

AGC/PB/SE/2017/023

August 10, 2017

Corporate Relationship Department Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Fort, Mumbai - 400 001	Corporate Relationship Department National Stock Exchange Limited Exchange plaza, Bandra Kurla complex, Bandra (E) Mumbai 400051
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Dear Sir,

Sub.: Outcome of the Board Meeting dated August 10, 2017

Ref.: Scrip code BSE: 500463/NSE: AGCNET

As per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board at its meeting held on Thursday, August 10, 2017 at Conference Room, Essar House, 11, K.K. Marg, Mahalaxmi, Mumbai - 400034, inter-alia transacted the following Businesses;

1. Considered and approved the unaudited financial results of the Company (stand-alone and consolidated) for the quarter ended June 30, 2017. Signed copies of the same along with the copy of Limited Review Report (stand-alone and consolidated) from the statutory auditors of the Company for the quarter ended June 30, 2017 are attached herewith.
2. Noted and accepted the resignation tendered by Mr. Manhar Mandaliya from the Directorship (Non-Executive- Independent director) of the Company with effect from August 8, 2017.
3. Decided that the 31st Annual General meeting of the Company shall be held on Friday, September 22, 2017 at 11.00 A.M. at Banquet Hall, Equinox Business Park, Off B.K.C, LBS Marg, Kurla West, Mumbai 400070

and fixed Book closure from 16.09.2017 (Saturday) to 22.09.2017 (Friday) (both days inclusive) for the purpose 31st Annual General Meeting of the Company.

The Board Meeting concluded at 6.00 PM.

This is for your information, record and necessary action.

Thanking You,

For AGC Networks Limited



Pratik Bhanushali
Company Secretary

Encl.: A./a.

Walker Chandiook & Co LLP

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

To the Board of Directors of AGC Networks Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('Statement') of **AGC Networks Limited** ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), (Refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of net profit under Indian Accounting Standards (Ind AS) of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in Note 8 to the Statement, during the year ended 31 March 2015 the Company had recognized sale of two properties having carrying value of Rs. 0.74 crores and Rs. 0.35 crores, respectively, and profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores), respectively, under 'exceptional items'. In our opinion, since the significant risks and rewards for the said properties were not transferred, recognition of such sale



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and the accounting treatment followed by the Company is not in accordance with the principles laid under Indian Accounting Standard (Ind AS) 18 'Revenue' and Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' as notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) and should have been reversed. Our audit/review reports on the financial statements/financial results of all the corresponding period up to March 2016 were qualified in respect of this matter. Further, during the month of April 2016, significant risks and rewards in respect of one of the said property having a carrying value of Rs. 0.35 crores were transferred. Accordingly, in our opinion, sale of this property should have been recognized during the quarter ended 30 June 2016. Hence our audit/review reports on the financial statements/financial results of all the periods up to March 2017 were qualified to this extent. With respect to the other property having carrying value of Rs. 0.74 crores our review report on the financial results for the quarter ended 30 June 2017 continues to be qualified as the Company has not corrected material prior period error retrospectively as required under Ind AS 8 by restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Had the Company followed the principles of Ind AS 18 and Ind AS 8 for the quarter ended 30 June 2017, the prior period expenses would have been higher by Rs. 40.85 crores (30 June 2016: Rs. 46.04 crores); profit on sale of property would have been higher by Rs. Nil (30 June 2016: Rs. 5.19 crores); profit before tax would have been lower by Rs. 40.85 crores (30 June 2016: Rs. 40.85 crores) and tax expenses would have been lower by Rs. 3.27 crores (30 June 2016: Rs. 3.27 crores).

