Limited (up to 20 April 2018)
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited) (up to 31 July 2018)
The Mobilestore Limited
Vadinar Oil Terminal Limited
Ibrox Aviation and Trading Private Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

(v) **Key Managerial Personnel:**
Mr. Sanjeev Verma, Whole–Time Director
Mr. Sujay R Sheth, Independent Director
Mr. Dilip Thakkar, Independent Director
Ms. Suparna Singh, Non Executive Director (up to 5 April 2018)
Mr. Deepak Kumar Bansal, Chief Financial Officer
Mr. Aditya Goswami, Company Secretary
Mrs. Mahua Mukherjee, Executive Director (w.e.f. 5 April 2018)
Mr. Naresh Kothari, Additional Director (w.e.f. 17 January 2019)
Mr. Kaustubh Sonalkar, Non–Executive Director (15 June 2018 to 17 January 2019)

(II) Transactions during the year with related parties :

₹ in Crores

	Subsidiary companies (including step down subsidiaries)		Entities under common control	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**
Nature of transaction				
Sale of products *				
AGC Networks Pte. Limited	–	3.64	–	–
AGC Networks Inc.	0.29	–	–	–
AGC Networks LLC, Dubai	–	0.64	–	–
AGC Networks and Cyber Solutions Limited	0.39	–	–	–
Aegis Limited	–	–	–	12.43
Essar Oil UK Limited	–	–	0.63	5.57
Essar Power Hazira Limited	–	–	0.78	1.77
EPC Constructions India Limited (formerly known as Essar Projects India Limited)	–	–	–	0.68
Essar Shipping Limited	–	–	0.53	–
Essar Bulk Terminal Limited	–	–	0.84	–
Essar Steel India Limited	–	–	–	1.18
Ibrox Aviation and Trading Private Limited	–	–	8.60	6.15
	0.68	**4.28**	**11.38**	**27.78**
Sale of services *				
AGC Networks Australia Pty Limited	0.80	0.66	–	–
AGC Networks LLC, Dubai	–	0.17	–	–
AGC Networks Philippines, Inc.	0.13	0.03	–	–
AGC Networks Inc.	0.97	4.07	–	–
Aegis Limited	–	–	–	2.06
Essar Bulk Terminal (Salaya) Limited	–	–	0.01	0.12
Essar Bulk Terminal Limited	–	–	–	0.35
Essar Oil UK Limited	–	–	4.27	2.96

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

₹ in Crores

	Subsidiary companies (including step down subsidiaries)		Entities under common control	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	–	–	–	0.11
Vadinar Oil Terminal Limited	–	–	–	0.06
Essar Steel Algoma Inc.	–	–	2.75	2.63
Ibrox Aviation and Trading Private Limited	–	–	–	1.03
	1.90	**4.93**	**7.03**	**9.32**
Purchase of stock–in–trade				
AGC Networks Inc.	–	0.04	–	–
	–	**0.04**	**–**	**–**
Services charges and employee benefits expense				
AGC Networks Philippines, Inc.	–	0.11	–	–
AGC Networks Inc.	–	0.11	–	–
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	–	–	–	0.08
Essar Oil Limited	–	–	–	0.16
	–	**0.22**	**–**	**0.24**

*Sale of products and services amounts represent invoices raised during the year and it includes invoices where revenue recognition has been deferred.

₹ in Crores

	Subsidiary companies (including step down subsidiaries)		Entities under common control	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Expenses reimbursement received				
AGC Networks Australia Pty Limited	1.64	1.48	–	–
AGC Networks Pte. Limited	10.78	9.94	–	–
AGC Networks Philippines, Inc.	0.10	0.17	–	–
AGC Networks Inc.	1.13	0.37	–	–
AGC Networks LLC, Dubai	0.59	0.17	–	–
AGC Networks and Cyber Solutions Limited	0.29	0.06	–	–
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	–	–	1.56	4.51
The Mobilestore Limited	–	–	–	0.02
	14.53	**12.19**	**1.56**	**4.53**
Expenses reimbursement paid / adjusted				
AGC Networks Inc.	0.73	0.65	–	–
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	–	–	1.56	4.62
	0.73	**0.65**	**1.56**	**4.62**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

₹ in Crores

	Subsidiary companies (including step down subsidiaries)		Entities under common control	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Reversal of rent				
Equinox Business Parks Private Limited	–	–	–	5.21
	–	**–**	**–**	**5.21**
Commission received on corporate guarantee				
AGC Networks Pte. Limited	0.74	1.02	–	–
	0.74	**1.02**	**–**	**–**
Guarantee discharged				
AGC Networks Pte. Limited	–	116.71	–	–
	–	**116.71**	**–**	**–**
Security deposit recovered				
Equinox Business Parks Private Limited	–	–	–	3.45
	–	**–**	**–**	**3.45**
Write back				
Aegis Limited	–	–	–	0.05
Equinox Business Parks Private Limited	–	–	–	0.21
	–	**–**	**–**	**0.26**
Balance knock off of account payables and account receivables				
Aegis Limited	–	–	–	1.23
	–	**–**	**–**	**1.23**

Notes:

1. Transactions up to the date of cessation / from the date of establishment of related party relationship have been considered for disclosure.
2. Foreign currency transactions are reported in INR using exchange rate of the transaction date.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

(III) Amount due to / from related parties (as at year–end)

₹ in Crores

Nature of balances	Subsidiary companies (including step down subsidiaries)		Entities under common control	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Amount payable by Company **				
AGC Networks Pte. Limited	1.43	1.05	–	–
Aegis Limited	–	–	–	1.49
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	–	–	0.39	0.38
	1.43	**1.05**	**0.39**	**1.87**
Trade receivables				
AGC Networks Australia Pty Limited	0.72	0.08	–	–
AGC Networks Pte. Limited	0.61	0.61	–	–
AGC Networks Philippines, Inc.	0.16	0.03	–	–
AGC Networks Inc.	5.06	5.03	–	–
AGC Networks LLC, Dubai	0.80	0.81	–	–
AGC Networks and Cyber Solutions Limited	0.39	–	–	–
Aegis Limited	–	–	–	8.49
Essar Steel India Limited	–	–	0.17	0.17
Essar Shipping Limited	–	–	0.53	–
Essar Bulk Terminal (Salaya) Limited	–	–	–	0.12
Essar Bulk Terminal Limited	–	–	–	0.35
Essar Steel Algoma Inc.	–	–	0.23	0.90
Essar Oil UK Limited	–	–	2.15	0.70
Ibrox Aviation and Trading Private Limited	–	–	2.26	1.68
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	–	–	0.03	0.11
	7.74	**6.56**	**5.37**	**12.52**
Advances and other receivables				
AGC Networks Australia Pty Limited	0.30	0.02	–	–
AGC Networks Pte. Limited	17.11	5.71	–	–
AGC Networks Philippines, Inc.	0.41	0.32	–	–
AGC Networks Inc.	2.81	1.29	–	–
AGC Networks LLC, Dubai	0.90	0.18	–	–
AGC Networks and Cyber Solutions Limited	0.39	0.12	–	–
The Mobilestore Limited	–	–	0.02	0.02
	21.92	**7.64**	**0.02**	**0.02**
Corporate guarantee asset				
AGC Networks Pte. Limited	0.90	1.28	–	–
	0.90	**1.28**	**–**	**–**
Corporate guarantee liability				
AGC Networks Pte. Limited	0.90	1.28	–	–
	0.90	**1.28**	**–**	**–**

Foreign currency balance are restated in INR using year end exchange rate.

** These amounts includes trade payables, other liabilities and advance from customers.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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(IV) Key Management Personnel (KMP) compensation:

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

During the year, 71,166 (31 March 2018 : Nil) ESOPs are granted to KMP and 15,657 (31 March 2018 : Nil) ESOPs lapsed.

₹ in Crores

Particulars	31 March 2019	31 March 2018
Remuneration *		
Salary, bonus and contribution to provident fund	2.25	1.34
Directors' sitting fees	0.33	0.22

Note: The remuneration to the KMP does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.

* No remuneration has been paid to Mr. Sanjeev Verma, Whole–Time Director.

34 Contingent liabilities and commitments **₹ in Crores**

(A) Contingent liabilities	**31 March 2019**	**31 March 2018**
In respect of disputed demands in respect of matters under appeal with		
(a) Income tax authorities	51.13	50.58
(b) Excise, service tax and customs authorities	23.05	24.90
(c) Sales tax authorities	4.68	4.78
(d) Corporate guarantee (refer note 39)	41.16	39.03
(e) Claims against the Company not acknowledged as debt	4.44	–

The Company is contesting all of the above demands in respect of Income tax, Excise duty, Service tax, Custom duty and Sales tax and the management believes that its positions are likely be upheld at the appellate stage. No expense has been accrued in the financial statements for the aforesaid demands. The management believes that the ultimate outcome of these proceedings are not expected to have a material adverse effect on the Company's financial position and results of operations and hence no provision has been made in this regard.

Note:

The Honourable Supreme Court, has passed a decision on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

(B) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 0.14 Crores (31 March 2018 : ₹ 0.42 Crores).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

35 Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Trade payables includes:

₹ in Crores

		31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises		6.99	6.64
Details of amounts due under the MSMED Act, 2006 are as under:–			
1) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	a. Principal	6.99	6.39
	b. Interest *	0.22	0.25
	Total	**7.21**	**6.64**
2) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	a. Principal	12.42	10.97
	b. Interest	–	–
	Total	**12.42**	**10.97**
3) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		–	–
4) The amount of interest accrued and remaining unpaid at the end of the year.	a. Total Interest accrued *	0.22	0.25
	b. Total Interest unpaid	**0.22**	**0.25**
5) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Included in Sr. No. 4(b) above is ₹ 0.22 Crores (31 March 2018 : ₹ 0.25 Crores) being interest on amounts outstanding as at the beginning of the accounting year.		

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under the MSMED Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at year end has been made in the financial statements based on the information received and available with the Company and has been relied upon by the statutory auditors.

* The interest for the year ended 31 March 2019 is not accounted for in the books of accounts.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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36.1 Financial Instruments

a) Categories of financial instruments

₹ in Crores

	Carrying value and Fair value	
	As at 31 March 2019	As at 31 March 2018
Financial assets (other than non–current investment)		
Measured at amortised cost		
Non–current		
(a) Trade receivables	–	0.32
(b) Loans	1.46	2.60
(c) Other financial assets	1.03	1.89
Current		
(a) Trade receivables	93.92	103.64
(b) Cash and cash equivalents	0.73	0.86
(c) Other bank balances	2.76	0.84
(d) Loans	25.57	2.05
(e) Other financial assets	22.88	37.12
Financial liabilities		
Measured at amortised cost		
Non–current		
(a) Other financial liabilities	0.52	5.50
Current		
(a) Trade payables	83.11	64.78
(b) Borrowings	98.04	117.27
(c) Other financial liabilities	14.85	16.34

b) Fair value hierarchy and methods of valuation

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and cash equivalents, trade receivables, trade payables, other financial assets / liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter–party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a signifcant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

36.2 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, foreign currency payables and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations.

Exposure to interest rate risk **₹ in Crores**

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Variable–rate instruments		
Working capital loan	7.03	19.77
Cash credits and buyers' credits	91.01	97.50
Total	**98.04**	**117.27**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

₹ in Crores

	Gain / (loss) on profit before tax	
Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Interest rate increase by 50 basis points	(0.49)	(0.59)
Interest rates decrease by 50 basis points	0.49	0.59

NOTES TO STANDALONE FINANCIAL STATEMENTS

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Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Most of the Company doubtful debt pertains to the Public Sector which is undergoing through restructuring and therefore, the Company evaluates every receivable in the geography and creates adequate provision after analysing specific risk. Trade receivables are non–interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

₹ in Crores

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Neither past due nor impaired	50.85	66.05
Past due but not impaired	43.07	37.91
Past due and impaired	50.79	50.38
Total	**144.71**	**154.34**
Less: Allowances for doubtful trade debts	50.79	50.38
Trade receivables, net off allowance for doubtful debts	**93.92**	**103.96**

There is no other class of financial assets that is past due but not impaired, except for trade receivables.

Customer credit risk is managed by each geographical segments subject to the Company's established policy, procedures and controls relating to customer credit risk management.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Revenue from top customer	5%	6%
Revenue from top five customers	20%	20%

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for financial liabilities as well as forecast cash inflow and outflows due in day to day business. In addition, processes and policies related to such risks are overseen by senior management.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019 and 31 March 2018 :

Maturity profile of financial liabilities **₹ in Crores**

As at 31 March 2019	**On Demand**	**Less than one year**	**One to five years**	**More than five years**	**Total**
Borrowings	91.01	7.03	–	–	98.04
Trade payables	–	83.11	–	–	83.11
Other financial liabilities	14.85	–	0.52	–	15.37
Total	**105.86**	**90.14**	**0.52**	**–**	**196.52**

As at 31 March 2018	**On Demand**	**Less than one year**	**One to five years**	**More than five years**	**Total**
Borrowings	97.50	19.77	–	–	117.27
Trade payables	–	64.78	–	–	64.78
Other financial liabilities	16.34	–	5.50	–	21.84
Total	**113.84**	**84.55**	**5.50**	**–**	**203.89**

36.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company procures goods and services in their respective local currency and in case of imports, it primarily deals in United States Dollars (USD). The Company has mainly foreign currency trade payables and other receivable which are unhedged and exposed to foreign currency risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. There are earnings from customers in foreign currency which act as a natural hedge against foreign currency risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as under: **₹ in Crores**

Particulars	**31 March 2019**				**31 March 2018**			
	USD	**CAD**	**GBP**	**Other**	**USD**	**CAD**	**GBP**	**Other**
Financial assets								
Trade receivables	12.92	0.24	2.09	–	4.66	0.91	0.73	–
Bank balances	0.03	–	–	–	0.12	–	–	0.00
Other receivable from related party	20.54	–	–	–	6.35	–	–	–
Loans and advances	0.61	–	–	–	0.32	–	–	–
Exposure to foreign currency risk on financial assets	**34.10**	**0.24**	**2.09**	**–**	**11.45**	**0.91**	**0.73**	**0.00**
Financial liabilities								
Borrowings	–	–	–	–	6.76	–	–	–
Trade payables	23.12	–	–	0.10	15.16	–	–	0.06
Interest payable	–	–	–	–	0.03	–	–	–
Others	0.52	–	–	–	0.22	–	–	–
Exposure to foreign currency risk on financial liabilities	**23.64**	**–**	**–**	**0.10**	**22.17**	**–**	**–**	**0.06**
Net exposure to foreign currency risk	**10.46**	**0.24**	**2.09**	**(0.10)**	**(10.72)**	**0.91**	**0.73**	**(0.06)**

Company has accumulated net exposure to foreign currency risk amounting ₹ 12.69 Crores (31 March 2018 : ₹ (9.14) Crores).

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the USD, Canadian Dollar (CAD), Great Britain Pound (GBP) and other currencies with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

₹ in Crores

Particulars	Impact on statement of profit and loss for the year ended	
	31 March 2019	31 March 2018
USD sensitivity		
INR / USD		
Increase by 5%	0.52	(0.54)
Decrease by 5%	(0.52)	0.54
CAD sensitivity		
INR / CAD		
Increase by 5%	0.01	0.05
Decrease by 5%	(0.01)	(0.05)
GBP sensitivity		
INR / GBP		
Increase by 5%	0.10	0.04
Decrease by 5%	(0.10)	(0.04)
Other sensitivity		
INR / Other		
Increase by 5%	(0.01)	(0.00)
Decrease by 5%	0.01	0.00

37 Capital management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Gearing ratio:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Borrowings	98.04	117.27
Other financial liabilities	1.48	6.61
Total debt	**99.52**	**123.88**
Less: Cash and cash equivalents and other bank balances	3.49	1.70
Net debt #	**96.03**	**122.18**
Total equity	92.79	85.51
Total capital	**92.79**	**85.51**
Gearing Ratio	**103%**	**143%**

Debt for the above purpose includes borrowings, interest accrued on borrowings, guarantee liability and liability component of compound financial instruments net of cash and cash equivalents and other bank balances.

During the current year, there is an improvement in Gearing ratio from 143% to 103% mainly attributable to reduction in borrowings.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

38 Sale of Gandhinagar properties

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 ₹ 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 ₹ 40.85 Crores (net of incidental expenses : ₹ 3.04 crores) during the year ended 31 March 2015.

During the current year, the said property was re–assigned to 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 ₹ 23.51 Crores, and the Company has recorded the differential amount of ₹1.11 Crores between the said consideration and balance receivable as at re–assignment date from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting ₹ 22.23 Crores from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed.

39 Disclosure under Section 186(4) of the Act

₹ in Crores

Name of subsidiary	**31 March 2019**	**31 March 2018**
AGC Networks Pte Ltd		
Guarantee given	41.16	39.03

The Company has recognised the financial guarantee contract (corporate guarantee) at its fair value as per Ind AS 109 "Financial Instruments". The non–current and current portion of financial liability is disclosed under "Other financial liabilities" (refer note 14).

The guarantee is given for the loan availed by AGC Networks Pte. Limited, wholly owned subsidiary and a guarantee commission @ 1.75% per annum is charged thereon (refer note 33 (II) and note 33 (III)).

Inter corporate deposits

₹ in Crores

Name of the borrower	**Rate of interest**	**Due date**	**Amount given during the year**	**As at 31 March 2019 ***	**As at 31 March 2018 ***
Essar Services India Private Limited	18 % p.a.	30 June 2019	11.50	12.56	–
Essar Infrastructure Services Private Limited	18 % p.a.	30 June 2019	9.00	9.83	–
			20.50	**22.39**	**–**

* Includes accrued interest amounting ₹ 1.89 Crores (31 March 2018 : ₹ Nil).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

40 Ind AS 115 – Revenue from Contracts with Customers

Transition disclosure

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch–up transition method applicable to contracts to be completed as on 1 April 2018. Accordingly, the comparative figures in the financial statements have not been adjusted retrospectively. The effect of adoption of Ind AS 115 on the financial statements is insignificant.

Contract liabilities

Unearned revenue amounting ₹ 42.75 Crores (31 March 2018: ₹ 32.42 Crores) is disclosed under note 16 "Other current liabilities".

41 As per Ind AS 12 "Income Taxes", a deferred tax asset (DTA) shall be recognised for the carry forward of unused tax loss, unused tax credits and taxable timing differences to the extent that it is probable that future taxable profit will be available against which the unused tax loss, unused tax credits and taxable timing differences can be utilised.

In the absence of certainty supported by convincing evidences for realisation of DTA against future taxable profits, Company has not recognised DTA in the books of accounts.

42 As per the transfer pricing rules, the Company has examined domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustments with regard to the transactions involved.

43 Corporate social responsibility

As per Section 135 of the Act, a corporate social responsibility (CSR) committee has been formed by the Company. The Company has average net loss for the previous three financial years. Accordingly, no amount was required to be spent on CSR activity in terms of the aforesaid provisions during the year (31 March 2018: ₹ Nil). Consequently, the Company has not undertaken any CSR activity during the year.

44 Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

Independent Auditor's Report

To the Members of AGC Networks Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of **AGC Networks Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 the other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 42 to the accompanying consolidated financial statements, 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 ₹ 0.74 Crores, and recorded profit on such sale amounting to ₹ 40.85 Crores (net of incidental selling expenses amounting to ₹ 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 Ind AS 16, Property, Plant and Equipment.