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

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



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

Place : Mumbai
Date : 10 August 2017

Annexure 1

List of entities included in the Statement

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



AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2017

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended	
		Unaudited	
		30/06/2017	30/06/2016 (Refer Note 2)
1	(a) Revenue from operations (inclusive of excise duty)	157.69	206.77
	(b) Other income	3.05	0.42
	Total income	160.74	207.19
2	Expenses		
	a) Cost of materials consumed	0.58	2.06
	b) Purchase of stock-in-trade	76.67	77.47
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(23.47)	(0.88)
	d) Service charge	44.12	49.46
	e) Employee benefits expense (net)	42.94	47.88
	f) Finance costs	6.08	6.34
	g) Depreciation and amortisation expense (Refer note 5)	1.93	1.94
	h) Other expenses	20.24	20.99
	Total expenses	169.09	205.26
3	(Loss)/Profit before exceptional items and tax (1-2)	(8.35)	1.93
4	Exceptional items - (income) (Refer note 6)	(12.08)	-
5	Profit before tax (3-4)	3.73	1.93
6	Tax expense		
	- Current tax	2.31	0.05
7	Net Profit for the period (5-6)	1.42	1.88
8	Other Comprehensive (Loss)/Income (OCL/OCI)	(0.28)	0.34
9	Total Comprehensive Income for the period (7+8)	1.14	2.22
10	Paid-up equity share capital (face value of Rs. 10 each)	28.47	28.47
11	Earnings per share of Rs. 10/- each (not annualised):		
	Basic (in Rs.)	0.40	0.78
	Diluted (in Rs.)	0.40	0.78



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STATEMENT OF UNAUDITED CONSOLIDATED SEGMENTAL INFORMATION FOR THE QUARTER ENDED 30 JUNE 2017

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended	
		30/06/2017	30/06/2016 (Refer Note 2)
1	Segment Revenue		
	India	61.29	69.37
	USA	56.73	64.97
	Rest of the world	45.73	77.49
	Total	163.75	211.83
	Less : Inter-segment	(6.06)	(5.06)
	Revenue from operations (inclusive of excise duty)	157.69	206.77
Revenue of Rs. 23.81 Crore (30 June 2016: Rs. 60.87 Crore) from Singapore entity and revenue of Rs. 7.96 Crore (30 June 2016: Rs. Nil) from Dubai entity is included within Rest of the world in the above table .			
2	Segment results profit / (loss) before tax and interest		
	India	4.14	1.99
	USA	(1.26)	3.74
	Rest of the world	(5.15)	2.54
	Total	(2.27)	8.27
	Less : Finance cost	(6.08)	(6.34)
	(Loss)/Profit before exceptional items and tax	(8.35)	1.93
	Exceptional items - income	12.08	-
	Profit before tax	3.73	1.93
Loss before tax of Rs. 9.76 Crore (30 June 2016: Profit before tax Rs. 2.43 Crore) from Singapore entity and profit before tax of Rs. 4.28 Crore (30 June 2016: Rs. Nil) from Dubai entity is included within Rest of the world in the above table.			
3	Capital employed		
	India	68.14	68.18
	USA	(8.47)	(14.19)
	Rest of the world	19.97	17.04
	Capital employed	79.64	71.03
Capital employed of Rs. 12.23 Crore (30 June 2016: Rs. 13.09 Crore) from Singapore entity and capital employed of Rs. 4.30 Crore (30 June 2016: Rs. Nil) from Dubai entity is included within Rest of the world in the above table.			
4	Segment assets		
	India	342.92	376.68
	USA	167.35	184.15
	Rest of the world	238.53	231.86
	Less: Inter segment	(154.30)	(147.21)
	Total assets	594.50	645.48
Assets of Rs. 184.27 Crore (30 June 2016: Rs. 191.13 Crore) from Singapore entity and assets of Rs. 8.47 Crore (30 June 2016: Rs. Nil) from Dubai entity is included within Rest of the world in the above table.			
5	Segment liabilities		
	India	274.77	308.50
	USA	175.82	198.34
	Rest of the world	218.56	214.82
	Less: Inter segment	(154.30)	(147.21)
	Total liabilities	514.85	574.45
	Capital employed	79.64	71.03
Liabilities of Rs. 172.07 Crore (30 June 2016: Rs. 178.04 Crore) from Singapore entity and liabilities of Rs. 4.15 Crore (30 June 2016: Rs. Nil) from Dubai entity is included within Rest of the world in the above table.			

Notes on Segment Information :

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



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Notes:

- Results for the quarter ended 30 June 2017 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and as notified by the Ministry of Corporate Affairs, which are applicable to the Company for the accounting periods beginning on or after 1 April 2017. Consequently, results for the corresponding quarter ended 30 June 2016 have been recasted as per the requirements of the said notification, to comply with Ind AS and make them comparable.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10 August 2017. The statutory auditors of the Company have carried out the limited review of the results for the quarter ended 30 June 2017. The Ind AS compliant financial results, pertaining to corresponding quarter ended 30 June 2016 has not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial result provided true and fair view of its affairs for comparison purposes.
- Reconciliation of net profit as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter ended 30 June 2016:

Rs. in Crore

Particulars	(Unaudited) (Refer Note 2)
Net profit for the period as per previous Indian GAAP	1.56
Finance cost recognised on fair valuation of financial liabilities	(0.30)
Impact on fair valuation of Employee Stock Option Plan	0.14
Actuarial loss on employee defined benefit plans accounted under OCL	0.50
Interest income recognised on fair valuation of financial assets	0.17
Rent and other expenses recognised on fair valuation of security deposits	(0.19)
Net Profit for the period as per Ind AS	1.88

- AGC Networks L.L.C. incorporated on 6 June 2017 at Abu Dhabi is a 100% subsidiary of AGC Networks Pte Limited, Singapore.
- During the quarter ended 30 June 2016, based on an internal technical evaluation, the management reassessed the remaining useful lives of certain plant and equipment with effect from 1 April 2016. Accordingly the useful lives of such plant and equipment have been revised from 3 to 5 years to 15 years.

Had the Company continued with the previously assessed useful lives, depreciation expense for the quarter ended 30 June 2017 would have been higher by Rs. 0.53 Crore respectively. Further the revision of the useful lives will result in the following changes in the depreciation expense as compared to depreciation expense based on earlier useful lives.

Rs in Crore

Financial Years	(Decrease) / Increase in depreciation expense
2017-18	(1.59)
2018-19	(1.61)
Post 2019	5.35

- Exceptional items 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 the buyer for sale of these inventories.
- The statement of consolidated results are prepared in accordance with the requirements of Ind AS 110 – 'Consolidated Financial Statements' specified under Section 133 of the Companies Act, 2013.
The financial results of the following subsidiaries have been consolidated with the financial results of the Company:
AGC Networks Australia Pty Limited
AGC Networks Pte Limited, Singapore
AGC Networks, Inc., USA
AGC Networks Philippines, Inc.
AGC Networks and Cyber Solutions Limited, Kenya (w.e.f. 11 August 2016)
AGCN Solutions Pte. Limited (w.e.f. 18 November 2016)
AGC Networks L.L.C., Dubai (w.e.f. 13 February 2017)
AGC Networks L.L.C., Abu Dhabi (w.e.f. 6 June 2017)
- During the year ended 31 March 2015, the Company entered into deeds of assignment to transfer all the rights, title and obligations of its land and building situated at Gandhinagar to another company for a consideration of Rs. 50.52 Crores. During April 2015, the lender to whom these assets were provided as security provided its in-principal approval for the said transfer subject to fulfilment of conditions stated therein. The said transfer was pending approval from the relevant government authority and transfer of legal title that were considered to be procedural in nature. Accordingly, the Company had recognized profit on sale of property, plant and equipment of Rs. 46.04 Crores (net of incidental expenses Rs. 3.39 Crores) during the year ended 31 March 2015. During the year ended 31 March 2016, the Company received approval from the lender for sale of one of the property sold for consideration of Rs. 5.89 crores and also realized part consideration of Rs. 3.20 crores from the buyer. During April 2016, approval from the requisite authorities have also been received and sale deed has been executed between the Company and the buyer for transfer of legal title for one of the property. The Company has also obtained the requisite approvals for the other property and during the quarter ended 30 June 2017 has realized further consideration of Rs. 13.50 Crores. The sale deed for the other property will be executed on simultaneous settlement of balance consideration by the buyer.
- At the meeting of Board of Directors of the Company held on 29 April 2017, it was resolved to approve and pay interim dividend of Re. 1/- per preference share having nominal value of Rs. 100 each at their coupon rate.
- Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