   Our report on the consolidated financial statements for the 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 ₹ 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 ₹ 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 year ended 31 March 2019 would have been higher by ₹ 22.79 Crores (year ended 31 March 2018: Nil) while depreciation expense for the year ended 31 March 2019 would have been higher by ₹ 0.02 Crores (year ended 31 March 2018: ₹ 0.04 Crores). The balance consideration receivable from the buyer in the first sale transaction amounting to ₹ 22.40 Crores would have been adjusted against opening balance of retained earnings as at 1 April 2017. The resulting impact on retained earnings for the year ended 31 March 2019 would be Nil (year ended 31 March 2018: ₹ 37.58 Crores).

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Consolidation process of the consolidated financial statements of the Group **Refer note 2 in the accompanying consolidated financial statements for the basis of preparation of these financial statments** During the year ended 31 March 2019, AGC Networks Pte. Limited, Singapore (one of the subsidiaries of the Holding Company) has acquired 100% stake in Black Box Corporation (“BBX”), headquartered in Pittsburgh, Pennsylvania, USA through its US subsidiaries. BBX has 47 subsidiaries spread across North America and Europe geographies. In addition, AGC Networks Inc. (one of the other subsidiaries of the Holding Company) has acquired COPC Holdings Inc., USA on 7 January 2019. As at the year–end, the Group comprises of 66 subsidiaries (including step–subsidiaries). The entities in the Group have diverse accounting systems. Further, the financial statements of each of the overseas subsidiaries are prepared in accordance with the accounting principles generally accepted in their respective countries. For the purpose of preparing consolidated financial statements of the Group, these financial statements of overseas subsidiaries are converted to meet the accounting principles applicable to the Holding Company. There was significant risk involved in consolidation of the entities in the Group considering the number of subsidiaries involved in the preparation of consolidated financial statements of the Group following the acquisitions during the current year; which being wide spread across geographies with diverse accounting systems and requiring conversion adjustments to be audited by us and thereby warranted significant auditor attention during the year ended 31 March 2019. Accordingly, we have determined the same as a key audit matter for the current year audit.	Our audit procedures included but were not limited to the following: – Obtained an understanding of the management’s process of preparation of consolidated financial statements comprising of the Holding Company and the subsidiaries. – Evaluated the design and tested the operating effectiveness of the key controls around preparation of consolidated financial statements of the Group. – Identified and determined the ‘significant components’ of the Group based on materiality, discussion with the Holding Company management and thereby developed an overall audit plan to perform work around the identified significant components. – Sent out the group audit instructions to the respective component auditors of such significant components which comprised of specific instructions around materiality, audit risks identified at the Group level and a questionnaire to understand the procedures performed by the component auditors to mitigate those audit risks and their response to the significant transactions and matters identified at the component level. – Reviewed the work performed by such other component auditors and ensured compliance with the requirements of Standard on Auditing (SA) 600: Using the Work of Another Auditor which also included meetings held with the component auditors to understand their response and findings. Further, also ensured compliance with the Guidance Note on Audit of Consolidated Financial Statements (Revised 2016) being issued by the Institute of Chartered Accountants of India. – Obtained the signed audited financial statements of the subsidiaries from the management of the Holding Company and conversion adjustment schedule prepared by the management of the Holding Company in case of overseas subsidiaries and reviewed such conversion adjustments and traced it to the consolidated financial statements working schedule. – Tested the elimination entries and the permanent adjustment entries with the supporting schedules. – Evaluated the appropriateness of the disclosures made in note 2 with respect to the Basis of preparation of these consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

8. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

   In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the consolidated financial statements (before eliminating inter–company balances) of one subsidiary (comprising of forty–eight subsidiary companies), whose consolidated financial statements reflect total assets of ₹ 1,780.09 Crores and net assets of ₹ 135.34 Crores as at 31 March 2019, total revenues (before eliminating inter–company transactions) of ₹ 1,030.95 Crores and net cash inflows amounting to ₹ 178.52 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statement has been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub–section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

    Further, forty–seven subsidiary companies out of forty–eight subsidiary companies are located outside India whose consolidated financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditor under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the consolidated financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of these subsidiaries located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. Further, we report that provisions of section 197 read with schedule V to the Act are not applicable to two subsidiaries consolidated in the group and covered under the Act, since none of these subsidiaries are public company as defined under section 2(71) of the Act.
17. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the effects of the matter described in the Basis for Qualified Opinion paragraph with respect to the financial statements of the Holding Company;
    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
    d) except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies consolidated in the Group and covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph with respect to the Holding Company;
    g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries;
        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 37(A) to the consolidated financial statements;
        ii. the Holding Company did not have any long–term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies consolidated in the group and covered under the Act during the year ended 31 March 2019; and
        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Nikhilesh Nagar
Partner
Membership No.: 079597

Place: Mumbai
Date: 29 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of AGC Networks Limited on the consolidated financial statements for the year ended 31 March 2019

Independent Auditor's Report on the Internal Financial Controls under clause (i) of sub–section 3 of section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of AGC Networks Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company incorporated in India, as of date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure I to the Independent Auditor's Report of even date to the members of AGC Networks Limited on the consolidated financial statements for the year ended 31 March 2019

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. 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. 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 retained earnings as at 31 March 2019.

9. 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.

Qualified Opinion

10. In our opinion, the Holding Company has, in all material respects, adequate IFCoFR as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note, and except for the effects of the material weakness described above in the Basis for Qualified Opinion paragraph, on the achievement of the objectives of the control criteria, the Holding Company's IFCoFR were operating effectively as at 31 March 2019.

11. We have considered the material weakness identified and reported above in the Basis for Qualified Opinion paragraph 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.

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

Nikhilesh Nagar
Partner
Membership No.: 079597

Place : Mumbai
Date : 29 May 2019

CONSOLIDATED BALANCE SHEET as at 31 March 2019

₹ in Crores

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non–current assets			
Property, plant and equipment	3	155.99	23.06
Goodwill	4	205.37	83.76
Other intangible assets	5	38.10	6.74
Financial assets			
Trade receivables	6	–	0.32
Loans	7	1.80	3.10
Other financial assets	8	9.25	1.00
Current tax assets (net)		62.71	59.27
Deferred tax assets (net)	9	31.98	1.04
Other non–current assets	10	28.36	6.03
Total non–current assets		**533.56**	**184.32**
Current assets			
Inventories	11	150.84	31.01
Financial assets			
Trade receivables	6	861.77	208.22
Cash and cash equivalents	12	205.94	9.22
Other bank balances	12	56.95	2.37
Loans	7	25.89	2.30
Other financial assets	8	65.81	29.11
Other current assets	10	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	13	29.74	28.47
Other equity	14	(11.07)	61.64
Total equity		**18.67**	**90.11**
Liabilities			
Non–current liabilities			
Financial liabilities			
Borrowings	15	586.89	19.76
Other financial liabilities	16	4.70	4.60
Provisions	17	105.88	10.62
Other non–current liabilities	18	86.64	11.66
Total non–current liabilities		**784.11**	**46.64**
Current liabilities			
Financial liabilities			
Borrowings	19	206.61	118.39
Trade payables	20		
Total outstanding dues to micro enterprises and small enterprises		6.99	6.64
Total outstanding dues to creditors other than micro enterprises and small enterprises		554.93	132.22
Other financial liabilities	16	272.54	45.64
Provisions	17	97.95	4.27
Other current liabilities	18	489.45	136.51
Total current liabilities		**1,628.47**	**443.67**
TOTAL EQUITY AND LIABILITIES		**2,431.25**	**580.42**

Notes 1 to 47 form an integral part of the consolidated financial statements.
This is the consolidated balance sheet referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31 March 2019

₹ in Crores

	Notes	As at 31 March 2019	As at 31 March 2018
Income			
Revenue from operations (net)	21	1,852.74	733.45
Other income	22	6.39	4.88
Total income (I)		**1,859.13**	**738.33**
Expenses			
Cost of materials and components consumed	23	3.13	0.27
Purchase of stock–in–trade		560.46	255.34
Changes in inventories of work–in–progress, stock–in–trade and finished goods	24	58.54	(13.25)
Service charges		367.37	201.00
Employee benefits expense (net)	25	624.37	192.74
Finance costs	26	44.54	24.96
Depreciation and amortisation expense	27	14.65	8.17
Other expenses	28	192.30	64.05
Total expenses (II)		**1,865.36**	**733.28**
(Loss) / profit before exceptional items and tax (I–II)		**(6.23)**	**5.05**
Exceptional items – (expense) / income	29	(73.12)	14.02
(Loss) / profit before tax		**(79.35)**	**19.07**
Tax (credits) / expenses			
Current tax	30	(0.29)	5.19
Deferred tax	30	(0.29)	(1.05)
Total tax (credits) / expenses		**(0.58)**	**4.14**
Net (loss) / profit for the year		**(78.77)**	**14.93**
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
Re–measurement loss on defined benefit plans		(0.77)	(0.90)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		2.91	0.64
Other comprehensive income / (loss) for the year		**2.14**	**(0.26)**
Total comprehensive (loss) / income for the year		**(76.63)**	**14.67**
(Loss) / earnings per equity share	31		
(Loss) / earnings per share of ₹10 each before exceptional items:			
Basic (in ₹)		(1.93)	0.32
Diluted (in ₹)		(1.93)	0.32
(Loss) / earnings per share of ₹10 each after exceptional items:			
Basic (in ₹)		(26.97)	5.24
Diluted (in ₹)		(26.97)	5.20

Notes 1 to 47 form an integral part of the consolidated financial statements.
This is the consolidated statement of profit and loss referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2019

₹ in Crores

	31 March 2019	31 March 2018
Cash flow from operating activities		
(Loss) / profit before tax	**(79.35)**	**19.07**
Adjustments for non–cash transactions and items considered separately:		
Depreciation and amortisation expense	14.65	8.17
Gain on disposal of property, plant and equipment (net)	(1.10)	(0.01)
Provision for warranties	0.09	0.07
(Reversal) / creation of allowance for doubtful debts	(1.09)	2.15
Liabilities / provisions for earlier years no longer required written back	(4.08)	(16.91)
Unrealised foreign exchange (gain) / loss	(1.55)	0.47
Finance costs	44.54	24.96
Interest income on bank deposits	(0.18)	(0.49)
Expenses on employee stock option scheme	0.64	0.98
Acturial loss on defined benefit plans	(0.77)	–
Reversal of provision against obsolete / non–moving inventory	(3.65)	(12.08)
Reversal of rent provision	–	(5.21)
Interest income against sale of Gandhinagar land and building	0.91	(3.23)
Interest income on inter corporate deposits	(1.89)	–
Write off of old receivable balances against sale of property, plant and equipment	–	6.50
Operating (loss) / profit before working capital changes	**(32.83)**	**24.44**
Changes in working capital		
Trade receivables	(650.59)	(10.18)
Inventory	(116.18)	(0.33)
Loans and other assets	(495.87)	2.31
Trade payables	423.19	0.61
Other liabilities and provisions	826.55	25.24
Cash (used in) / generated from operating activities before taxes	**(45.73)**	**42.09**
Income taxes (paid) / refund	(26.22)	9.96
Net cash (used in) / generated from operating activities (A)	**(71.95)**	**52.05**
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets (including Gandhinagar land and building)	(30.31)	(10.88)
Proceeds from sale of property, plant and equipment and other intangible assets (including Gandhinagar land and building)	25.90	0.01
Acquisition of property, plant and equipment on acquisition of subsidiaries (including goodwill)	(288.42)	–
Interest received on bank deposits	0.29	4.86
Inter corporate deposits given	(22.39)	–
(Investment in) / liquidation of margin money and bank deposits	(41.61)	1.20
Net cash used in investing activities (B)	**(356.54)**	**(4.81)**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2019

₹ in Crores

	31 March 2019	31 March 2018
Cash flows from financing activities		
Term loan availed	621.74	24.06
Repayment of working capital loan	(12.74)	(12.98)
Availment / (repayment) of finance lease obligation	3.40	(0.89)
Availment / (repayment) of cash credits and buyers' credits	46.86	(40.37)
Payment of preference dividend	–	(0.15)
Payment of unclaimed dividend	(0.03)	(0.05)
Payment of finance costs	(30.21)	(23.60)
Net cash generated from / (used in) financing activities (C)	**629.02**	**(53.98)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**200.53**	**(6.74)**
Cash and cash equivalents at the beginning of the year	9.22	15.96
Foreign currency adjustments	(3.81)	–
Cash and cash equivalents at the end of the year (refer note 11)	**205.94**	**9.22**
Components of cash and cash equivalents		
Balances with banks:		
– In current accounts	205.04	8.81
– In deposit accounts	0.72	0.28
Cheques on hand	0.10	0.09
Cash on hand	0.08	0.04
Total cash and cash equivalents	**205.94**	**9.22**

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS–7 "Statement of Cash Flow" issued by the Institute of Chartered Accountants of India.

This is the consolidated statement of cash flow referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

Equity share capital

Particulars	Note	Number of shares	₹ in Crores
As at 1 April 2017	**13**	**28,466,464**	**28.47**
Changes during the year		–	–
As at 31 March 2018	**13**	**28,466,464**	**28.47**
Changes during the year		1,271,185	1.27
As at 31 March 2019	**13**	**29,737,649**	**29.74**

Other equity ₹ in Crores

Particulars	Reserves and surplus					Equity component of compound financial instrument (refer note 14)	Other comprehensive income		Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Stock options outstanding		Foreign currency translation reserve	Re–measurement of defined benefit obligation	
Balance as at 1 April 2017	**38.04**	**32.10**	**100.58**	**(137.41)**	**0.75**	**9.41**	**(2.45)**	**0.40**	**41.42**
Profit for the year	–	–	–	14.93	–	–	–	–	14.93
Preference dividend paid	–	–	–	(0.15)	–	–	–	–	(0.15)
Re–measurement of defined benefit obligation	–	–	–	–	–	–	–	(0.90)	(0.90)
Expenses on employee stock option scheme	–	–	–	–	0.96	–	–	–	0.96
Equity component of compound financial instrument	–	–	–	–	–	4.74	–	–	4.74
Other comprehensive income for the year	–	–	–	–	–	–	0.64	–	0.64
Balance as at 31 March 2018	**38.04**	**32.10**	**100.58**	**(122.63)**	**1.71**	**14.15**	**(1.81)**	**(0.50)**	**61.64**
Loss for the year	–	–	–	(78.77)	–	–	–	–	(78.77)
Re–measurement of defined benefit obligation	–	–	–	–	–	–	–	(0.77)	(0.77)
Preference dividend paid	–	–	–	–	–	–	–	–	–
Expenses on employee stock option scheme	–	–	–	–	0.64	–	–	–	0.64
Equity component of compound financial instrument	–	–	–	–	–	(14.15)	–	–	(14.15)
Securities premium on account of conversion of 1% non–cumulative, non–convertible, redeemable preference shares ('NCRPS') to 0.01 % compulsory convertible preference shares ('CCPS') and further conversion to equity shares	–	13.73	–	–	–	–	–	–	13.73
Ind AS impact on opening reserves on account of conversion of NCRPS to CCPS	–	–	–	3.69	–	–	–	–	3.69
Exchange differences on translation of foreign operations	–	–	–	–	–	–	2.91	–	2.91
Balance as at 31 March 2019	**38.04**	**45.83**	**100.58**	**(197.71)**	**2.35**	**–**	**1.10**	**(1.27)**	**(11.07)**

Notes 1 to 47 form an integral part of the consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

1 Corporate information

AGC Networks Limited ('the Company') or 'AGC' is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. The equity shares of the Company are listed on two stock exchanges in India, Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company's registered office is located at Equinox Business Park, Off Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400 070. The Company, along with its foreign subsidiaries (collectively referred to as 'Group'), is a global information, communications technology (ICT) solutions provider and integrator seamlessly delivering technology based solutions across global markets and verticals layered with a spectrum of applications and services. The Company is the leader in Enterprise Communications in India with global footprint in locations spanning India, Middle East / Africa, North America, Australia, New Zealand, Singapore and Europe.

AGC Networks Pte. Limited, a wholly owned subsidiary of AGC Networks Limited completed the acquisition of Black Box Corporation, headquartered in Pittsburgh, USA on 7 January 2019. Black Box Corporation has offerings under the services platform which includes Unified Communications, Data Infrastructure and Managed Services and offerings under the products platform includes IT infrastructure, Speciality Networking, Multimedia and Keyboard Video Mouse (KVM) switching.

2 Basis of preparation and presentation

A. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Ind AS and Companies (Indian Accounting Standards) (Amendments) Rules, 2016.

All amounts included in the consolidated financial statements are reported in Indian Rupees (INR) in Crores except share and per share data unless otherwise stated and "0" denotes amounts less than fifty thousands rupees.

B. Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consolidated financial statements have been prepared in accordance with Ind AS 110 on 'Consolidated Financial Statements' and on the basis of the separate audited standalone financial statements of AGC Networks Limited and its subsidiaries. Reference in the notes to 'the Company' shall mean to include AGC Networks Limited and 'Group' shall include AGC Networks Limited and its subsidiaries consolidated in these financial statements unless otherwise stated.

The consolidated financial statements of the Group are combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra–group balances and intra–group transactions resulting in unrealised profits or loss in accordance with Ind AS 110.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, have been made in consolidated financial statements.