FOR AND ON BEHALF OF THE BOARD



SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN: 06871685

Place: Mumbai
Date : 10 August 2017
CIN : L32200MH1986PLC040652



Walker Chandiook & Co LLP

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

To the Board of Directors of AGC Networks Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of **AGC Networks Limited** ('the Company') for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of net loss under Ind AS of the corresponding quarter with net loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in Note 5 to the Statement, during the year ended 31 March 2015 the Company had recognized sale of two properties having carrying value of Rs. 0.74 crores and Rs. 0.35 crores, respectively, and profit on such sale amounting to Rs. 40.85 crores and Rs. 5.19 crores (net of incidental selling expenses amounting to Rs. 3.04 crores and Rs. 0.35 crores), respectively, under 'exceptional items'. In our opinion, since the significant risks and rewards for the said properties were not transferred, recognition of such sale and the accounting treatment followed by the Company is not in accordance with the principles laid under Indian Accounting Standard (Ind AS) 18 'Revenue' and Ind AS 8 'Accounting Policies, Changes in



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Accounting Estimates and Errors' as notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) and should have been reversed. Our audit/review reports on the financial statements/financial results of all the corresponding period up to March 2016 were qualified in respect of this matter. Further, during the month of April 2016, significant risks and rewards in respect of one of the said property having a carrying value of Rs. 0.35 crores were transferred. Accordingly, in our opinion, sale of this property should have been recognized during the quarter ended 30 June 2016. Hence our audit/review reports on the financial statements/financial results of all the periods up to March 2017 were qualified to this extent. With respect to the other property having carrying value of Rs. 0.74 crores our review report on the financial results for the quarter ended 30 June 2017 continues to be qualified as the Company has not corrected material prior period error retrospectively as required under Ind AS 8 by restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Had the Company followed the principles of Ind AS 18 and Ind AS 8 for the quarter ended 30 June 2017, the prior period expenses would have been higher by Rs. 40.85 crores (30 June 2016: Rs. 46.04 crores); profit on sale of property would have been higher by Rs. Nil (30 June 2016: Rs. 5.19 crores); profit before tax would have been lower by Rs. 40.85 crores (30 June 2016: loss before tax would have been higher by Rs. 40.85 crores) and tax expenses would have been lower by Rs. 3.27 crores (30 June 2016: Rs. 3.27 crores).

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

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



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

Place : Mumbai
Date : 10 August 2017

AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2017

(Rs. in Crore)

Sr. No.	Particulars	Quarter ended	
		Unaudited	
		30/06/2017	30/06/2016 (Refer Note 2)
1	(a) Revenue from operations (inclusive of excise duty)	61.29	69.37
	(b) Other income	3.43	0.92
	Total income	64.72	70.29
2	Expenses		
	a) Cost of materials consumed	0.58	2.06
	b) Purchase of stock-in-trade	45.24	29.14
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(21.99)	(1.16)
	d) Service charge	17.55	14.43
	e) Employee benefits expense (net)	9.37	9.94
	f) Finance costs	4.95	5.50
	g) Depreciation and amortisation expense (Refer note 4)	0.58	0.78
	h) Other expenses	9.25	13.11
	Total expenses	65.53	73.80
3	(Loss) before exceptional items and tax (1-2)	(0.81)	(3.51)
4	Exceptional items - (income) (Refer note 7)	(12.08)	-
5	Profit/(Loss) before tax (3-4)	11.27	(3.51)
6	Tax expense	-	-
7	Net Profit/(Loss) for the period (5-6)	11.27	(3.51)
8	Other Comprehensive Loss (OCL)	(0.93)	(0.50)
9	Total Comprehensive Income / (loss) for the period (7+8)	10.34	(4.01)
10	Paid-up equity share capital (face value of Rs. 10 each)	28.47	28.47
11	Earnings per share of Rs. 10/- each (not annualised):		
	Basic (in Rs.)	3.63	(1.41)
	Diluted (in Rs.)	3.60	(1.41)