Subsidiaries considered in the consolidated financial statements

Name of the subsidiary	Name of Parent	Country of incorporation	% holding as at 31 March 2019	% holding as at 31 March 2018
AGC Networks Australia Pty Ltd.	AGC Networks Limited	Australia	100.00%	100.00%
AGC Networks Pte. Limited	AGC Networks Limited	Singapore	100.00%	100.00%
AGC Networks, Inc.	AGC Networks Pte. Limited	USA	100.00%	100.00%
AGC Networks Philippines, Inc.	AGC Networks Pte. Limited	Philippines	100.00%	100.00%
AGC Networks and Cyber Solutions Limited	AGC Networks Pte. Limited	Kenya	100.00%	100.00%
AGCN Solutions Pte. Limited	AGC Networks Australia Pty Ltd.	Singapore	100.00%	100.00%
AGC Networks LLC	AGC Networks Pte. Limited	Dubai	49.00%	49.00%
AGC Networks LLC	AGC Networks Pte. Limited	Abu Dhabi	0.00%	0.00%

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

Name of the subsidiary	Name of Parent	Country of incorporation	% holding as at 31 March 2019	% holding as at 31 March 2018
AGC Networks New Zealand Limited	AGC Networks Australia Pty Ltd.	New Zealand	100.00%	Not applicable
BBX Main Inc.	AGC Networks Pte. Limited	USA	100.00%	Not applicable
BBX Inc.	BBX Main Inc.	USA	100.00%	Not applicable
Black Box Corporation	BBX Inc.	USA	100.00%	Not applicable
ACS Communications, Inc.	Black Box Corporation	USA	100.00%	Not applicable
ACS Dataline, LP	ACS Communications, Inc.	USA	99.00%	Not applicable
ACS Dataline, LP	ACS Investors, LLC	USA	1.00%	Not applicable
ACS Investors, LLC	ACS Communications, Inc.	USA	100.00%	Not applicable
BB Technologies, Inc.	Black Box Corporation of Pennsylvania	USA	100.00%	Not applicable
BBOX Holdings Mexico LLC	Black Box International Holdings B.V.	USA	100.00%	Not applicable
BBOX Holdings Puebla LLC	Black Box Corporation	USA	100.00%	Not applicable
Black Box Corporation of Pennsylvania	Black Box Corporation	USA	100.00%	Not applicable
Black Box Network Services, Inc. – Government Solutions	Black Box Corporation	USA	100.00%	Not applicable
Black Box Services Company	Black Box Corporation	USA	100.00%	Not applicable
CBS Technologies Corp.	Black Box Corporation	USA	100.00%	Not applicable
Delaney Telecom, Inc.	Black Box Corporation	USA	100.00%	Not applicable
Norstan Communications, Inc.	Black Box Corporation	USA	100.00%	Not applicable
Nu–Vision Technologies, LLC	Norstan Communications, Inc.	USA	100.00%	Not applicable
Black Box Network Services Australia Pty Ltd	Black Box Corporation of Pennsylvania	Australia	100.00%	Not applicable
Black Box GmbH	Black Box Corporation of Pennsylvania	Austria	100.00%	Not applicable
Black Box Network Services NV	Black Box Corporation of Pennsylvania	Belgium	96.62%	Not applicable
Black Box Network Services NV	Black Box International Holdings B.V.	Belgium	3.38%	Not applicable
Black Box do Brasil Industria e Comercio Ltda.	Black Box Corporation of Pennsylvania	Brazil	100.00%	Not applicable
Black Box do Brasil Industria e Comercio Ltda.	Black Box Canada Corporation	Brazil	0.00%	Not applicable
Black Box Canada Corporation	Black Box Corporation of Pennsylvania	Canada	100.00%	Not applicable
Norstan Canada, Ltd. / Norstan Canada, Ltée	Norstan Communications, Inc.	Canada	100.00%	Not applicable
Black Box Holdings Ltd.	Black Box Corporation of Pennsylvania	Cayman Islands	100.00%	Not applicable
Black Box Chile S.A.	Black Box Corporation	Chile	99.99%	Not applicable
Black Box Chile S.A.	Black Box Corporation of Pennsylvania	Chile	0.01%	Not applicable
Black Box E–Commerce (Shanghai) Co., Ltd.	Black Box Corporation of Pennsylvania	China	100.00%	Not applicable
Black Box A/S	Black Box Corporation of Pennsylvania	Denmark	100.00%	Not applicable
Black Box Network Services (UK) Limited	Black Box Corporation	England	35.50%	Not applicable
Black Box Network Services (UK) Limited	Black Box Corporation of Pennsylvania	England	64.50%	Not applicable
Black Box Finland OY	Black Box Corporation	Finland	100.00%	Not applicable
Black Box France	Black Box Corporation of Pennsylvania	France	100.00%	Not applicable
Black Box Deutschland GmbH	Black Box International Holdings B.V.	Germany	100.00%	Not applicable

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

Name of the subsidiary	Name of Parent	Country of incorporation	% holding as at 31 March 2019	% holding as at 31 March 2018
Black Box Network Services India Private Limited	Black Box Corporation of Pennsylvania	India	99.99%	Not applicable
Black Box Network Services India Private Limited	Black Box Corporation	India	0.01%	Not applicable
Black Box Network Services (Dublin) Limited	Black Box Corporation	Ireland	100.00%	Not applicable
Black Box Software Development Services Limited	Black Box International Holdings B.V.	Ireland	100.00%	Not applicable
Black Box Network Services S.r.l.	Black Box Corporation of Pennsylvania	Italy	100.00%	Not applicable
Black Box Network Services Co., Ltd.	Black Box Corporation of Pennsylvania	Japan	100.00%	Not applicable
Black Box Network Services Korea Limited	Black Box Corporation of Pennsylvania	Korea	100.00%	Not applicable
Black Box Network Services SDN. BHD.	Black Box Corporation	Malaysia	100.00%	Not applicable
Black Box de Mexico, S. de R.L. de C.V.	Black Box Corporation	Mexico	4.56%	Not applicable
Black Box de Mexico, S. de R.L. de C.V.	BBOX Holdings Mexico LLC	Mexico	84.85%	Not applicable
Black Box de Mexico, S. de R.L. de C.V.	BBOX Holdings Puebla LLC	Mexico	10.58%	Not applicable
Black Box de Mexico, S. de R.L. de C.V.	Black Box International Holdings B.V.	Mexico	0.01%	Not applicable
Black Box International B.V.	Black Box International Holdings B.V.	Netherlands	100.00%	Not applicable
Black Box International Holdings B.V.	Black Box Corporation of Pennsylvania	Netherlands	100.00%	Not applicable
Black Box Network Services New Zealand Limited	Black Box Corporation of Pennsylvania	New Zealand	100.00%	Not applicable
Black Box Norge AS	Black Box Corporation	Norway	100.00%	Not applicable
Black Box P.R. Corp.	Black Box Corporation of Pennsylvania	Puerto Rico	100.00%	Not applicable
Black Box Network Services Singapore Pte Ltd	Black Box Corporation	Singapore	100.00%	Not applicable
Black Box Comunicaciones, S.A.	Black Box Corporation of Pennsylvania	Spain	100.00%	Not applicable
Black Box Network Services AB	Black Box Corporation	Sweden	100.00%	Not applicable
Black Box Network Services AG	Black Box Corporation of Pennsylvania	Switzerland	100.00%	Not applicable
Black Box Network Services Corporation	Black Box Corporation	Taiwan	100.00%	Not applicable
Servicios Black Box S.A. de C.V.	Black Box de Mexico, S. de R.L. de C.V.	USA	99.99%	Not applicable
Servicios Black Box S.A. de C.V.	Black Box Corporation of Pennsylvania	USA	0.01%	Not applicable
COPC Holdings Inc.	AGC Networks, Inc.	USA	65.00%	Not applicable
COPC Holdings Inc.	AGC Networks Pte. Limited	USA	35.00%	Not applicable
COPC Inc.	COPC Holdings Inc.	USA	100.00%	Not applicable
COPC International Inc.	COPC Holdings Inc.	USA	100.00%	Not applicable
COPC Asia Pacific Inc.	COPC International Inc.	USA	100.00%	Not applicable
COPC International Holdings LLC	COPC International Inc.	USA	100.00%	Not applicable
COPC India Private Limited	COPC International Inc.	India	99.99%	Not applicable
COPC India Private Limited	COPC International Holdings LLC	India	0.01%	Not applicable
COPC Consultants (Beijing) Co. Limited	COPC International Inc.	China	100.00%	Not applicable

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

C. Basis of preparation

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Share based payment transactions and

iii. Defined benefit and other long–term employee benefits

D. Use of estimate and judgment

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

(i) Income tax: Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

(ii) Defined benefit plans and compensated absences: The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long–term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Property, plant and equipment: Property, plant and equipment (PPE) represent a significant proportion of the asset base of the Group. The change in respect of periodic depreciation is derived after determining an estimate of the PPE's expected useful life and the expected residual value at the end of its life. Depreciation of PPE is calculated on straight–line–basis over the useful life estimated by the management, based on technical evaluation or those prescribed under schedule II of the Act, whichever is higher.

(iv) Expected credit loss on financial assets: On application of Ind AS 109 "Financial Instruments", the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's credit–worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(vi) Provisions: Provisions are recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit plan and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(vii) Share–based payments: The grant date fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employee become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "stock option outstanding". The amount recognised as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vests, in the statement of profit and loss with a corresponding adjustment to equity.

(viii) Impairment testing:

(a) Goodwill is not subject to amortisation and is tested annually for impairment or more frequently if events or change in circumstances indicate they might be impaired.

(b) The carrying amount of other non–financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying value exceeds its recoverable value. The recoverable amount is the higher of the fair value less cost to sale and the value in use. In assessing value in use, the estimated future cash flow are discounted to the present value using a pre–tax discount rate that reflects current market assessment of the time value of money and risk specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an assets is identified as impaired. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(ix) Warranty: Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

E. Summary of significant accounting policies

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (i.e. the "functional currency"). The consolidated financial statements are presented in INR, which is the functional and presentation currency of the Group.

(ii) Foreign currency transactions and balances

Foreign currency transactions of the Group are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the balance sheet date whereas non–monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss.

(iii) Financial instruments

a. Initial recognition and measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

b. Subsequent measurement

Non–derivative financial instruments:

a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

b. Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. Derecognition of financial instruments

The Group derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

d. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(iv) Current versus non–current classification

(i) An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in normal operating cycle

b. Held primarily for the purpose of trading

c. Expected to be realised within twelve months after the reporting period, or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) All other assets are classified as non–current.

(iii) Liability is considered as current when it is:

a. Expected to be settled in normal operating cycle

b. Held primarily for the purpose of trading

c. Due to be settled within twelve months after the reporting period, or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(iv) All other liabilities are classified as non–current.

(v) Deferred tax assets and liabilities are classified as non–current assets and liabilities.

(vi) All assets and liabilities have been classified as current or non–current as per the Group's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products / services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has asertained its operating cycle as twelve months for the purpose of current / non–current classification of assets and liabilities.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(v) Property, plant and equipment (PPE)

PPE are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical costs include expenditure directly attributable to acquisition which are capitalised until the PPE are ready for use, as intended by management.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit and loss when the asset is derecognised.

The Group depreciates PPE over their estimated useful lives using the straight–line method, based on a technical evaluation or those prescribed under Schedule II of the Act, whichever is higher. The estimated useful lives of PPE are as follows:

Assets	Number of years
Leasehold improvements *	6 years
Plant and equipment	3 to 15 years
Furniture and fixtures	5 years
Office equipment	3 to 5 years
Buildings	30 to 60 years
Motor vehicles	4 years
Computers and servers	3 to 4 years
Electrical installations	5 years

* Leasehold improvements are amortised over the above referred lives or over the period of the lease, whichever is lower.

Depreciation on addition to property, plant and equipment or on sale / disposal of property, plant and equipment is calculated pro–rata from the month of such addition or up to the month of such sale / disposal as the case may be.

(vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Computer software is amortised on a straight line basis over the estimated useful economic life which is expected as three to five years. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any, The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted annually.

Trademark is not amortised and it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accummulated impairment loss.

(vii) Business combinations

(i) The Company accounts for each business combination by applying the acquistion method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

(ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

(iii) The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non–controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre–existing relationships.

(v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

(vi) Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

(vii) On an acquisition–by–acquisition basis, the Company recognises any non–controlling interest in the acquiree either at fair value or at the non–controlling interest's proportionate share of the acquiree's identifiable net assets.

(viii) Any goodwill that arises on account of such business combination is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

(ix) Acquisitions of non–controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(viii) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non–current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non–current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of these investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(ix) Leases

(a) Operating lease: Group as a lessee

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term.

(b) Finance lease: Group as a lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased asset. The corresponding liability is included in the balance sheet as finance lease obligation under borrowings. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges, which represents the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of profit and loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainity that the Group will obtain the ownership by the end of the lease term, capitalised leased asset is depreciated over the shorter of the estimated useful life of the asset or the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(x) Impairment of assets

(a) Non–financial assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

(b) Financial assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 “Financial Instruments” requires expected credit loss to be measured through a loss allowance. The Group recognises lifetime expected loss for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit loss are measured at an amount equal to the twelve months expected credit loss or at an amount equal to the life time expected credit loss if the credit risk on the financial asset has increased significantly since initial recognition.

(xi) Employee benefits

a. Long–term employee benefits

(a) Defined contribution plan

The Group has defined contribution plans for post employment benefits in the form of provident fund, employees’ state insurance and labour welfare fund etc. Under the defined contribution plans, the Group has no further obligation beyond making the contributions. Such contributions are charged to the statement of profit and loss as incurred.

(b) Defined benefit plan

The Group has defined benefit plans for post employment benefits in the form of gratuity and pension for its employees. Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re–measurement of net defined liability or asset through other comprehensive income.

Measurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(c) Other long–term employee benefits

The employees of the Group are also entitled for other long–term benefit in the form of compensated absences as per the policy of the Group. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short–term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long–term employee benefit for measurement purposes. Such long–term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains / losses are recognised in the statement of profit and loss during the period in which they arise.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

b. Short–term employee benefits

The undiscounted amount of short–term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits comprise of performance incentives.

(xii) Share based payments

The Group determines the compensation cost based on the fair value method in accordance with Ind AS 102 "Share–based Payment". The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on graded basis over the vesting period. The share based compensation expense is determined based on the Company's estimate of equity instrument that will eventually vest.

(xiii) Unamortised cost for maintenance contracts

Contractual obligation relating to maintenance contracts, benefits of which will be consumed in subsequent years, have been recognised as unamortised cost for maintenance contracts and disclosed under "other assets".

(xiv) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non–occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

(xv) Warranty provisions

Provisions for warranty–related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty–related costs is reviewed annually.

(xvi) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(xvii) Inventories

Inventories of materials and components, finished goods, work–in–progress and stock–in–trade are valued at cost or net realisable value, whichever is lower. The cost is determined on weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. In the case of work–in–progress, cost also includes costs of conversion.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Further, inventory contains service spares which are used as replacement stocks by the Group for servicing the customers repairs and maintenance requirements during the service period. Adequate allowances are recognised as a measure of consumption over their expected life based on their usage.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

(xviii) Income recognition

(a) Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.The following specific recognition criteria must also be met before revenue is recognised:

Sale of products

Revenue from sale of product is recognised when control of the product is transferred to the buyer which generally coincides with acknowledgement of delivery pending which the sale is disclosed as unearned revenue. Revenue for the year ended 31 March 2018 includes excise duty levied goods manufactured up to 30 June 2017, in accordance with erstwhile The Central Excise Act, 1944 but excludes goods and service tax (GST) and other indirect taxes.

The Group collects GST and other indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the Group and accordingly excluded from the revenue.

Sale of services

1. Revenue from implementation services (including installation and commissioning) related to products supplied or on a standalone basis are recognised based on output method, where revenue is recognised proportionately to milestone reached.
2. Revenue from maintenance contracts is recognised based on time elapsed and revenue is straight lined over the period of the performance or on the performance of services as specified in the contract.
3. Service income of a periodic nature which is billed but has not accrued during the year is disclosed as unearned revenue.
4. The Group collects GST and other indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the Group and accordingly excluded from the revenue.

(b) Other operating income

It includes revenue arising from the reversal of liabilities / provisions no longer required or revenue arising from Group's ancillary revenue–generating activities. Revenue from these activities are recorded only when Group is reasonably certain of such income.

(c) Other income

Other income comprises

a. Interest income on deposits: Interest income is recognised using the effective interest method and on time proportion basis

b. Commission income: It accounted on accrual basis, except where receipt of income is uncertain.

(xix) Income tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting base and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as at the balance sheet date.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax loss can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xx) Finance costs

Finance costs comprise interest cost and other costs on borrowings. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(xxi) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xxii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and other short–term liquid investments with original maturities of three months or less.

(xxiii) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

(xxiv) Recent accounting pronouncements

Ind AS 116 "Leases"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases", under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1 April 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17 "Leases".

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group is currently evaluating the impact on account of implementation of Ind AS 116 on key profit and loss and balance sheet ratios i.e. earnings before interest, tax, depreciation and amortisation (EBITDA), asset coverage, debt equity, interest coverage, etc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

3 Property, plant and equipment ₹ in Crores

	Leasehold improvement	Freehold land	Buildings*	Plant and equipment**	Computers and servers	Electrical installations	Furniture and fixtures	Office equipment**	Motor vehicles**	Total
Gross carrying amount										
At 1 April 2017	0.52	–	0.58	24.05	38.58	1.38	6.22	25.62	0.13	97.08
Additions	0.09	–	–	0.89	4.75	0.01	0.30	0.16	–	6.20
Disposals / adjustments	–	–	–	0.08	0.00	0.00	0.00	0.08	–	0.16
Exchange differences	0.03	–	–	0.02	0.06	0.00	0.03	0.01	(0.00)	0.15
At 31 March 2018	**0.64**	**–**	**0.58**	**24.88**	**43.39**	**1.39**	**6.55**	**25.71**	**0.13**	**103.26**
Additions	–	–	22.69	1.18	4.21	0.15	0.47	0.43	0.63	29.76
Acquisition of subsidiaries (refer note 41)	4.24	20.05	80.47	5.28	12.98	–	1.03	2.25	11.89	138.19
Disposals	–	2.44	22.88	5.20	0.13	0.41	0.38	1.64	–	33.08
Exchange differences	0.04	0.04	(0.00)	0.05	2.50	(0.00)	0.86	0.21	(0.01)	3.69
At 31 March 2019	**4.92**	**17.65**	**80.86**	**26.19**	**62.95**	**1.13**	**8.53**	**26.96**	**12.64**	**241.83**
Accumulated depreciation										
At 1 April 2017	0.39	–	0.54	18.74	27.39	1.27	5.83	19.40	0.07	73.63
Charge for the year	0.10	–	0.01	0.66	3.57	0.02	0.62	1.73	–	6.71
Disposals / adjustments	–	–	–	0.08	0.00	0.00	–	0.08	–	0.16
Exchange differences	0.00	–	–	0.00	0.00	0.00	0.01	0.01	(0.00)	0.02
At 31 March 2018	**0.49**	**–**	**0.55**	**19.32**	**30.96**	**1.29**	**6.46**	**21.06**	**0.07**	**80.20**
Charge for the year	0.18	–	1.08	1.27	5.52	0.02	1.52	0.99	0.57	11.15
Disposals	–	–	0.53	5.20	0.12	0.41	0.38	1.64	–	8.28
Exchange differences	0.03	–	(0.02)	(0.00)	2.10	(0.00)	0.02	0.65	(0.01)	2.77
At 31 March 2019	**0.70**	**–**	**1.08**	**15.39**	**38.46**	**0.90**	**7.62**	**21.06**	**0.63**	**85.84**
Net carrying amount										
At 31 March 2018	**0.15**	**–**	**0.03**	**5.56**	**12.43**	**0.10**	**0.09**	**4.65**	**0.06**	**23.06**
At 31 March 2019	**4.22**	**17.65**	**79.78**	**10.80**	**24.49**	**0.23**	**0.91**	**5.90**	**12.01**	**155.99**

Notes:

1. Buildings includes those constructed on leasehold land.
2. For capital commitments, refer note 37(B).

* refer note 29(d) and note 42
** refer note note 34(b)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

4 **Goodwill**

	₹ in Crores
Gross carrying amount	
At 1 April 2017	101.20
Additions	–
Exchange differences	2.15
At 31 March 2018	**103.35**
Goodwill on acquisition of subsidiaries (refer note 41)	116.27
Disposals	–
Exchange differences	6.54
At 31 March 2019	**226.16**
Accumulated amortisation	
At 1 April 2017	19.55
Exchange differences	0.04
At 31 March 2018	**19.59**
Exchange differences	1.20
At 31 March 2019	**20.79**
Net carrying amount	
At 31 March 2018	**83.76**
At 31 March 2019	**205.37**

5 **Other intangible assets**

₹ in Crores

	Trademark	Computer software	Total
Gross carrying amount			
At 1 April 2017	–	17.50	17.50
Additions	–	4.35	4.35
Exchange differences	–	(1.92)	(1.92)
At 31 March 2018	**–**	**19.93**	**19.93**
Additions	–	0.55	0.55
Acquisition of subsidiaries (refer note 41)	21.66	12.30	33.96
Disposals	–	0.02	0.02
Exchange differences	–	0.48	0.48
At 31 March 2019	**21.66**	**33.24**	**54.90**
Accumulated amortisation			
At 1 April 2017	–	11.75	11.75
Charge for the year	–	1.46	1.46
Exchange differences	–	(0.02)	(0.02)
At 31 March 2018	**–**	**13.19**	**13.19**
Charge for the year	–	3.50	3.50
Disposals	–	–	–
Exchange differences	–	0.11	0.11
At 31 March 2019	**–**	**16.80**	**16.80**
Net carrying amount			
At 31 March 2018	**–**	**6.74**	**6.74**
At 31 March 2019	**21.66**	**16.44**	**38.10**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

6 Trade receivables

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured, considered good	–	0.32	856.40	180.09
Unsecured, considered doubtful	–	–	125.22	115.37
Unsecured, considered good – related parties [refer note 36 (III)]	–	–	5.37	28.13
	–	**0.32**	**986.99**	**323.59**
Less: Allowance for doubtful debts	–	–	125.22	115.37
	–	**0.32**	**861.77**	**208.22**

7 Loans

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured, considered good				
Deposits	1.80	3.10	3.22	2.05
Inter corporate deposits (refer note 43)	–	–	22.39	–
Others	–	–	0.28	0.25
	1.80	**3.10**	**25.89**	**2.30**

8 Other financial assets

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured, considered good				
Margin money deposits with banks *	1.84	1.00	–	–
Receivable against sale of property, plant and equipment (refer note 42)	–	–	1.46	28.76
Receivable from related parties [refer note 36 (III)]	–	–	0.02	0.02
Interest accrued on bank deposits	0.02	–	0.20	0.33
Others	7.39	–	64.13	–
	9.25	**1.00**	**65.81**	**29.11**

* As lien against bank guarantees issued amounting ₹ 56.75 Crores (31 March 2018 : ₹ 39.70 Crores).

9 Deferred tax assets (net)

₹ in Crores

	31 March 2019	31 March 2018
Deferred tax asset arising on account of		
On timing difference between book depreciation and depreciation as per local tax rules	0.90	–
Brought forward loss	23.92	0.72
Inventory allowance	0.54	–
Allowance for doubtful debts	1.33	–
Provision for employee benefits expense	5.49	–
Others (net)	(0.20)	0.32
	31.98	**1.04**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

10 Other assets

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Advances to vendors	–	0.22	29.86	21.06
Prepaid expenses	13.27	0.31	103.76	7.53
Balances with statutory / government authorities	13.55	5.48	26.12	10.14
Unamortised cost for maintenance contracts	–	0.02	363.91	65.06
Unbilled revenue	–	–	0.14	0.73
Other receivables	1.54	–	6.70	9.35
	28.36	**6.03**	**530.49**	**113.87**

11 Inventories

₹ in Crores

	31 March 2019	31 March 2018
Materials and components (refer note 23)	10.03	0.14
Work–in–progress (refer note 24)	0.50	0.45
Stock–in–trade (includes in transit ₹ 0.39 Crores) (31 March 2018 : ₹ 0.23 Crores) [refer note 24 and note 29(a)]	128.25	27.58
Finished goods (refer note 24)	9.96	–
Stores and spares	2.10	2.84
	150.84	**31.01**

12 Cash and cash equivalents and other bank balances

₹ in Crores

	31 March 2019	31 March 2018
Cash and cash equivalents		
Balances with banks:		
– In current accounts	205.04	8.81
– In deposit accounts	0.72	0.28
Cheques on hand	0.10	0.09
Cash on hand	0.08	0.04
	205.94	**9.22**
Other bank balances		
Margin money deposits with maturity of more than 3 months and less than 12 months*	2.66	2.18
Deposits for letter of credit	40.29	–
Balance in escrow account**	6.92	–
Restricted cash balance***	6.92	–
Unclaimed dividend account**** (refer note (a) below)	0.16	0.19
	56.95	**2.37**
	262.89	**11.59**

* As lien against bank guarantees issued amounting ₹ 56.75 Crores (31 March 2018 : ₹ 39.70 Crores).
** Represents earmarked balance in respect of settlement of sale of business segment of Black Box Corporation.
*** Represents earmarked balance as collateral for credit card program of Black Box Corporation.
** Represents earmarked balance in respect of unpaid dividend.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Note (a) – Unclaimed dividend account

Financial year	**31 March 2019**	**31 March 2018**
		₹ in Crores
2005–06 *	–	0.00
2010–11	–	0.02
2011–12	0.16	0.17
	0.16	**0.19**

* The amount was under dispute as at 31 March 2018. It has been transferred to Investor Education and Protection Fund (IEPF) on 18 June 2018.

13 Equity share capital

₹ in Crores

	31 March 2019	**31 March 2018**
Authorised share capital		
45,000,000 (31 March 2018: 45,000,000) equity shares of ₹10 each	45.00	45.00
Nil (31 March 2018: 10,000,000) 1% Non–cumulative, non–convertible, redeemable preference shares of ₹ 100 each	–	100.00
5,000,000 (31 March 2018: Nil) Cumulative / non–cumulative redeemable preference shares of ₹ 100 each	50.00	–
5,000,000 (31 March 2018: Nil) Convertible preference shares of ₹ 100 each	50.00	–
Issued, subscribed and fully paid–up share capital		
29,737,649 (31 March 2018 : 28,466,464) equity shares of ₹ 10 each	29.74	28.47
Total issued, subscribed and fully paid–up share capital	**29.74**	**28.47**

Notes:

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity shares

	31 March 2019		**31 March 2018**	
	No. of shares	**₹ in Crores**	**No. of shares**	**₹ in Crores**
At the beginning of the year	28,466,464	28.47	28,466,464	28.47
Issued during the year	1,271,185	1.27	–	–
Outstanding at the end of the year	**29,737,649**	**29.74**	**28,466,464**	**28.47**

1% Non–cumulative Non–convertible redeemable preference shares (‘NCRPS’)

	31 March 2019		**31 March 2018**	
	No. of shares	**₹ in Crores**	**No. of shares**	**₹ in Crores**
At the beginning of the year	1,500,000	15.00	1,500,000	15.00
Conversion of NCRPS to CCPS during the year	(1,500,000)	(15.00)	–	–
Outstanding at the end of the year	**–**	**–**	**1,500,000**	**15.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

0.01% Compulsory convertible preference shares ('CCPS')

	31 March 2019		31 March 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	–	–	–	–
Conversion of NCRPS to CCPS during the year	150,000	15.00	–	–
Conversion of CCPS to equity shares during the year	(150,000)	(15.00)	–	–
Outstanding at the end of the year	–	–	–	–

The members of the Company at the annual general meeting held on 1 August 2018, approved the re–classification of authorised share capital whereby authorised preference share capital was re–classified to ₹ 100 Crores comprising of 5,000,000 cumulative / non–cumulative redeemable preference shares of ₹ 100 each and 5,000,000 convertible preference shares of ₹ 100 each.

The Board at its meeting held on 12 August 2014 allotted 1,500,000 NCRPS having face value of ₹100 each for the period of seven years. On 30 March 2018, the Company received approval from the preference shareholders for extension of term by five years post expiry of original term of seven 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 CCPS. Subsequently on 31 August 2018, Company has allotted 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 ₹ 118 per equity share.

The Company declared the dividend of ₹ 1 per NCRPS having face value of ₹ 100 each which was approved at annual general meeting held on 1 August 2018.

The Company had recognised preference shares as compound financial instrument. The equity component of compound financial instrument is presented as a part of "Other equity" (refer note 14) and the liability component of compound financial instrument is disclosed under "Other financial liabilities" (refer note 16).

(b) Rights, preference and restriction on equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Essar Telecom Limited (ETL) was the holding company up to 4 January 2019. As on 31 March 2019, ETL is holding 13,884,143 (31 March 2018 : 21,320,348) equity shares of ₹ 10 each fully paid–up amounting ₹ 13.88 Crores (31 March 2018 : ₹ 21.32 Crores) [refer note 14(f)].

(d) Aggregate number of bonus shares issued and buy back of shares during the period of five years immediately preceding the reporting date:

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2019.

(e) Shares issued for consideration other than cash:

1,271,185 Equity shares of ₹ 10 each allotted as fully paid–up equity shares on conversion of CCPS at a premium of ₹ 108 per equity share during the year ended 31 March 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

(f) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid–up				
– Essar Telecom Limited	13,884,143	46.69%	21,320,348	74.90%
– Onir Metallics Limited (formerly knowns as Bhagwat Metallics Limited)	4,300,000	14.46%	–	–
– Export–Import Bank of India	1,958,606	6.59%	–	–
– Silverleaf Oak Advisors LLP	1,500,000	5.04%	–	–
Preference shares of ₹ 100 each fully paid–up				
– Onir Information Technology Limited (formerly known as Essar Information Technology Limited)	–	–	1,500,000	100.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

14 Other equity ₹ in Crores

		31 March 2019	31 March 2018
a)	**Capital reserve**		
	Any profit or loss on purchase, sale, issue or cancellation of the company's own equity instrument is transferred to capital reserve	38.04	38.04
b)	**Securities premium reserve**		
	Amount received (on issue of shares) in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Act.	45.83	32.10
c)	**Stock option outstanding**		
	The share option outstanding account is used to record the value of equity–settled share based payment transactions with employees. The amount recorded in this account are transferred to the securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	2.35	1.71
d)	**General reserve**		
	This represent appropriation of profit by the Company	100.58	100.58
e)	**Equity component of compound financial instrument (preference shares)**		
	Fair valuation of preference shares capital	–	14.15
f)	**Retained earnings**		
	Retained earnings comprise of prior years undistributed earning / (loss) after taxes	(197.71)	(122.63)
g)	**Other items of other comprehensive income**		
	Foreign currency translation reserve	1.10	(1.81)
	Re–measurement of defined benefit obligation	(1.27)	(0.50)
	Total other equity	**(11.07)**	**61.64**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

15 Non–current borrowings

₹ in Crores

	31 March 2019	31 March 2018
Secured		
Term loans from banks [refer footnote (a) and footnote (b)]	17.85	19.25
Term loans from others [refer footnote (c)]	390.58	–
Finance lease obligation [refer footnote (d)]	–	0.51
Unsecured		
Term loan from other [refer footnote (e)]	178.46	–
	586.89	**19.76**

Footnotes:

(a) For AGC Network Inc., term loans from Bank of Texas have been obtained in the current year amounting ₹ 1.45 Crores equivalent to USD 0.21 million and ₹ 6.92 Crores equivalent to USD 1.00 million. These loans are secured by first charge on the entire assets of the company (present and future) including trade receivables and inventory. Outstanding term loan of ₹ 7.74 Crores equivalent to USD 1.12 million comprises of long–term portion of ₹ 5.05 Crores equivalent to USD 0.73 million and current portion of ₹ 2.69 Crores equivalent to USD 0.39 million.

As per the repayment schedule, the above–mentioned loans are repayable in 36 monthly installments of ₹ 0.04 Crores equivalent to USD 0.01 million and ₹ 0.21 Crores equivalent to USD 0.03 million starting from 28 September 2018 and 2 February 2019 respectively. Last installment is due on 28 August 2021 and 2 January 2022 respectively. The effective rate of interest is 5.30% p.a. and 5.51% p.a. respectively.

(b) For AGC Networks Pte. Ltd., outstanding term loan of ₹ 20.47 Crores equivalent to USD 2.96 million (31 March 2018 : ₹ 24.06 Crores equivalent to USD 3.70 million) from First Abu Dhabi Bank comprises of long–term portion of ₹ 12.80 Crores equivalent to USD 1.85 million (31 March 2018 : ₹ 19.25 Crores equivalent to USD 2.96 million) and current portion of ₹ 7.67 Crores equivalent to USD 1.11 million (31 March 2018 : ₹ 4.81 Crores equivalent to USD 0.74 million). The loan is secured by inventory and trade receivables (present and future) of the company and corporate guarantee given by AGC Networks Limited.

As per the re–payment schedule, loan is repayable in 14 quarterly installments starting from 15 May 2018 viz. 1st installment of ₹ 0.55 Crores equivalent to USD 0.08 million, 2nd installment of ₹ 0.65 Crores equivalent to USD 0.10 million, eight installments of ₹ 1.80 Crores equivalent to USD 0.28 million each and four installments of ₹ 2.10 Crores equivalent to USD 0.32 million each. Last installment is due on 15 August 2021. The effective rate of interest is 6.00% p.a. (31 March 2018: 6.00% p.a.).

(c) For Black Box Corporation and its subsidiaries in the United States, the United Kingdom and the Netherlands, term loan from others are secured by a first charge on the entire assets of the loan parties and BBX Inc., the guarantor including bank accounts, PPE, inventory of materials and components, work–in–progress, stock–in–trade, trade receivables, intangible property, equity interests in subsidiaries in the United States, the United Kingdom and the Netherlands, 65% of the equity interest in subsidiaries formed in other jurisdictions, certain interests in leaseholds, insurances, etc.

The Company is required to make quarterly principal re–payment starting from 30 September 2019 at 1.25% of the aggregate commitments of ₹ 674.42 Crores equivalent to USD 97.5 million, which increases to 2.50% from 30 September 2020. Last installment is due on 7 January 2022.

Term loan bear interest rate of LIBOR plus applicable margin. The applicable margin is 5.50% p.a. The effective interest rate is 8.12% to 14.80% p.a.

(d) During the year ended 31 March 2017, the Group held various computer hardware acquired by entering into multiple long–term leasing arrangements with Creekridge Capital, LLC totaling ₹ 2.95 Crores equivalent to USD 0.45 million. The leases carry interest rates 10.64% and were re–payable in monthly installments through July 2019. There were no financial debt covenants affecting the consolidated financial statement.

The company has terminated its finance lease agreement in September 2018 by paying–off the contract balance after adjusting fair value of equipment acquired under lease along–with interest and early termination charges.

(e) For AGC Network Pte. Ltd., term loan has been availed from Essar Telecom Limited, Mauritius amounting ₹ 178.46 Crores equivalent to USD 25.80 million carrying an interest rate of 5.25% p.a.

This loan along–with interest is repayable on 30 June 2020.

(f) Current maturities of the above–mentioned borrowings are disclosed under note 16 “Other financial liabilities”.

16 Other financial liabilities

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Liability component of compound financial instrument (refer note 13)	–	4.60	–	–
Employee related payables	–	–	112.03	8.41
Payables for expenses (refer note (a) below)	–	–	140.00	30.23
Unclaimed dividend (refer note (b) below)	–	–	0.16	0.19
Interest accrued but not due on borrowings	2.31	–	7.48	1.00
Interest accrued and due on borrowings	–	–	0.58	–
Long–term maturities of finance lease obligation (refer note 34(b))	2.39	–	–	–
Current maturities of finance lease obligation (refer note 34(b))	–	–	1.93	1.00
Current maturities of long–term debt (refer note 15)	–	–	10.36	4.81
	4.70	**4.60**	**272.54**	**45.64**

Notes:

(a) It includes ₹ 5.19 Crores (31 March 2018 : ₹ Nil) payable to Global Quality Assurance Limited towards acquisition of COPC Holdings Inc. (refer note 41).

(b) There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as at 31 March 2019 and 31 March 2018. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

17 Provisions

₹ in Crores

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits				
Provision for gratuity [refer note 32(I)(b)]	6.88	6.92	0.21	0.35
Provision for compensated absences [refer note 32(I)(c)]	3.67	3.70	34.00	2.61
Provision for pension [refer note 32 (II)]	95.33	–	–	–
	105.88	**10.62**	**34.21**	**2.96**
Other provisions				
Provision for warranties (refer note (a) below)	–	–	1.40	1.31
Provision for restructuring (refer note (b) below)	–	–	49.45	–
Provision for tax (net of advance taxes of ₹ Nil)	–	–	7.58	–
Provision for ex–patriates	–	–	5.31	–
	–	**–**	**63.74**	**1.31**
	105.88	**10.62**	**97.95**	**4.27**

(a) Provision for warranties

A provision is recognised for expected warranty claims on products sold during the last one year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within a year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one–year warranty period for all products sold. The table below gives information about movement in warranty provision.

₹ in Crores

	31 March 2019	31 March 2018
At the beginning of the year	1.31	1.24
Recognised during the year	1.40	1.31
Unused amounts reversed	(1.31)	(1.24)
At the end of the year	**1.40**	**1.31**

(b) Provision for restructuring

During the financial year ended 31 March 2016, Black Box Corporation ('BBC'), step–down subsidiary of AGC Networks Limited had incurred expenditure related to employee severance and facility consolidation (collectively referred to as "restructuring expenses") in a continued effort to consolidate back office functions and to make the organisation more efficient. Restructuring efforts increased significantly over the years leading up to merger of AGC and BBC, due to the liquidity concerns of BBC at the time. AGC has continued the on–going restructuring plans and expanded the initiatives during the post–merger period through executed and planned workforce reduction. The table below gives information about movement in restructuring provision.

₹ in Crores

	31 March 2019	31 March 2018
At the beginning of the year	–	–
Acquisition of subsidiaries (refer note 41)	49.24	–
Recognised during the year	31.58	–
Payment made during the year	(31.37)	–
At the end of the year	**49.45**	**–**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

18 Other liabilities **₹ in Crores**

	Non–current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unearned revenue	44.11	11.66	390.83	113.50
Advances from customers	–	–	10.78	14.63
Statutory dues payable	–	–	86.53	4.68
Other payables	42.53	–	1.31	3.70
	86.64	**11.66**	**489.45**	**136.51**

19 Current borrowings **₹ in Crores**

	31 March 2019	31 March 2018
Secured :		
Working capital loan from bank [refer footnote (a)]	7.03	19.77
Term loans from others [refer footnote (b) and footnote (c)]	54.10	–
Loans repayable on demand		
Cash credits from banks [refer footnote (d) and footnote (e)]	98.62	91.94
Cash credits from others [refer footnote (c)]	46.86	–
Buyers' credit from banks [refer footnote (f)]	–	6.68
	206.61	**118.39**

Footnotes:

(a) For AGC Networks Limited, working capital loan from Yes bank is secured by second pari–passu charge on entire current assets (present and future) including inventory of materials and components, work–in–progress, stock–in–trade, trade receivables etc. of the Company.

As per the original repayment schedule, loan was repayable in fourteen quarterly instalments starting from 9 February 2016 viz six instalments of ₹ 2.25 Crores each, four instalments of ₹ 3.38 Crores each and four instalments of ₹ 4.50 Crores each. The effective rate of interest is the base rate of the lending bank which is 10.25% p.a. (31 March 2018 : 10.25% p.a.) plus spread 1.5%. Hence effective rate is 11.75% p.a. (31 March 2018 : 11.75% p.a.).

During the year ended 31 March 2018, the Company had additionally paid ₹ 1.95 Crores in addition to the above repayment schedule. This repayment is through redemption of DSRA fixed deposit of ₹ 1.88 Crores kept for this facility with Yes Bank.