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Notes:

- 1) Results for the quarter ended 30 June 2017 have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and as notified by the Ministry of Corporate Affairs, which are applicable to the Company for the accounting periods beginning on or after 1 April 2017. Consequently, results for the corresponding quarter ended 30 June 2016 have been recasted as per the requirements of the said notification, to comply with Ind AS and make them comparable.
- 2) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10 August 2017. The statutory auditors of the Company have carried out the limited review of the results for the quarter ended 30 June 2017. The Ind AS compliant financial results, pertaining to corresponding quarter ended 30 June 2016 has not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial result provided true and fair view of its affairs for comparison purposes.
- 3) Reconciliation of net loss as previously reported on account of transition from the previous Indian GAAP to Ind AS for the quarter ended 30 June 2016:

Particulars	Rs. in Crore
	(Unaudited) (Refer Note 2)
Net loss for the period as per previous Indian GAAP	(3.83)
Finance cost recognised on fair valuation of financial liabilities	(0.30)
Impact on fair valuation of Employee Stock Option Plan	0.14
Actuarial loss on employee defined benefit plans accounted under OCL	0.50
Interest income recognised on fair valuation of financial assets	0.17
Rent and other expenses recognised on fair valuation of security deposits	(0.19)
Net loss for the period as per Ind AS	(3.51)

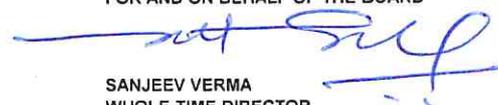
- 4) During the quarter ended 30 June 2016, based on an internal technical evaluation, the management reassessed the remaining useful lives of certain plant and equipment with effect from 1 April 2016. Accordingly the useful lives of such plant and equipment have been revised from 3 to 5 years to 15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

Had the Company continued with the previously assessed useful lives, depreciation expense for the quarter ended 30 June 2017 would have been higher by Rs. 0.53 Crore respectively. Further the revision of the useful lives will result in the following changes in the depreciation expense as compared to depreciation expense based on earlier useful lives.

Financial Years	Rs. in Crore
	(Decrease) / Increase in depreciation expense
2017-18	(1.59)
2018-19	(1.61)
Post 2019	5.35

- 5) During the year ended 31 March 2015, the Company entered into deeds of assignment to transfer all the rights, title and obligations of its land and building situated at Gandhinagar to another company for a consideration of Rs. 50.52 Crores. During April 2015, the lender to whom these assets were provided as security provided its in-principal approval for the said transfer subject to fulfilment of conditions stated therein. The said transfer was pending approval from the relevant government authority and transfer of legal title that were considered to be procedural in nature. Accordingly, the Company had recognized profit on sale of property, plant and equipment of Rs. 46.04 Crores (net of incidental expenses Rs. 3.39 Crores) during the year ended 31 March 2015. During the year ended 31 March 2016, the Company received approval from the lender for sale of one of the property sold for consideration of Rs. 5.89 crores and also realized part consideration of Rs. 3.20 crores from the buyer. During April 2016, approval from the requisite authorities have also been received and sale deed has been executed between the Company and the buyer for transfer of legal title for one of the property. The Company has also obtained the requisite approvals for the other property and during the quarter ended 30 June 2017 has realized further consideration of Rs. 13.50 Crores. The sale deed for the other property will be executed on simultaneous settlement of balance consideration by the buyer.
- 6) AGC Networks L.L.C. incorporated on 6 June 2017 at Abu Dhabi is a 100% subsidiary of AGC Networks Pte Limited, Singapore.
- 7) Exceptional items 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 the buyer for sale of these inventories.
- 8) At the meeting of Board of Directors of the Company held on 29 April 2017, it was resolved to approve and pay interim dividend of Re. 1/- per preference share having nominal value of Rs. 100 each at their coupon rate.
- 9) Previous period figures have been re-grouped and reclassified, wherever necessary, to correspond to those of the current period.

FOR AND ON BEHALF OF THE BOARD



SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN: 06871685

Place: Mumbai
Date : 10 August 2017
CIN : L32200MH1986PLC040652