(b) For BBX Main Inc., term loan has been availed amounting ₹ 35 Crores equivalent to USD 5.00 million from Weber Family Trust, Lamara Heartwell Revocable Trust and Splice Capital LLC. This loan carries a rate of interest of 18.00% p.a. and is repayable along–with interest by July 2019. It is secured against equity of the company and AGC Networks Inc.

Additionally, a term loan of ₹ 3.04 Crores equivalent to USD 0.50 million has been availed from Galaxy Wave Holdings Limited. The loan carries a rate of interest of 15.00% p.a. and is repayable by July 2019. Security shall be mutually agreed between the parties.

(c) For Black Box Corporation and its subsidiaries in the United States, the United Kingdom and the Netherlands, term loans and cash credits from others are secured by a first charge on the entire assets of the loan parties and BBX Inc., the guarantor including bank accounts, property, plant and equipment, inventory of materials and components, work–in–progress, stock–in–trade, trade receivables, intangible property, equity interests in subsidiaries in the United States, the United Kingdom and the Netherlands, 65% of the equity interest in subsidiaries formed in other jurisdictions, certain interests in leaseholds, insurances, etc.

The loan is repayable on demand.

The loans bear interest rate of LIBOR plus applicable margin. The applicable margin is 5.50% p.a. The effective interest rate is 8.12% to 14.80% p.a.

(d) For AGC Networks Limited, cash credits from banks are secured by first pari–passu charge on entire current assets of the Company (present and future) including inventory of materials and components, work–in–progress, stock–in–trade, trade receivables, insurances etc. and by second pari–passu charge on all moveable PPE of the Company.

Cash credit carry an effective interest rate of 13.00% to 15.00% p.a. (31 March 2018 : 13.00% to 14.80% p.a.).

(e) For AGC Networks Inc., cash credits from Bank of Texas are secured by first charge on the entire assets of the company (present and future) including accounts receivable and inventory.

Cash credit carry an effective interest rate of 5.25% p.a.

(f) For AGC Networks Limited, buyers' credits from banks are secured by first pari–pasu charge on entire current assets of the Company (present and future) including inventory of materials and components, work–in–progress, stock–in–trade, trade receivables, insurances etc. and by second pari–pasu charge on all moveable PPE of the Company.

No buyers' credit has been availed against imports during the year. Interest rate for the year ended 31 March 2018 was LIBOR plus 0.25% to LIBOR plus 2.00%.

Note:

The Company has defaulted in repayment of working capital loan to Yes Bank amounting ₹ 3.38 Crores, ₹ 4.50 Crores, ₹ 4.50 Crores and ₹ 4.50 Crores which was due on 9 May 2018, 9 August 2018, 9 November 2018 and 9 February 2019 respectively. The repayment has subsequently been made after the due date on 22 May 2018, 10 August 2018, 31 January 2019 and 9 April 2019 for the above–mentioned defaults.

20 Trade payables

₹ in Crores

	31 March 2019	31 March 2018
Dues to micro enterprises and small enterprises (refer note 38)	6.99	6.64
Dues to creditors other than micro enterprises and small enterprises	554.93	132.22
	561.92	**138.86**

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21 Revenue from operations (net)

₹ in Crores

	31 March 2019	31 March 2018
Revenue from operations (net)		
Sale of products (refer footnote of note 24)		
Finished goods	13.83	0.33
Stock–in–trade	822.28	302.56
Sale of services (refer note (a) below)	1,012.55	413.65
	1,848.66	**716.54**
Other operating income		
Liabilities / provisions for earlier years no longer required written back (refer note (b) below)	4.08	16.91
	1,852.74	**733.45**

Notes:

(a) Details of sale of services

₹ in Crores

	31 March 2019	31 March 2018
Maintenance services	886.84	316.08
Implementation services	106.55	97.57
Training and consulting services	19.16	–
	1,012.55	**413.65**

(b) Details of liabilities / provisions for earlier years no longer required written back

₹ in Crores

	31 March 2019	31 March 2018
– pertaining to expenses	1.26	2.64
– pertaining to employee related payables	–	0.80
– pertaining to trade payables	2.26	9.54
– pertaining to goods receipt / invoice receipt balances	0.32	0.97
– pertaining to advance from customers	0.25	0.99
– pertaining to inventory	0.00	1.97
	4.08	**16.91**

22 Other income

₹ in Crores

	31 March 2019	31 March 2018
Interest income on		
Bank deposits	0.18	0.24
Income tax refund	2.85	3.32
Inter corporate deposits (refer note 43)	1.89	–
Others	0.28	0.25
Reversal of allowance for doubtful debts (net)	1.09	–
Gain on disposal of property, plant and equipment (net)	–	0.01
Exchange differences (net)	–	0.45
Miscellaneous Income	0.10	0.61
	6.39	**4.88**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

23 Cost of materials and components consumed

₹ in Crores

	31 March 2019	31 March 2018
Inventory at the beginning of the year	0.14	0.15
Add: Purchases made during the year (net)	1.01	0.26
Add: Acquisition of subsidiaries (refer note 41)	12.01	–
	13.16	**0.41**
Less: Inventory at the end of the year	10.03	0.14
	3.13	**0.27**

Details of materials and components consumed

₹ in Crores

	31 March 2019	31 March 2018
Printed circuit boards	–	0.01
Static converters	0.02	0.14
Cabinet	1.05	0.11
Peripherals	2.01	0.01
Others	0.05	–
	3.13	**0.27**

24 Changes in inventories of work–in–progress, stock–in–trade and finished goods

₹ in Crores

	31 March 2019	31 March 2018
Inventories at the end of the year		
Stock–in–trade	128.25	27.58
Work–in–progress	0.50	0.45
Finished goods	9.96	–
	138.71	**28.03**
Acquisition of subsidiaries (refer note 41)		
Stock–in–trade	157.25	–
Work–in–progress	0.01	–
Finished goods	11.96	–
	169.22	**–**
Inventories at the beginning of the year		
Stock–in–trade	27.58	14.13
Work–in–progress	0.45	0.65
	28.03	**14.78**
	58.54	**(13.25)**

Footnote: The Group is a global ICT solution provider and integrator operating in various quadrants and the solutions sold to customers are configured as per specific customer requirements. The heterogeneous mix of components in solutions offered to customers makes it difficult to establish a meaningful / homogenous relationship for providing breakup of goods purchased / sold during the year and the stock position. Consequently, it is neither feasible nor meaningful to give the category–wise details of goods purchased and sold during the year and stock position for all its product solutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

25 Employee benefits expense (net)

₹ in Crores

	31 March 2019	31 March 2018
Salaries, wages and bonus *	610.97	183.63
Contribution to provident fund and other funds *	3.45	2.07
Staff welfare expenses	9.31	6.06
Expenses on employee stock option scheme (refer note 33)	0.64	0.98
	624.37	**192.74**

* Includes amount paid to key managerial personnel amounting ₹ 7.11 Crores (31 March 2018: ₹ 4.59 Crores) [refer note 36 (IV)]

26 Finance costs

₹ in Crores

	31 March 2019	31 March 2018
Interest on borrowings	39.36	22.52
Guarantee commission	0.22	0.25
Other interest cost and processing charges	4.96	2.19
	44.54	**24.96**

27 Depreciation and amortisation expense

₹ in Crores

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment (refer note 3)	11.15	6.71
Amortisation of other intangible assets (refer note 5)	3.50	1.46
	14.65	**8.17**

28 Other expenses

₹ in Crores

	31 March 2019	31 March 2018
Consumption of stores and spares	1.35	1.90
Power and water charges	3.36	0.73
Rent (refer note 29(b) and note 34)	28.09	10.00
Rates and taxes	3.69	0.51
Insurance	10.76	1.27
Repairs and maintenance – Others	6.14	4.70
Travelling and conveyance	36.47	13.72
Communication expenses	9.99	2.94
Legal and professional fees [refer note 29(g)]	32.74	13.53
Advertisement and sales promotion	12.96	3.06
Outward freight, clearing and forwarding charges	11.86	0.74
Commission on sales	0.15	0.41
Directors’ sitting fees [refer note 36(IV)]	0.33	0.22
Auditor’s remuneration (refer note (a) below)	0.71	0.64
Exchange differences (net)	2.18	–
Allowance for doubtful debts	–	2.15
Loss on disposal of property, plant and equipment (net)	0.01	–
Miscellaneous expenses	31.51	7.53
	192.30	**64.05**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note (a) : Auditor's remuneration (of the holding company)

₹ in Crores

	31 March 2019	31 March 2018
As auditors:		
Audit fees and limited review fees (including consolidation)	0.60	0.57
In other capacities:		
Other services (certification fees)	0.02	0.01
Reimbursement of expenses	0.09	0.06
	0.71	**0.64**

29 Exceptional items – (expenses) / income

₹ in Crores

	31 March 2019	31 March 2018
Reversal of provision against obsolete / non–moving inventory [refer note (a) below]	3.65	12.08
Reversal of rent [refer note (b) below]	–	5.21
Interest income against sale of property, plant and equipment [refer note (c) below]	0.91	3.23
Profit on sale of property, plant and equipment [refer note (d) below]	1.11	–
Write off of old receivable balances against sale of property, plant and equipment [refer note (e) below]	–	(6.50)
Severance expenses [refer note (f) below]	(32.06)	–
Acquisition cost [refer note (g) below]	(34.42)	–
Foreclosure of leases [refer note (h) below]	(2.02)	–
Provision for policy change in vacation [refer note (i) below]	(10.29)	–
	(73.12)	**14.02**

Notes:

(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 (also, refer note 42).

(d) Represents profit on sale of property, plant and equipment situated at Gandhinagar (also, refer note 42).

(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 acquisition 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

30 Tax (credits) / expenses

a) Income tax expense in the statement of profit and loss consists of:

₹ in Crores

Particular	**31 March 2019**	**31 March 2018**
Current income tax	(0.29)	5.19
Deferred tax	(0.29)	(1.05)
	(0.58)	**4.14**

b) Deferred tax assets in relation to:

₹ in Crores

Particular	**31 March 2019**	**31 March 2018**
Brought forward losses	0.13	0.98
Others	0.16	0.07
	0.29	**1.05**

31 Earnings per equity share (EPS)

	31 March 2019	**31 March 2018**
The components of basic and diluted earnings / (loss) per share are as follows:		
(a) Net (loss) / profit attributable to equity shareholders		
Net (loss) / profit before exceptional items (₹ in Crores)	(5.65)	0.91
Net (loss) / profit after exceptional items (₹ in Crores)	(78.77)	14.93
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	29,201,313	28,466,464
Add : Effect of dilutive potential equity shares arising from outstanding stock options *	156,841	236,256
Considered for diluted EPS	29,358,154	28,702,720
(c) (Loss) / earnings per equity share		
(Loss) / earnings per share of ₹10 each before exceptional items :		
Basic (in ₹)	(1.93)	0.32
Diluted (in ₹)	(1.93)	0.32
(Loss) / earnings per share of ₹10 each after exceptional items :		
Basic (in ₹)	(26.97)	5.24
Diluted (in ₹)	(26.97)	5.20

* As at 31 March 2019, 626,262 (31 March 2018 : 471,120) potential equity shares outstanding as share option under the ESOP Scheme 2015 (refer note 33), are considered for calculation of diluted EPS.

The effect of 626,262 potential equity shares outstanding as at 31 March 2019 is anti–dilutive and thus these shares are not considered in determining diluted earnings / (loss) per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

32 Employee benefits plan

(I) Disclosure in respect of AGC Networks Limited, Holding company

(a) Defined contribution plan – The following amount is recognised in the statement of profit and loss for the year ended:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Contribution to provident fund	0.95	0.94

Above amount has been included in the line item `Contribution to provident and other funds' in note 25.

(b) Defined benefit plan (unfunded) – The Company has an unfunded defined benefit plan i.e. Gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following tables summarises the components of benefits expense recognised in the statement of profit and loss and other comprehensive income and the amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Current service cost	0.72	0.51
Interest expense	0.48	0.30
Past service cost – plan amendments	–	1.06
Net employee benefits expense recognised in the statement of profit and loss	**1.20**	**1.87**
Actuarial (gain) / loss charged to Other Comprehensive Income (OCI)		
Actuarial (gain) / loss due to experience adjustment	(0.29)	1.10
Actuarial (gain) due to change in financial assumptions	(0.54)	(0.20)
Net employee benefits (income) / expense recognised in OCI	**(0.83)**	**0.90**

Amount recognised in balance sheet in respect of gratuity cost (defined benefit plan) is as follows:

Benefit liability

₹ in Crores

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation (net)	5.91	6.35
Net liability recognised in balance sheet	**5.91**	**6.35**

Changes in the present value of the defined benefit obligation are as follows:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Opening defined benefit obligation (net)	6.35	4.83
Service cost	0.72	1.57
Interest cost	0.48	0.30
Benefits paid	(0.81)	(1.25)
Amount recognised in OCI	(0.83)	0.90
Closing defined benefit obligation (net)	**5.91**	**6.35**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

The provision for gratuity for the subsidiaries (including step–down subsidiaries) is created as per the local laws of respective countries:

Name of the subsidiary	**31 March 2019**		**31 March 2018**	
	Impact in statement of profit and loss	**Impact in balance sheet**	**Impact in statement of profit and loss**	**Impact in balance sheet**
AGC Networks Limited	1.20	5.91	1.87	6.35
AGC Networks Australia Pty Ltd.	–	–	–	–
AGC Networks Pte. Limited	–	–	–	0.28
AGC Networks, Inc. and its subsidiary (consolidated)	–	–	–	–
AGC Networks Philippines, Inc.	–	–	–	–
AGC Networks and Cyber Solutions Limited	–	–	–	–
AGCN Solutions Pte. Limited	–	–	–	–
AGC Networks LLC, Dubai	0.56	1.18	–	0.64
AGC Networks LLC, Abu Dhabi	–	–	–	–
AGC Networks New Zealand Limited	–	–	–	–
Black Box Corporation and its subsidiaries (consolidated)	–	–	–	–
	1.76	**7.09**	**1.87**	**7.27**

₹ in Crores

Bifurcation of defined benefit obligation	**31 March 2019**	**31 March 2018**
Current	0.21	0.35
Non–current	5.70	6.00
	5.91	**6.35**

Sensitivity analysis:

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

₹ in Crores

Particulars	**31 March 2019**		**31 March 2018**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (– /+ 1%)	0.59	(0.51)	0.63	(0.55)
Salary Growth Rate (– / + 1%)	(0.45)	0.50	(0.47)	0.50
Attrition Rate (– /+ 50% of attrition rates provided in principal assumption table)	(0.07)	0.06	–	–
Mortality Rate (– /+ 10%)	0.00	0.01	–	–

The sensitivity analysis presented above may not be a representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Following are the principal assumptions used as at the balance sheet date:

Particulars	31 March 2019	31 March 2018
Discount rate (% per annum)	7.70%	7.60%
Salary escalation rate (% per annum)	6.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2006–08) (modified) Ultimate	Indian Assured Lives Mortality (2006–08) (modified) Ultimate
Attrition rate	Up to age 26 years : 5%	Up to age 26 years : 5%
	From 27 years to 34 years : 12%	From 27 years to 34 years : 12%
	From 35 years to 44 years : 5%	From 35 years to 44 years : 5%
	Above age 44 years : 1%	Above age 44 years : 1%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Amounts for the current and previous four periods are as follows: **₹ in Crores**

Particulars	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Gratuity					
Defined benefit obligation	5.91	6.35	4.81	4.71	4.41
Plan assets	–	–	–	–	0.29
Deficit	5.91	6.35	4.81	4.71	4.12
Experience adjustments on plan liabilities	–	–	(0.05)	0.22	0.41
Experience adjustments on plan assets	–	–	–	–	(0.05)
Actuarial (gain) / loss due to change in assumptions	(0.83)	0.90	0.40	0.05	(0.51)

The Company expects to contribute ₹ Nil to gratuity in the next year (31 March 2018: ₹ Nil).

Maturity profile of defined benefit obligation **₹ in Crores**

Particulars	31 March 2019	31 March 2018
One year	0.22	0.38
Two to five years	1.43	1.55
Six years and above	12.08	5.99

(c) Compensated absences – With effect from 1 January 2017, the Company has decided to restrict the balance of un–availed privilege leave (PL) to a maximum of 42 days from erstwhile limit of 90 days. Further, PL cannot be en–cashed or accumulated and shall lapse every year in the month of December. The balance as of 31 December 2016 is entitled to be en–cashed only during separation from the Company based on the basic salary as of December 2016.

(II) Disclosure in respect of Norstan Communications, Inc., step–down subsidiary of AGC Networks Limited

Defined benefit plan (partially funded) – Norstan Communications,Inc., step–down subsidiary of AGC Networks Limited has a partially funded defined benefit plan where benefits have been “frozen” whereby, starting on 26 August 2006, no new employees were admitted, and, starting 1 January 2008, those employees currently in the plan will not earn additional benefits based on service.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The following tables summarises the components of benefit expense recognised in the statement of profit and loss and other comprehensive income and the amounts recognised in the balance sheet for the defined benefit plan.

Amount recognised in the statement of profit and loss in respect of defined benefit plan is as follows:

	₹ in Crores
Particulars	**31 March 2019**
Interest expense	0.90
Net employee benefits expense recognised in the statement of profit and loss	**0.90**
Actuarial (gain) / loss charged to OCI	
Actuarial gain due to experience adjustment	(2.10)
Actuarial loss due to change in financial assumptions	21.43
Return on plan assets	(18.43)
Net employee benefits expense recognised in OCI	**0.90**

Amount recognised in the balance sheet in respect of defined benefit plan is as follows:

Benefit liability

	₹ in Crores
Particulars	**31 March 2019**
Present value of defined benefit obligation	359.18
Fair value of plan assets	263.85
Net liability recognised in the balance sheet	**95.33**

Changes in the present value of the defined benefit obligation are as follows:

	₹ in Crores
Particulars	**31 March 2019**
Defined benefit obligation on acquisition of subsidiary	338.53
Interest cost	3.12
Actuarial loss	19.33
Benefits paid	(1.80)
Closing defined benefit obligation	**359.18**

Changes in the fair value of plan assets are as follows:

	₹ in Crores
Particulars	**31 March 2019**
Fair value of plan assets on acquisition of subsidiary	242.10
Interest income	2.22
Contribution by employer	2.90
Return on plan assets	18.43
Benefits paid	(1.80)
Closing fair value of plan assets	**263.85**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

The provision for defined benefit plan for the subsidiaries (including step–down subsidiaries) is created as per the local laws of respective countries:

Name of the subsidiary	31 March 2019		31 March 2018	
	Impact in statement of profit and loss	Impact in balance sheet	Impact in statement of profit and loss	Impact in balance sheet
AGC Networks Limited	–	–	–	–
AGC Networks Australia Pty Ltd.	–	–	–	–
AGC Networks Pte. Limited	–	–	–	–
AGC Networks, Inc. and its subsidiary (consolidated)	–	–	–	–
AGC Networks Philippines, Inc.	–	–	–	–
AGC Networks and Cyber Solutions Limited	–	–	–	–
AGCN Solutions Pte. Limited	–	–	–	–
AGC Networks LLC, Dubai	–	–	–	–
AGC Networks LLC, Abu Dhabi	–	–	–	–
AGC Networks New Zealand Limited	–	–	–	–
Black Box Corporation and its subsidiaries (consolidated)	0.90	95.33	–	–
	0.90	**95.33**	**–**	**–**

Major categories of plan assets (as a % of total plan assets):

Particulars	**31 March 2019**
Bank balance	2.00%
Other investments	98.00%
Total	**100.00%**

	₹ in Crores
Bifurcation of defined benefit obligation (net)	**31 March 2019**
Current	–
Non–current	95.33

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

₹ in Crores

Particulars	**31 March 2019**	
	Decrease	**Increase**
Discount Rate (– /+ 0.5%)	27.54	(24.74)
Mortality Rate (– /+ 10%)	8.85	(8.11)

The sensitivity analysis presented above may not be a representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Following are the principal assumptions used as at the balance sheet date:

Particulars	**31 March 2019**
Discount rate (% per annum)	3.64%
Salary escalation rate (% per annum)	0.00%
Defined benefit plan growth rate (% per annum)	0.00%
Mortality rate	RP–2014 Blue Collar Mortality tables for males and females adjusted to 2006 with improvement Under MP–2018

Attrition rate (% per annum):

15 years	43.00%
20 years	35.00%
25 years	27.00%
30 years	21.00%
35 years	18.00%
40 years	16.00%
45 years	15.00%
50 years	12.00%
55 years	0.00%
60 years	0.00%
65 years	0.00%

Maturity profile of defined benefit obligation: **₹ in Crores**

Particulars	**31 March 2019**
One year	13.06
Two to five years	63.70
Six years and above	106.76

33 Employees stock option of holding company:

The Company provides share based payment schemes to its employees. Since the year ended 31 March 2016 an employee stock option plan (ESOP) was in existence i.e. ESOP scheme 2015. The relevant details of the scheme and the grant are as below.

The Shareholders of the Company through postal ballot on 21 April 2015 approved the equity settled ESOP scheme 2015 for issue of stock options to key employees and directors of the Company setting aside 1,423,323 options under this scheme. The Company had previously granted 1,004,866 and 320,248 stock options on 14 May 2015 and 19 May 2016 respectively. Subsequently on 15 June 2018, the Company has granted 170,799 stock options. According to the scheme, the employees selected by the Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grants are as below:

Grant Date	**15 June 2018**	**19 May 2016**	**14 May 2015**
Number of option granted	170,799	320,248	1,004,866
Vesting period (in years)	3 to 5 years	3 to 5 years	3 to 5 years
Exercise period (in years)	2 years from vesting period	2 years from vesting period	2 years from vesting period
Exercise price (₹)	107.00	55.00	80.00
Fair Value at grant date (₹)	71.65	42.84	32.85

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The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants.

The details of activity under the ESOP scheme 2015 are summarised below:

Particulars	31 March 2019		31 March 2018	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	471,120	63.00	556,520	65.61
Granted during the year	170,799	107.00	–	–
Cancelled during the year	15,657	80.00	85,400	80.00
Exercised during the year	–	–	–	–
Expired during the year	–	–	–	–
Outstanding at the end of the year	626,262	74.58	471,120	63.00
Exercisable at the end of the year	–	–	–	–

* WAEP denotes weighted average exercise price of the option

The following tables summarizes the information about the options / shares as at 31 March 2019 and 31 March 2018 respectively.

Grant	As at 31 March 2019		
	Grant date	No. of options outstanding	Weighted Average life*
Series 1	14 May 2015	135,215	2.13
Series 2	19 May 2016	320,248	3.14
Series 3	15 June 2018	170,799	5.22

Grant	As at 31 March 2018		
	Grant date	No. of options outstanding	Weighted Average life*
Series 1	14 May 2015	150,872	3.13
Series 2	19 May 2016	320,248	4.14

* Weighted average of remaining contractual life of options outstanding at the end of year.

The weighted average fair value of the stock options outstanding at the year ended 31 March 2019 is ₹ 48.54 (31 March 2018 is ₹ 39.64). Option were priced using Black Scholes–Merton formula.

Inputs into the model:

	Grant date		
Grant Date	15 June 2018	19 May 2016	14 May 2015
Dividend yield (%)	0.00%	0.00%	9.60%
Expected volatility (%)	60.04 – 61.19%	55.71 – 60.74%	54.42 – 57.57%
Risk–free interest rate (%)	7.87 – 8.04%	7.30 – 7.46%	7.77 – 7.82%
Weighted average share price (₹)	116.25	68.20	104.15
Exercise price (₹)	107.00	55.00	80.00
Expected life of options granted (in years)	4.00 – 6.01	4.00 – 6.00	4.00 – 6.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in Black–Scholes–Merton formula is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of Company's stock price on national stock exchange over a period prior to the date of grant, corresponding with the expected life of the options.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Expected life of the options : Expected life of the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options can not be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company have calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield: Expected dividend yield has been calculated by dividing the last declared dividend per share by the market price per share as on the date of grant.

34 Leases

(a) Operating lease: Group as lessee

The Company has entered into various leasing agreements classified as operating leases for office and warehouse premises which are renewable by mutual consent on mutually agreeable terms. These agreement generally range between 11 months to 5 years. The Group does not have sub–leasing agreements or any contingent agreements. Lease payments are recognised in the statement of profit and loss under 'Rent' in note 28.

The future minimum lease payments under non–cancellable operating leases are: **₹ in Crores**

	31 March 2019	31 March 2018
Within one year	55.62	6.86
Later than one year but not later than five years	90.21	7.08
Later than five years	0.60	–

(b) Finance lease: Group as lessee

The Group has finance leases for certain items of computer equipment and hardware. At the end of the lease term and upon payment of all outstanding dues and subject to mutual consent, the leased asset will be transferred to the Group. The net carrying value of leased assets as at balance sheet date is ₹ 4.35 Crores (31 March 2018 : ₹ 1.62 Crores). Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

₹ in Crores

	31 March 2019 MLP	31 March 2019 Present value of MLP	31 March 2018 MLP	31 March 2018 Present value of MLP
Within one year	1.93	1.78	1.11	1.05
Later than one year but not later than five years	2.39	1.95	0.37	0.33
Later than five years	–	–	–	–
Total MLP	**4.32**	**3.73**	**1.48**	**1.38**
Less: amounts representing finance charges	–	–	0.09	0.09
Present value of MLP	**4.32**	**3.73**	**1.39**	**1.29**

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35 Segment information

Ind AS 108 "Operating Segments" establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Group's operations predominantly relate to providing end–to–end business solutions to enable clients to enhance business performance.

Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments. Accordingly, the information has been presented as business segment and geographical segment. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Business segment of the Group are:

1. System Integration (SI)
2. Technology Product Solution (TPS)
3. Others, comprise of training and consulting services

Inter segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

(a) Information about reportable business segments: ₹ in Crores

Particulars	31 March 2019				31 March 2018 *			
	SI	TPS	Others	Total	SI	TPS	Others	Total
Revenue	1,606.39	227.19	19.16	**1,852.74**	733.45	–	–	**733.45**
Segment results	33.03	(1.28)	0.17	**31.92**	25.13	–	–	**25.13**
Other income				6.39				4.88
Finance costs				44.54				24.96
(Loss) / profit before exceptional items and tax				**(6.23)**				**5.05**
Exceptional items – expenses / (income)				73.12				(14.02)
(Loss) / profit before tax				**(79.35)**				**19.07**
Tax (credit) / expense				(0.58)				4.14
(Loss) / profit for the year				**(78.77)**				**14.93**
Depreciation and amortisation expenses				14.65				8.17

(b) Revenue from external customers: ₹ in Crores

	31 March 2019	31 March 2018
India	309.03	303.39
America	1,146.87	250.99
Rest of the world	408.61	193.03
Total	**1,864.51**	**747.41**
Less : Inter–segment	(11.77)	(13.96)
Revenue from operations	**1,852.74**	**733.45**

America comprises of North America, Canada and Mexico.

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Rest of the World comprising all other places except America and India i.e. Europe, Asia Pacific (APAC), Middle East and Africa (MEA), South Asian Association for Regional Cooperation (SAARC) and Latin America (LATAM).

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.
3. There is no major customer contributing to more than 10% of total revenue as at 31 March 2019 and 31 March 2018.

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

36 Related Party Disclosure of holding company:

(I) List of related parties and relationship

(i) Ultimate Holding Company:
Essar Global Fund Limited

(ii) Holding Company:
Essar Telecom Limited (up to 4 January 2019)

Related party with whom transactions have taken place
(iii) Entities under common control:
Aegis Limited (up to 22 November 2017)
Aegis Outsourcing South Africa (Pty.) Limited
Aegis Philippines, Inc.
Aegis Services Australia Pty. Limited
Essar Bulk Terminal (Salaya) Limited
Essar Bulk Terminal Limited
Essar Oil Limited
Essar Oil UK Limited
Essar Power Gujarat Limited
Essar Power Hazira Limited
Essar Projects Middle East FZE
Essar Shipping Limited
Essar Steel Algoma Inc.
Essar Steel India Limited
Equinox Business Parks Private Limited (up to 20 April 2018)
Ibrox Aviation and Trading Private Limited
The Mobile Store Limited
TMW Fintech Private Limited (up to 31 July 2018) (formerly known as The Mobilewallet Private Limited)
Vadinar Oil Terminal Limited
PT Manoor Bultan Lestari Indonesia
EPC Constructions India Limited (formerly known as Essar Projects India Limited)
Contact Center Company (up to 22 November 2017)

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(iv) Key Managerial Personnel:
Mr. Sanjeev Verma, Whole–Time Director
Mr. Sujay R Sheth, Independent Director
Mr. Dilip Thakkar, Independent Director
Ms. Suparna Singh, Non Executive Director (up to 5 April 2018)
Mr. Deepak Kumar Bansal, Chief Financial Officer
Mr. Aditya Goswami, Company Secretary
Mrs. Mahua Mukherjee, Executive Director (w.e.f. 5 April 2018)
Mr. Naresh Kothari, Additional Director (w.e.f. 17 January 2019)
Mr. Kaustubh Sonalkar, Non–Executive Director (15 June 2018 to 17 January 2019)

(II) Transactions during the year with related parties :

₹ in Crores

Nature of transaction	31 March 2019	31 March 2018
Sale of products *		
Aegis Limited	–	15.26
Aegis Services Australia Pty. Limited	–	0.14
Contact Center Company	–	13.11
Essar Bulk Terminal Limited	0.84	–
Essar Oil UK Limited	0.63	5.57
Essar Power Hazira Limited	0.78	1.77
Essar Shipping Limited	0.53	–
Essar Power Gujarat Limited	–	0.01
EPC Constructions India Limited (formerly known as Essar Projects India Limited)	–	0.68
Essar Steel India Limited	–	1.18
Ibrox Aviation and Trading Private Limited	8.60	6.15
PT Manoor Bultan Lestari Indonesia	9.21	–
	20.59	**43.86**
Sale of services *		
Aegis Limited	–	2.06
Contact Center Company	–	4.27
Essar Projects Middle East FZE	–	15.61
Essar Bulk Terminal (Salaya) Limited	0.01	0.12
Essar Bulk Terminal Limited	–	0.35
Essar Oil UK Limited	4.27	2.96
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	–	0.11
Vadinar Oil Terminal Limited	–	0.06
Essar Steel Algoma Inc.	2.75	2.63
Ibrox Aviation and Trading Private Limited	–	1.03
	7.03	**29.20**

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₹ in Crores

Nature of transaction	31 March 2019	31 March 2018
Service charges and employee benefits expense		
Essar Oil Limited	–	0.16
Contact Center Company	–	4.49
	–	**4.65**
Expenses reimbursement paid / adjusted		
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	1.56	4.62
	1.56	**4.62**
Expenses reimbursement received / adjusted		
Contact Center Company	–	2.23
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	1.56	4.51
The Mobile Store Limited	–	0.02
	1.56	**6.76**

* Sale of product and services amounts represents invoices raised during the year and it includes invoices where revenue recognition has been deferred.

₹ in Crores

Nature of transaction	31 March 2019	31 March 2018
Reversal of rent [refer note 29(b)]		
Equinox Business Parks Private Limited	–	5.21
	–	**5.21**
Security deposit recovered		
Equinox Business Parks Private Limited	–	3.45
	–	**3.45**
Adjustment on assignment of sundry receivables		
PT Manoor Bultan Lestari Indonesia	9.21	–
Essar Projects Middle East FZE	15.61	–
EPC Constructions India Limited (formerly known as Essar Projects India Limited)	–	0.68
Equinox Business Parks Private Limited	–	6.55
Vadinar Oil Terminal Limited	–	0.05
	24.82	**7.28**

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₹ in Crores

Nature of transaction	31 March 2019	31 March 2018
Adjustment on assignment of sundry payables		
Essar Oil Limited	–	0.91
	–	**0.91**
Loan taken		
Essar Telecom Limited	178.46	–
	178.46	**–**
Write back		
Aegis Limited	–	0.30
Equinox Business Parks Private Limited	–	0.21
	–	**0.51**
Write off		
Aegis Outsourcing South Africa (Pty.) Limited	–	0.13
Aegis Philippines, Inc.	–	1.24
	–	**1.37**

Notes:

1. Transactions up to the date of cessation / from the date of establishment of related party relationship have been considered for disclosure.
2. Foreign currency transactions are reported in INR using exchange rate of the transaction date.

(III) Amount due to / from related parties (as at year–end)

₹ in Crores

	31 March 2019	31 March 2018
Nature of balances		
Amount payable by Group**		
Aegis Limited	–	2.03
Contact Center Company	–	2.86
Aegis Philippines, Inc.	0.06	0.06
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	0.39	0.38
	0.45	**5.33**
Trade receivables		
Aegis Limited	–	8.49
Essar Steel India Limited	0.17	0.17
Essar Shipping Limited	0.53	–
Essar Bulk Terminal (Salaya) Limited	–	0.12
Essar Bulk Terminal Limited	–	0.35
Essar Steel Algoma Inc.	0.23	0.90
Essar Oil UK Limited	2.15	0.70
Ibrox Aviation and Trading Private Limited	2.26	1.68
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited)	0.03	0.11
Essar Projects Middle East FZE	–	15.61
	5.37	**28.13**

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₹ in Crores

	31 March 2019	31 March 2018
Nature of balances		
Borrowings		
Essar Telecom Limited	178.46	–
	178.46	**–**
Advances and other receivables		
The Mobile Store Limited	0.02	0.02
	0.02	**0.02**

Foreign currency balance are restated in INR using year–end exchange rate.

** These amounts includes trade payables, other liabilities and advance from customers.

(IV) Key Management Personnel (KMP) compensation:

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

During the year, 71,166 (31 March 2018 : Nil) ESOPs are granted to KMP and 15,657 (31 March 2018 : Nil) ESOPs lapsed.

₹ in Crores

Particulars	31 March 2019	31 March 2018
Remuneration to Mr. Sanjeev Verma		
Salary, bonus and contribution to provident fund	4.86	3.25
Payable as at year–end	–	1.43
Remuneration to other KMPs		
Salary, bonus and contribution to provident fund	2.25	1.34
Director's sitting fees	0.33	0.22

Note: The remuneration to the KMP does not include the provisions made for gratuity and compensated absenses, as they are determined on an actuarial basis for the Company as a whole.

37 Contingent liabilities and capital commitments

₹ in Crores

	31 March 2019	31 March 2018
(A) Contingent liabilities		
In respect of disputed demands in respect of matters under appeal with		
(a) Income tax authorities *	51.13	50.58
(b) Excise, service tax and customs authorities *	23.05	24.90
(c) Sales tax authorities *	4.68	4.78
(d) Claims against the Group not acknowledged as debt	4.44	–

The Group is contesting all of the above demands in respect of Income tax, Excise duty, Service tax, Custom duty and Sales tax and the management believes that its positions are likely be upheld at the appellate stage. No expense has been accrued in the consolidated financial statements for the aforesaid demands. The management believes that the ultimate outcome of these proceedings are not expected to have a material adverse effect on the Group's financial position and results of operations and hence no provision has been made in this regard.

* Amount outstanding as at balance sheet date represents gross demand raised by the tax authorities as amount paid under the protest is not charged to the statement of profit and loss by the Group.

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Note:

The Honourable Supreme Court has passed a decision on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Group is awaiting further clarifications in this matter in order to reasonably assess the impact on its consolidated financial statements, if any. Accordingly, the applicability of the judgement to the Group, with respect to the period and the nature of allowances to be covered and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

(B) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 1.24 Crores (31 March 2018 : ₹ 2.67 Crores)

38 Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Trade payables include: **₹ in Crores**

	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises	6.99	6.64

Details of amounts due under the MSMED Act, 2006 are as under:– **₹ in Crores**

		31 March 2019	31 March 2018
1) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	a. Principal	6.99	6.39
	b. Interest*	0.22	0.25
	Total	**7.21**	**6.64**

₹ in Crores

		31 March 2019	31 March 2018
2) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	a. Principal	12.42	10.97
	b. Interest	–	–
	Total	**12.42**	**10.97**
3) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		–	–
4) The amount of interest accrued and remaining unpaid at the end of the year.	a. Total interest accrued *	0.22	0.25
	b. Total interest unpaid	**0.22**	**0.25**
5) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Included in S. No. 4(b) above is ₹ 0.22 Crores (31 March 2018 ₹ 0.25 Crores) being interest on amounts outstanding as at the beginning of the accounting year.		

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under the MSMED Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at year end has been made in the consolidated financial statements based on the information received and available with the Company and has been relied upon by the statutory auditors.

* The interest for the year ended 31 March 2019 is not accounted for in the books of accounts.

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39.1 Financial Instruments

a) Categories of financial instruments

₹ in Crores

	Carrying value and Fair value	
	As at 31 March 2019	**As at 31 March 2018**
Financial assets (other than investment in subsidiaries)		
Measured at amortised cost		
Non–current		
(a) Trade receivables	–	0.32
(b) Loans	1.80	3.10
(c) Other financial assets	9.25	1.00
Current		
(a) Trade receivables	861.77	208.22
(b) Cash and cash equivalents	205.94	9.22
(c) Other bank balances	56.95	2.37
(d) Loans	25.89	2.30
(e) Other financial assets	65.81	29.11
Financial liabilities		
Measured at amortised cost		
Non–current		
(a) Borrowings	586.89	19.76
(b) Other financial liabilities	4.70	4.60
Current		
(a) Borrowings	206.61	118.39
(b) Trade payables	561.92	138.86
(c) Other financial liabilities	272.54	45.64

b) Fair value Hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and cash equivalents, trade receivables, trade payables, other financial assets / liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter–party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

   The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

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The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

39.2 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, foreign currency payables and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt interest obligations.

Exposure to interest rate risk

₹ in Crores

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed–rate instruments		
Term loans	640.99	19.25
Finance lease	–	0.51
Total	**640.99**	**19.76**
Variable–rate instruments		
Working capital loan	7.03	19.77
Cash credits and buyer's credits	145.48	98.62
Total	**152.51**	**118.39**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit or loss before tax is affected through the impact on floating rate borrowings as follows:

₹ in Crores

Particulars	Gain / (loss) on profit before tax	
	As at 31 March 2019	As at 31 March 2018
Interest rate increase by 50 basis points	(0.76)	(0.59)
Interest rates decrease by 50 basis points	0.76	0.59

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Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Credit risk arises from credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Most of the Group doubtful debt pertains to the Public Sector which is undergoing through restructuring and therefore, the Group evaluates every receivable in the geography and creates adequate provision after analysing specific risk. Trade receivables are non–interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

₹ in Crores

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Neither past due nor impaired	499.79	134.00
Past due but not impaired	361.98	74.54
Past due and impaired	125.22	115.37
Total	**986.99**	**323.91**
Less: Allowances for doubtful debts	125.22	115.37
Trade receivables, net off allowance for doubtful debts	**861.77**	**208.54**

There is no other class of financial assets that is past due but not impaired, except for trade receivables.

Customer credit risk is managed by each geographical segments subject to the Group's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Revenue from top customer	9%	5%
Revenue from top five customers	17%	15%

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for financial liabilities as well as forecast cash inflow and outflows due in day to day business. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019 and 31 March 2018

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Maturity profile of financial liabilities: ₹ in Crores

As at 31 March 2019	**On Demand**	**Less than one year**	**One to five years**	**More than five years**	**Total**
Borrowings	145.48	61.13	586.89	–	793.50
Trade payables	–	561.92	–	–	561.92
Other financial liabilities	272.54	–	4.70	–	277.24
	418.02	**623.05**	**591.59**	**–**	**1,632.66**

As at 31 March 2018	**On Demand**	**Less than one year**	**One to five years**	**More than five years**	**Total**
Borrowings	98.62	19.77	19.76	–	138.15
Trade payables	–	138.86	–	–	138.86
Other financial liabilities	45.64	–	4.60	–	50.24
	144.26	**158.63**	**24.36**	**–**	**327.25**

39.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group procures goods and services in their respective local currency and in case of imports / exports, it primarily deals in United States Dollars (USD). The Group has mainly foreign currency trade payables, trade receivables and bank balances which are unhedged and exposed to foreign currency risk.

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. There are earnings from customers in foreign currency which act as an natural hedge against foreign currency risk.

The Group's exposure to foreign currency risk at the end of the reporting period are as under: ₹ in Crores

Particulars	**31 March 2019**								**31 March 2018**							
	USD	**AED**	**SAR**	**CAD**	**GBP**	**CNY**	**SGD**	**Other**	**USD**	**AED**	**SAR**	**CAD**	**GBP**	**CNY**	**SGD**	**Other**
Financial assets																
Trade receivables	15.10	21.88	0.57	0.24	5.93	2.65	1.47	1.46	8.57	16.18	2.17	0.91	0.73	–	–	0.01
Bank balances	4.20	1.46	–	–	0.45	6.56	0.50	5.54	2.44	0.53	–	–	–	–	–	0.00
Loans and advances	0.61	–	–	–	–	–	–	–	0.32	–	–	–	–	–	–	–
Exposure to foreign currency risk on financial assets	**19.91**	**23.34**	**0.57**	**0.24**	**6.38**	**9.21**	**1.97**	**7.00**	**11.33**	**16.71**	**2.17**	**0.91**	**0.73**	**–**	**–**	**0.01**
Financial liabilities																
Short term borrowings	–	3.18	–	–	–	–	–	–	6.76	–	–	–	–	–	–	–
Trade payables	29.49	3.14	1.99	–	2.15	0.09	0.42	0.60	23.70	–	2.61	–	–	–	–	1.00
Interest payable	–	–	–	–	–	–	–	–	0.03	–	–	–	–	–	–	–
Others	0.52	–	–	–	1.25	2.00	0.64	1.06	0.22	–	–	–	–	–	–	–
Exposure to foreign currency risk on financial liabilities	**30.01**	**6.32**	**1.99**	**–**	**3.40**	**2.09**	**1.06**	**1.66**	**30.71**	**–**	**2.61**	**–**	**–**	**–**	**–**	**1.00**
Net exposure to foreign currency risk	**(10.10)**	**17.02**	**(1.42)**	**0.24**	**2.98**	**7.12**	**0.91**	**5.34**	**(19.38)**	**16.71**	**(0.44)**	**0.91**	**0.73**	**–**	**–**	**(0.99)**

Group has accumulated net exposure to foreign currency risk amounting ₹ 22.09 Crores (31 March 2018 : ₹ (2.46) Crores).

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Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the USD, United Arab Emirates Dirham (AED), Saudi Riyal (SAR), Canadian Dollar (CAD), Pound Sterling (GBP), Chinese Yuan (CNY), Singapore Dollar (SGD) and other currencies with all other variables held constant. The below impact on the Group's loss before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

₹ in Crores

Particulars	Impact on the statement of profit and loss for the year ended	
	31 March 2019	31 March 2018
USD sensitivity		
INR / USD		
Increase by 5%	(0.51)	(0.97)
Decrease by 5%	0.51	0.97
AED sensitivity		
INR / AED		
Increase by 5%	0.85	0.84
Decrease by 5%	(0.85)	(0.84)
SAR sensitivity		
INR / SAR		
Increase by 5%	(0.07)	(0.02)
Decrease by 5%	0.07	0.02
CAD sensitivity		
INR / CAD		
Increase by 5%	0.01	0.05
Decrease by 5%	(0.01)	(0.05)
GBP sensitivity		
INR / GBP		
Increase by 5%	0.15	0.04
Decrease by 5%	(0.15)	(0.04)
CNY sensitivity		
INR / CNY		
Increase by 5%	0.36	–
Decrease by 5%	(0.36)	–
SGD sensitivity		
INR / SGD		
Increase by 5%	0.05	–
Decrease by 5%	(0.05)	–
Other sensitivity		
INR / Other		
Increase by 5%	0.27	(0.05)
Decrease by 5%	(0.27)	0.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

40 Capital management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Gearing ratio:

₹ in Crores

Particulars	31 March 2019	31 March 2018
Borrowings	793.50	138.15
Other financial liabilities	25.05	11.41
Total Debt	**818.55**	**149.56**
Less: Cash and cash equivalents and other bank balances	262.89	11.59
Net debt #	**555.66**	**137.97**
Total equity	18.67	90.11
Total capital	**18.67**	**90.11**
Gearing Ratio (in %)	**2977%**	**153%**

Debt for the above purpose includes borrowings, interest accrued on borrowings, finance lease obligation and liability component of compound financial instruments net of cash and cash equivalents and other bank balances.

During the current year, there is change in capital gearing ratio from 153% to 2977% mainly attributable to increase in borrowings on acquisition. Also, the accumulated loss of acquired entities resulted in reduction in equity.

41 Acquisitions

Black Box Corporation, USA

AGC Networks Pte. Limited ('AGC Singapore'), a wholly owned subsidiary of AGC Networks Limited completed acquisition of Black Box Corporation ('BBC'), 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 BBC common stock that was tendered in the offer and not validly withdrawn has been accepted for payment and have received consideration of USD 1.10 in cash, and each share of BBC 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 USD 1.10 in cash. All such consideration is net to the holder of BBC 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 BBC has become a 100% subsidiary of AGC Networks Pte. Limited, Singapore through its US subsidiaries.

COPC Holdings Inc., USA

AGC Singapore and AGC Networks Inc. ('AGC USA'), a 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 USD 5.50 million. The acquisition is effective from 1 January 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

The details of financial information are as provided below: ₹ in Crores

Particulars	Black Box Corporation	COPC Holdings Inc.
Assets		
Property, plant and equipment	138.16	0.03
Other intangible assets	33.96	–
Trade receivable	672.20	10.66
Inventories	181.23	–
Cash and cash equivalents	249.18	18.59
Deferred tax assets	18.38	6.53
Other assets (including financial assets)	511.77	6.56
Total assets	**1,804.88**	**42.37**
Liabilities		
Borrowings	543.15	–
Trade payables	333.31	1.80
Tax liabilities	5.29	1.39
Other payables (including financial liabilities and provisions)	851.36	20.54
Provisions	49.24	–
Total liabilities	**1,782.35**	**23.73**
Fair value of net assets acquired	**22.53**	**18.64**
Purchase consideration	119.40	38.04
Goodwill on acquisition	**96.87**	**19.40**

42 Sale of Gandhinagar properties

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 ₹ 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 ₹ 40.85 Crores (net of incidental expenses : ₹ 3.04 crores) during the year ended 31 March 2015.

During the current year, the said property was re–assigned to 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 ₹ 23.51 Crores, and the Company has recorded the differential amount of ₹1.11 Crores between the said consideration and balance receivable as at re–assignment date from the earlier recognised sale, as profit on sale of property, plant and equipment. The amount of consideration already received amounting ₹ 22.23 Crores from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

43 Disclosure under Section 186(4) of the Act

Inter corporate deposits

₹ in Crores

Name of the borrower	Rate of interest	Due date	Amount given during the year	As at 31 March 2019*	As at 31 March 2018*
Essar Services India Private Limited	18 % p.a.	30 June 2019	11.50	12.56	–
Essar Infrastructure Services Private Limited	18 % p.a.	30 June 2019	9.00	9.83	–
			20.50	**22.39**	**–**

* Includes accrued interest amounting ₹ 1.89 Crores (31 March 2018 : ₹ Nil)

44 Ind AS 115 – Revenue from Contracts with Customers

Transition disclosure:

Effective 1 April 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch–up transition method applicable to contracts to be completed as on 1 April 2018. Accordingly, the comparative figures in the consolidated financial statements have not been adjusted retrospectively. The effect of adoption of Ind AS 115 on the consolidated financial statements is insignificant.

Contract liabilities:

Unearned revenue amounting ₹ 434.94 Crores (31 March 2018 : ₹ 125.16 Crores) is disclosed under note 18 "Other current liabilities".

45 As per the transfer pricing rules, the Group has examined domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustments with regard to the transactions involved.

46 Corporate social responsibility

As per Section 135 of the Act, a corporate social responsibility (CSR) committee has been formed by the Company. The Company has average net loss for the previous three financial years. Accordingly, no amount was required to be spent on CSR activity in terms of the aforesaid provisions during the year (31 March 2018: ₹ Nil). Consequently, the Company has not undertaken any CSR activity during the year.

47 Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

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

NIKHILESH NAGAR
Partner
Membership No. 079597

Place : Mumbai
Date : 29 May 2019

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Financial Officer

Place : Mumbai
Date : 29 May 2019

Statement regarding Subsidiary Companies pursuant to Section 129(3) of the Companies Act, 2013

₹ in Crores

Sr. no.	Name of Subsidiary Company	Reporting Period	Reporting currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/ (loss) before Taxation	Provision For Taxation	Profit/ (loss) After Taxation	Total comprehensive income for the year	Proposed Dividend	% of sharehold–ing	Country
1	AGC Networks Australia Pty Ltd.	Same	AUD	49.06	14.50	0.48	37.25	22.27	–	43.73	(0.92)	(0.29)	(0.63)	(0.06)	–	100%	Australia
2	AGC Networks Pte. Limited	Same	USD	69.17	34.22	1.19	360.05	324.64	–	107.09	(0.94)	0.36	(1.30)	(2.21)	–	100%	Singapore
3	AGC Networks, Inc.	Same	USD	69.17	60.82	9.27	228.91	158.82	–	282.72	8.07	0.09	7.98	10.90	–	100%	USA
4	AGC Networks Philippines, Inc.	Same	PHP	1.31	1.26	2.64	10.71	6.81	–	13.55	0.22	–	0.22	0.38	–	100%	Philippines
5	AGC Networks and Cyber Solutions Limited	Same	USD	69.17	0.01	(7.15)	4.40	11.54	–	11.49	(2.23)	–	(2.23)	(2.55)	–	100%	Kenya
6	AGC Networks LLC	Same	USD	69.17	0.26	6.79	28.54	21.49	–	48.97	3.89	2.02	1.87	2.02	–	100%	Dubai
7	AGC Networks LLC	Same	USD	69.17	–	(0.32)	0.09	0.42	–	–	(0.20)	–	(0.20)	(0.20)	–	100%	Abu Dhabi
8	Black Box Corporation –DE	Same	USD	69.17	146.02	(19.15)	250.65	123.79	–	–	(18.92)	–	(18.92)	(18.92)	–	100%	USA
9	ACS Communications, Inc.	Same	USD	69.17	–	(4.19)	194.32	198.51	–	198.48	(4.45)	–	(4.45)	(4.45)	–	100%	USA
10	ACS Dataline of the Northwest, Inc.	Same	USD	69.17	–	(2.14)	8.27	10.40	–	17.96	(2.18)	–	(2.18)	(2.18)	–	100%	USA
11	ACS Dataline, LP	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	USA
12	ACS Investors, LLC	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	USA
13	BB Technologies, Inc.	Same	USD	69.17	–	(0.10)	21.66	21.76	–	–	(0.10)	–	(0.10)	(0.10)	–	100%	USA
14	BBOX Holdings Mexico LLC	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	USA
15	BBOX Holdings Puebla LLC	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	USA
16	Black Box A/S	Same	USD	69.17	8.46	(0.37)	8.09	–	–	5.30	(0.35)	(0.09)	(0.26)	(0.26)	–	100%	Denmark
17	Black Box Canada Corporation	Same	USD	69.17	20.90	(0.19)	20.71	–	–	4.80	(0.41)	(0.11)	(0.31)	(0.31)	–	100%	Canada
18	Black Box Chile S.A.	Same	USD	69.17	20.04	0.01	20.05	–	–	–	(0.04)	(0.01)	(0.03)	(0.03)	–	100%	Chile
19	Black Box Comunicaciones, S.A.	Same	USD	69.17	22.90	(1.42)	21.47	–	–	4.26	(1.40)	(0.34)	(1.06)	(1.06)	–	100%	Spain
20	Black Box Corporation of Pennsylvania	Same	USD	69.17	–	7.73	286.28	278.54	–	122.60	11.45	–	11.45	11.45	–	100%	USA
21	Black Box de Mexico, S. de R.L. de C.V.	Same	USD	69.17	0.25	–	3.47	3.22	–	1.29	–	–	–	–	–	100%	Mexico
22	Black Box Deutschland GmbH	Same	USD	69.17	24.29	4.25	28.53	–	–	19.79	6.51	1.76	4.75	4.75	–	100%	Germany
23	Black Box do Brasil Industria e Comercio Ltda.	Same	USD	69.17	0.39	(0.99)	33.21	33.80	–	13.83	(1.49)	(0.48)	(1.00)	(1.00)	–	100%	Brazil
24	Black Box E–Commerce (Shanghai) Co., Ltd.	Same	USD	69.17	0.01	(0.61)	1.78	2.37	–	–	(0.29)	(0.07)	(0.22)	(0.22)	–	100%	CHINA
25	Black Box Finland OY	Same	USD	69.17	17.76	0.46	18.23	–	–	5.53	0.96	0.23	0.72	0.72	–	100%	Finland

Statement regarding Subsidiary Companies pursuant to Section 129(3) of the Companies Act, 2013

₹ in Crores

Sr. no.	Name of Subsidiary Company	Reporting Period	Reporting currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/ (loss) before Taxation	Provision For Taxation	Profit/ (loss) After Taxation	Total comprehensive income for the year	Proposed Dividend	% of sharehold–ing	Country
26	Black Box France	Same	USD	69.17	57.56	(1.69)	55.86	–	–	11.14	(1.15)	(0.40)	(0.75)	(0.75)	–	100%	France
27	Black Box Gmbh	Same	USD	69.17	2.88	(0.49)	2.39	–	–	0.96	(0.61)	(0.20)	(0.41)	(0.41)	–	100%	Austria
28	Black Box Holdings Ltd.	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	Cayman Islands
29	Black Box International B.V.	Same	USD	69.17	41.09	(3.11)	65.99	28.01	–	10.70	(3.60)	(1.03)	(2.56)	(2.56)	–	100%	Netherlands
30	Black Box International Holdings B.V.	Same	USD	69.17	34.52	(2.01)	97.65	65.14	–	–	(2.16)	(0.67)	(1.49)	(1.49)	–	100%	Netherlands
31	Black Box Network Services (Dublin) Limited	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	Ireland
32	Black Box Network Services (UK) Limited	Same	USD	69.17	70.04	0.62	169.95	99.29	–	29.91	(1.47)	(0.42)	(1.05)	(1.05)	–	100%	England
33	Black Box Network Services AB	Same	USD	69.17	48.85	(4.68)	44.17	–	–	9.96	(4.05)	(1.16)	(2.89)	(2.89)	–	100%	Sweden
34	Black Box Network Services AG	Same	USD	69.17	8.92	0.87	9.79	–	–	3.50	1.15	0.17	0.98	0.98	–	100%	Switzerland
35	Black Box Network Services Australia Pty Ltd	Same	USD	69.17	17.65	(0.62)	17.03	–	–	2.82	(1.17)	(0.34)	(0.83)	(0.83)	–	100%	Australia
36	Black Box Network Services Co., Ltd.	Same	USD	69.17	25.43	0.65	26.08	–	–	13.74	2.07	0.76	1.31	1.31	–	100%	Japan
37	Black Box Network Services Corporation	Same	USD	69.17	1.36	(0.70)	4.20	3.54	–	2.25	(0.76)	(0.07)	(0.69)	(0.69)	–	100%	Taiwan
38	Black Box Network Services, Inc. – Government Solutions	Same	USD	69.17	–	–	21.62	21.62	–	–	–	–	–	–	–	100%	USA
39	Black Box Network Services India Private Limited	Same	USD	69.17	0.21	0.32	4.54	4.01	–	1.45	0.52	0.17	0.35	0.35	–	100%	India
40	Black Box Network Services Korea Limited	Same	USD	69.17	1.63	(0.04)	1.58	–	–	–	–	–	–	–	–	100%	Korea
41	Black Box Network Services New Zealand Limited	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	New Zealand
42	Black Box Network Services NV	Same	USD	69.17	9.68	(0.77)	15.11	6.20	–	11.76	(0.58)	–	(0.58)	(0.58)	–	100%	Belgium
43	Black Box Network Services S.r.l.	Same	USD	69.17	10.39	(0.77)	17.56	7.95	–	3.06	(0.60)	–	(0.60)	(0.60)	–	100%	Italy
44	Black Box Network Services SDN. BHD.	Same	USD	69.17	4.03	(0.01)	4.02	–	–	0.15	(0.04)	(0.02)	(0.01)	(0.01)	–	100%	Malaysia
45	Black Box Network Services Singapore Pte Ltd	Same	USD	69.17	22.96	(0.32)	31.20	8.56	–	7.88	(0.46)	(0.08)	(0.37)	(0.37)	–	100%	Singapore
46	Black Box Norge AS	Same	USD	69.17	24.79	(1.30)	23.49	–	–	11.90	(1.83)	(0.51)	(1.32)	(1.32)	–	100%	Norway

AGC
Accelerating Business

Statement regarding Subsidiary Companies pursuant to Section 129(3) of the Companies Act, 2013

₹ in Crores

Sr. no.	Name of Subsidiary Company	Reporting Period	Reporting currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/ (loss) before Taxation	Provision For Taxation	Profit/ (loss) After Taxation	Total comprehensive income for the year	Proposed Dividend	% of sharehold–ing	Country
47	Black Box P.R. Corp.	Same	USD	69.17	15.25	–	15.25	–	–	–	–	–	–	–	–	100%	Puerto Rico
48	Black Box Services Company	Same	USD	69.17	–	7.78	102.46	94.68	–	–	7.90	–	7.90	7.90	–	100%	USA
49	Black Box Software Development Services Limited	Same	USD	69.17	–	(4.84)	49.58	54.42	–	–	(5.60)	–	(5.60)	(5.60)	–	100%	Ireland
50	CBS Technologies Corp.	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	USA
51	Delaney Telecom, Inc.	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	USA
52	Norstan Canada, Ltd. / Norstan Canada, Ltée	Same	USD	69.17	88.12	(7.15)	80.98	–	–	7.46	(8.15)	(0.62)	(7.54)	(7.54)	–	100%	Canada
53	Norstan Communications, Inc.	Same	USD	69.17	–	(16.09)	813.28	829.37	–	501.31	(19.10)	0.77	(19.87)	(19.87)	–	100%	USA
54	Nu–Vision Technologies, LLC	Same	USD	69.17	–	–	–	–	–	–	–	–	–	–	–	100%	USA
55	Scottel Voice & Data, Inc.	Same	USD	69.17	–	1.07	46.95	45.88	–	27.55	1.03	–	1.03	1.03	–	100%	USA
56	BBX Inc.	Same	USD	69.17	217.39	(31.33)	186.06	–	–	–	(34.12)	–	(34.12)	(35.46)	–	100%	USA
57	BBX Main Inc.	Same	USD	69.17	–	(5.21)	217.40	222.61	–	–	(5.29)	–	(5.29)	(5.21)	–	100%	USA
58	COPC Holdings Inc.	Same	USD	69.17	(28.16)	0.78	0.35	27.74	–	–	0.78	–	0.78	0.78	–	100%	USA
59	COPC Inc.	Same	USD	69.17	5.54	(1.00)	13.30	8.77	–	5.50	(0.99)	0.01	(1.00)	(1.00)	–	100%	USA
60	COPC International Inc.	Same	USD	69.17	44.38	0.84	52.22	7.00	–	8.31	0.84	–	0.84	0.84	–	100%	USA
61	COPC India Private Limited	Same	USD	69.17	(0.80)	0.27	1.40	1.94	–	0.73	0.27	–	0.27	0.27	–	100%	India
62	COPC Asia Pacific Inc.	Same	USD	69.17	(6.38)	(1.06)	4.42	11.85	–	2.19	(1.06)	–	(1.06)	(1.06)	–	100%	USA
63	COPC Consultants (Beijing) Co. Limited	Same	USD	69.17	4.07	0.42	11.74	7.25	–	2.42	0.42	–	0.42	0.42	–	100%	China
					1,093.49	**(73.40)**	**3,794.29**	**2,774.21**	**–**	**1,578.06**	**(80.62)**	**(0.58)**	**(80.04)**	**(78.73)**			

The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rate as on 31 March 2019

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole–Time Director
DIN – 06871685

MAHUA MUKHERJEE
Executive Director
DIN – 08107320

ADITYA GOSWAMI
Company Secretary
Place : Mumbai
Date : 29 May 2019

DEEPAK KUMAR BANSAL
Chief Financial Officer

Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary				
Name of the subsidiary	Net Assets i.e. total assets minus total liabilities		Comprehensive income /(loss) for the year	
	As % of consolidated net assets	₹ in Crores	As % of consolidated comprehensive income	₹ in Crores
Parent				
AGC Networks Limited	497.06	92.79	(2.75)	2.11
Subsidiaries				
AGC Networks Australia Pty Ltd.	80.25	14.98	0.08	(0.06)
AGC Networks Pte. Limited	189.69	35.41	2.88	(2.21)
AGC Networks, Inc.	375.46	70.09	(14.22)	10.90
AGC Networks Philippines, Inc.	20.89	3.90	(0.50)	0.38
AGC Networks and Cyber Solutions Limited	(38.25)	(7.14)	3.33	(2.55)
AGC Networks LLC	37.77	7.05	(2.64)	2.02
AGC Networks LLC	(1.77)	(0.33)	0.26	(0.20)
Black Box Corporation –DE	679.60	126.87	24.70	(18.93)
ACS Communications, Inc.	(22.45)	(4.19)	5.80	(4.45)
ACS Dataline of the Northwest, Inc.	(11.45)	(2.14)	2.84	(2.18)
ACS Dataline, LP	–	–	–	0.00
ACS Investors, LLC	–	–	–	0.00
BB Technologies, Inc.	(0.52)	(0.10)	0.13	(0.10)
BBOX Holdings Mexico LLC	–	–	–	0.00
BBOX Holdings Puebla LLC	–	–	–	0.00
Black Box A/S	43.35	8.09	0.34	(0.26)
Black Box Canada Corporation	110.94	20.71	0.40	(0.31)
Black Box Chile S.A.	107.38	20.05	0.04	(0.03)
Black Box Comunicaciones, S.A.	115.01	21.47	1.38	(1.06)
Black Box Corporation of Pennsylvania	41.43	7.73	(14.95)	11.45
Black Box de Mexico, S. de R.L. de C.V.	1.33	0.25	–	0.00
Black Box Deutschland GmbH	152.85	28.53	(6.19)	4.75
Black Box do Brasil Industria e Comercio Ltda.	(3.19)	(0.59)	1.31	(1.00)
Black Box E–Commerce (Shanghai) Co., Ltd.	(3.19)	(0.59)	0.28	(0.22)
Black Box Finland OY	97.64	18.23	(0.94)	0.72
Black Box France	299.25	55.86	0.98	(0.75)
Black Box Gmbh	12.82	2.39	0.54	(0.41)
Black Box Holdings Ltd.	–	–	–	0.00
Black Box International B.V.	203.46	37.98	3.34	(2.56)
Black Box International Holdings B.V.	174.15	32.51	1.94	(1.49)
Black Box Network Services (Dublin) Limited	–	–	–	0.00
Black Box Network Services (UK) Limited	378.50	70.66	1.37	(1.05)

Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary				
Name of the subsidiary	Net Assets i.e. total assets minus total liabilities		Comprehensive income /(loss) for the year	
	As % of consolidated net assets	₹ in Crores	As % of consolidated comprehensive income	₹ in Crores
Black Box Network Services AB	236.63	44.17	3.78	(2.89)
Black Box Network Services AG	52.47	9.79	(1.28)	0.98
Black Box Network Services Australia Pty Ltd	91.23	17.03	1.08	(0.83)
Black Box Network Services Co., Ltd.	139.69	26.08	(1.71)	1.31
Black Box Network Services Corporation	3.52	0.66	0.90	(0.69)
Black Box Network Services, Inc. – Government Solutions	–	–	–	0.00
Black Box Network Services India Private Limited	2.85	0.53	(0.46)	0.35
Black Box Network Services Korea Limited	8.49	1.58	–	0.00
Black Box Network Services New Zealand Limited	–	–	–	0.00
Black Box Network Services NV	47.69	8.90	0.76	(0.58)
Black Box Network Services S.r.l.	51.50	9.61	0.79	(0.60)
Black Box Network Services SDN. BHD.	21.53	4.02	0.02	(0.01)
Black Box Network Services Singapore Pte Ltd	121.31	22.65	0.49	(0.37)
Black Box Norge AS	125.83	23.49	1.72	(1.32)
Black Box P.R. Corp.	81.67	15.25	–	0.00
Black Box Services Company	41.69	7.78	(10.31)	7.90
Black Box Software Development Services Limited	(25.94)	(4.84)	7.31	(5.60)
CBS Technologies Corp.	–	–	–	0.00
Delaney Telecom, Inc.	–	–	–	0.00
Norstan Canada, Ltd. / Norstan Canada, Ltée	433.79	80.98	9.83	(7.54)
Norstan Communications, Inc.	(86.19)	(16.09)	25.92	(19.87)
Nu–Vision Technologies, LLC	–	–	–	0.00
Scottel Voice & Data, Inc.	5.71	1.07	(1.35)	1.03
BBX Inc.	996.67	186.06	46.27	(35.46)
BBX Main Inc.	(27.91)	(5.21)	6.80	(5.21)
COPC Holdings Inc.	(146.69)	(27.38)	(1.02)	0.78
COPC Inc.	24.30	4.54	1.30	(1.00)
COPC International Inc.	242.23	45.22	(1.10)	0.84
COPC India Private Limited	(2.88)	(0.54)	(0.35)	0.27
COPC Asia Pacific Inc.	(39.82)	(7.43)	1.38	(1.06)
COPC Consultants (Beijing) Co. Limited	24.05	4.49	(0.55)	0.42
Sub Total	**5,961.44**	**1,112.87**	**100.00**	**(76.63)**
Add / (Less) : Effect of Inter Company elimination / adjustment	(5,861.44)	(1,094.20)		
Total	**100.00**	**18.67**	**100.00**	**(76.63)**

FINANCIAL HIGHLIGHTS – CONSOLIDATED

₹ in Crores

	2018–19	2017–18	2016–17	2015–16	2014–15	2013–14	2012–13	2011–12	2010–11	2009–10
Fixed Assets (Net) and Investment	**399.5**	113.6	110.9	108.8	89.7	119.8	129.2	115.8	102.6	21.7
Net Assets (Excluding Fixed assets)	**412.7**	114.7	132.1	113.2	156.2	189.7	495.6	328.3	146.3	219.1
Total Capital Employed	**18.7**	90.1	69.9	61.5	101.6	74.0	305.6	322.5	262.7	253.0
Shareholders' Funds										
I. Equity	**29.7**	28.5	28.5	28.5	43.5	28.5	28.5	14.2	14.2	14.2
II. Reserves and Surplus (other Equity)	**(11.1)**	61.6	41.4	33.0	58.2	45.5	277.1	308.3	248.5	238.8
Total	**18.7**	90.1	69.9	61.5	101.7	74.0	305.6	322.5	262.7	253.0
Sales (including excise)	**1,852.7**	733.5	780.2	882.8	892.0	775.8	1,061.2	997.6	325.5	540.4
Other Income	**6.4**	4.9	3.6	5.5	6.3	19.6	51.5	12.9	3.1	10.3
Profit before tax	**(79.4)**	19.1	12.7	(22.4)	17.7	(274.1)	(9.9)	86.3	19.2	52.4
Provision for Tax										
I. Current Tax	**(0.3)**	5.2	3.1	4.7	3.5	0.3	7.0	21.7	7.6	17.8
II. Deferred Tax	**(0.3)**	(1.1)	(0.8)	7.6	(0.6)	(2.7)	5.0	1.1	(1.6)	–
III. Fringe Benefit Tax	**–**	–		–	–	–	–	–	–	–
Profit After Tax	**(78.8)**	14.9	10.3	(34.6)	14.8	(271.6)	(21.9)	63.5	13.2	34.6
Total Comprehensive income for the year	**(76.6)**	14.7	8.3	–	–	–	–	–	–	–
Dividend (%)	**–**	–		–	–	–	–	150.00	22.50	45.00
Debt Equity Ratio	**42.5**	1.5	2.5	2.4	1.4	3.2	1.0	0.4	–	–
Earning per share (₹)	**(27.0)**	5.2	2.9	(12.2)	5.2	(95)	(7.7)	22.3	9	24
Cash Earning per share (₹)	**(21.6)**	8.1	5.9	(9.0)	11.7	(81.2)	(2.0)	52.9	11.9	29.8
Book Value per share (₹)	**6.3**	31.6	24.5	24.0	35.7	48.5	107.2	226.6	184.6	177.8

AGC
Accelerating Business

AGC NETWORKS LIMITED

Regd. Office: Equinox Business Park (Peninsula Techno Park), Off. Bandra Kurla Complex, LBS Marg, Kurla West, Mumbai – 400070
Website – www.agcnetworks.com | CIN: L32200MH1986PLC040652

PROXY FORM – MGT – 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

33RD ANNUAL GENERAL MEETING – THURSDAY, SEPTEMBER 26, 2019 AT 11:00 A.M.

NAME OF THE MEMBER(S):
REGISTERED ADDRESS:
E–MAIL I.D.:
REGD. FOLIO NO. / DP ID & CLIENT ID:
NO. OF SHARES (in figure & words):

I/We …………………………………………………………………………………………………… being the registered shareholder(s)/member(s) of …………………… shares of the abovementioned Company hereby appoint:

1. Name of Proxy: ………
   Address of Proxy: ………
   ………
   E-mail I.d.: ……………………………………………… Signature of Proxy: ....or failing him;

2. Name of Proxy: ………
   Address of Proxy: ………
   ………
   E-mail I.d.: ……………………………………………… Signature of Proxy: ....

   as my/our proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the THIRTY-THIRD ANNUAL GENERAL MEETING of the Company to be held on the 26th day of September, 2019 (Thursday), at 11:00 A.M. at Yashwantrao Chavan Centre, General Jagannath Bhosle Road, Nariman Point, Mumbai - 400021 and at any adjournment thereof in respect of such resolution(s) as are indicated below:

Item No.	Particulars of Proposed Resolution(s)	For	Against
Ordinary Business(s)			
1.	To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019 along with the Reports of the Board Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Mahua Mukherjee (DIN: 08107320), who retires by rotation and being eligible, seeks re–appointment.		
3.	To re–appoint M/s. Walker Chandiok & Co. LLP, Chartered Accounts, as the Statutory Auditors of the Company.		
Special Business(s)			
4.	To appoint Mr. Naresh Kothari (DIN: 00012523) as a Non–Executive Director of the Company.		
5.	To re–appoint Mr. Sujay Sheth (DIN: 03329107) as an Independent Director of the Company.		
6.	To re–appoint Mr. Sanjeev Verma (DIN: 06871685) as an Executive Director designated as Whole–Time Director of the Company.		
7.	To approve payment of remuneration to Mrs. Mahua Mukherjee (DIN: 08107320), Executive Director & Chief Peoples Officer of the Company.		
8.	To appoint Mr. Deepak Kumar Bansal (DIN: 07495199) as an Executive Director of the Company.		

Signed this ……… day of …………………………., 2019.

Signature of Shareholder(s)/Member(s): ……………………………………………………….....

Signature of Proxy Holder(s): ………………………………………………………...

Affix a 1 Rupee Revenue Stamp

Note:

1. *This Proxy form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*
2. *E-Voting instructions and details are as mentioned in the Notice of THIRTY-THIRD ANNUAL GENERAL MEETING.*

AGC
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ATTENDANCE SLIP

33RD ANNUAL GENERAL MEETING – THURSDAY, SEPTEMBER 26, 2019 AT 11:00 A.M.

REGD. FOLIO NO. :	
DP ID & CLIENT ID:	NO. OF SHARES:
NAME & ADDRESS OF REGISTERED SHAREHOLDER/MEMBER:	

I certify that I am a registered shareholder/proxy for the registered shareholder/member of the Company.

I hereby record my presence at the THIRTY-THIRD ANNUAL GENERAL MEETING of the Company held on 26th day of September, 2019 (Thursday) at 11:00 A.M. at Yashwantrao Chavan Centre, General Jagannath Bhosle Road, Nariman Point, Mumbai-400021.

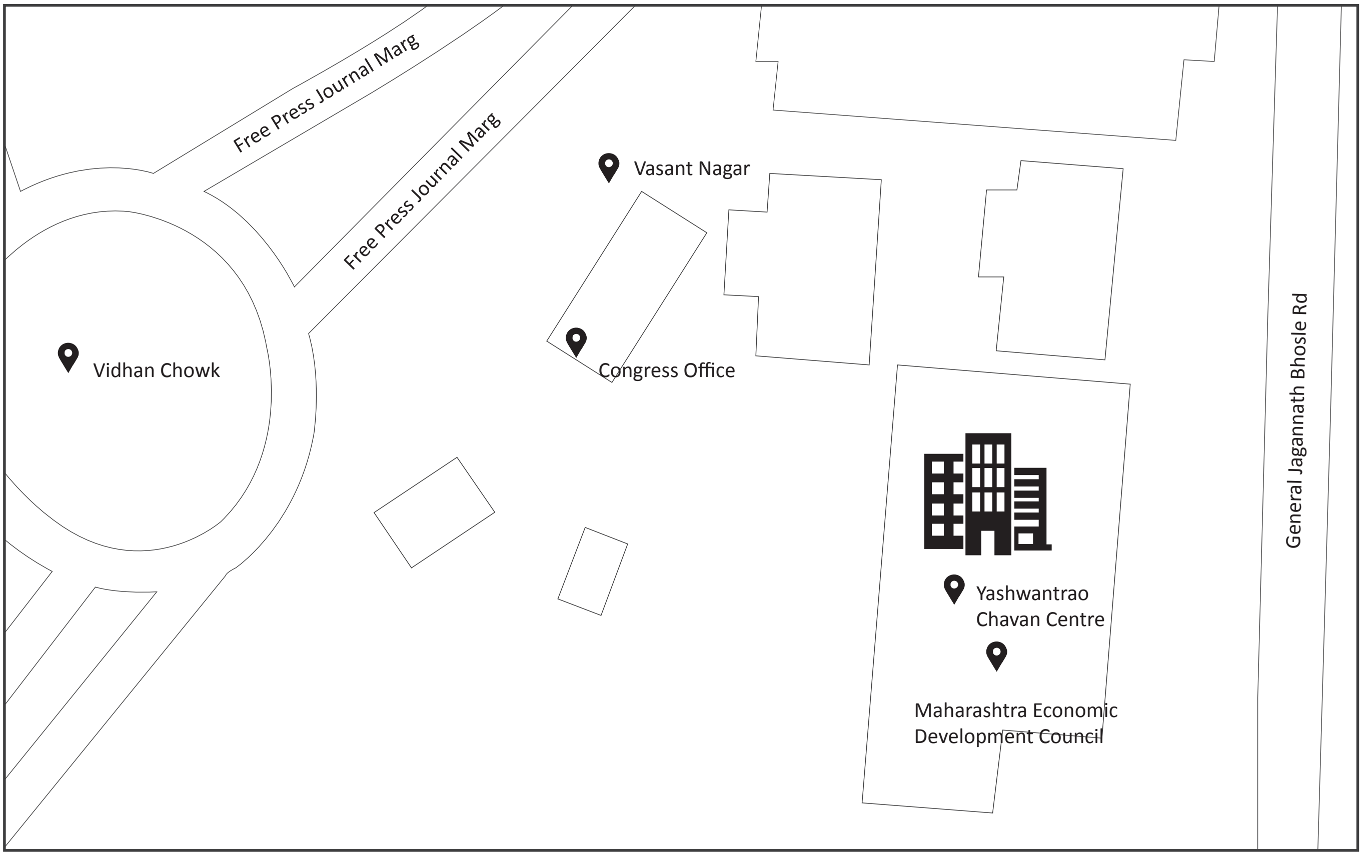
NAME OF THE SHAREHOLDER (IN BLOCK CAPITALS)	SIGNATURE OF THE SHAREHOLDER/MEMBER OR PROXY

** Note: Please complete this and hand it over at the entrance of the hall.*

Route Map to AGM Venue

Yashwantrao Chavan Centre,
General Jagannath Bhosle Road,
Nariman Point, Mumbai - 400021.

Distance from Churchgate Station: 2km
Distance from CSMT: 2.4km
Landmark: Near Sachivalay Gymkhana



AGC
Accelerating Business

Registered Office

AGC Networks Limited
Equinox Business Park, Tower 1, Off BKC, LBS Marg,
Kurla West, Mumbai - 400070, Maharashtra, India | T: +91 22 66617300/400

F: +91 22 6661 7405 | E: info@agcnetworks.com | W: www.agcnetworks.com

CIN: L32200MH1986PLC040652

Download the report here
www.agcnetworks.com/in/investors/#reports