AGC
Accelerating Business

AGC Networks Limited
Equinox Business Park
Tower 1, Off BKC
LBS Marg, Kurla (West)
Mumbai 400 070
T - +91 22 6661 7272
www.agcnetworks.com

AGC/SD/SE/2020/97

October 26, 2020

Corporate Relationship Department **Bombay Stock Exchange Limited** P.J. Towers, Dalal Street, Fort, Mumbai – 400001.	**Corporate Relationship Department** **National Stock Exchange Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.

Subject: Submission of Notice of the 34th Annual General Meeting alongwith the Annual Report for FY 2019-2020
Ref.: Scrip code BSE: 500463/NSE: AGCNET

Dear Sir/Madam,

This is with reference to our letter AGC/SD/SE/2020/91 dated October 19, 2020, intimating the Stock Exchanges that the 34th Annual General Meeting ("AGM") of the Company is scheduled to be held on Wednesday, November 18th, 2020 at 10.00 A.M. Indian Standard Time (IST) through Video Conferencing ("VC") facility provided by National Securities Depository Limited ("NSDL").

Further, pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), we hereby submit the Annual Report of the Company for FY 2019-2020 including inter-alias, the Notice of the 34th AGM and the Statement of Impact of Audit Qualifications on Financials (Standalone and Consolidated) of the Company for the financial year ended March 31st, 2020.

The copies of the aforesaid documents are attached herewith for your perusal and are also available on the website of the Company at www.agcnetworks.com.

This is for your information and necessary dissemination.

Thanking You,
For **AGC Networks Limited**

Aditya Goswami
Digitally signed by Aditya Goswami
DN: cn=Aditya Goswami, c=IN, o=AGC Networks Limited
Date: 2020.10.26 17:36:11 +05'30'

Aditya Goswami
Company Secretary & Compliance Officer

Encl: As above.

Annexure I

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

Statement on Impact of Audit Qualification for the Financial Year ended 31 March 2020

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	315.61	315.61
	2	Total Expenditure	317.24	317.24
	3	Net Profit/(Loss)	(1.63)	(1.63)
	4	Earnings per Share		
		Basic	(0.55)	(0.55)
		Dilutive	(0.55)	(0.55)
	5	Total Assets	337.70	337.70
	6	Total Liabilities	248.75	248.75
	7	Net Worth	88.95	88.95
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

II.		**Auditor's qualification**	
	a.	Details of Audit Qualification:	**(i) Auditor's qualification on annual audited financial results (standalone)** As stated in Note 8 to the accompanying standalone financial results, during the previous year ended 31 March 2019, the Company had recorded only the differential amount of Rs 1.11 Crores, as profit on sale of property, plant and equipment, being the difference between the sale consideration of a certain property re-assigned to a new buyer and the outstanding receivable from an earlier sale transaction was incorrectly recorded without the transfer of risks and rewards of ownership of such property in the year ended 31 March 2015. Had the Company followed the principles of Ind AS 16, Property, Plant and Equipment, 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, exceptional item (income), representing gain on sale of property, plant and equipment, for the year ended 31 March 2019 would have been higher by Rs. 22.79 Crores (quarter ended 31 March 2019: Nil), while depreciation expense for the year ended 31 March 2019 would have been higher by Rs. 0.02 Crores (quarter ended 31 March 2019: Nil). Our reports on the standalone financial results for the quarter ended 31 December 2019 and year ended 31 March 2019 were also qualified in respect of the above matter, and accordingly, our opinion on the accompanying standalone financial results for the year ended 31 March 2020 is also qualified with respect to the effects of this matter on the comparability of current and corresponding figures in the accompanying standalone financial results.
	b.	Type of Audit Qualification:	Qualified Opinion
	c.	Frequency of Qualification:	Auditor's qualification on annual audited financial results (standalone) has been appearing from the year ended 31 March 2015 and has been updated for the year ended 31 March 2020 based on the facts mentioned under the qualification para.
	d.	For Audit Qualification (s) where the impact is quantified by the auditor, Management views:	During the year ended 31 March 2015, the Company entered into deed of assignment to transfer all the rights, title and obligations of its land and building situated at Gandhinagar to another company for a consideration of Rs. 44.63 Crores. During April 2015, the lender to whom these assets were provided as security provided its in-principle approval for the said transfer subject to fulfilment of conditions stated therein. The said transfer was pending approval from the relevant government authority and transfer of legal title that were considered to be procedural in nature. Accordingly, the Company had recognised profit on sale of property, plant and equipment of Rs. 40.85 Crores (net of incidental expenses Rs. 3.04 Crores) during the year ended 31 March 2015. During the year ended 31 March 2019, the said property was re-assigned in 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 had been transferred to another buyer through a separate sale transaction for a consideration of Rs. 23.51 Crores, and the Company had recorded the differential amount of Rs.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 to Rs. 22.23 Crores as at re-assignment date from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed.
	e.	For Audit Qualification (s) where the impact is not quantified by the auditor:	NA
		i) Management's estimation on the impact of audit qualification:	NA
		ii) If management is unable to estimate the impact, reasons for the same:	NA
		iii) Auditors' comments on (i) or (ii) above	NA

III. Signatories:

For **AGC Networks Limited**

SANJEEV SHEKHAR VERMA

Digitally signed by SANJEEV SHEKHAR VERMA
DN: cn=SANJEEV SHEKHAR VERMA, c=IN, st=MAHARASHTRA, o=Personal, serialNumber=887a64a0e1d0ebad144f754f433dc88c38f3207c0997cd6b04fb3188e2b4f764
Date: 2020.06.30 21:58:22 +05'30'

SANJEEV VERMA
WHOLE TIME DIRECTOR
DIN : 06871685

DEEPAK KUMAR BANSAL

Digitally signed by DEEPAK KUMAR BANSAL
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Date: 2020.06.30 22:00:30 +05'30'

DEEPAK KUMAR BANSAL
CFO and Director

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

BHARAT KOCHU SHETTY

Digitally signed by BHARAT KOCHU SHETTY
Date: 2020.06.30 23:29:55 +05'30'

Bharat Shetty
Partner
Membership No.: 106815

SUJAY SHETH
AUDIT COMMITTEE CHAIRMAN

Place: Mumbai
Date: 30 June 2020

Annexure I

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

Statement on Impact of Audit Qualification for the Financial Year ended 31 March 2020

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	5,026.95	5,026.95
	2	Total Expenditure	4,985.83	4,985.83
	3	Net Profit/(Loss)	41.12	41.12
	4	**Earnings per Share**		
		Basic	13.83	13.83
		Dilutive	13.68	13.68
	5	Total Assets	2,335.22	2,335.22
	6	Total Liabilities	2,383.04	2,383.04
	7	Net Worth	(47.82)	(47.82)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

II.		**Auditor's qualification**	
	a.	Details of Audit Qualification:	**(i) Auditor's qualification on annual audited financial results (consolidation)** As stated in Note 8 to the accompanying consolidated financial results, during the previous year ended 31 March 2019, the Holding Company had recorded only the differential amount of Rs 1.11 Crores, as profit on sale of property, plant and equipment, being the difference between the sale consideration of a certain property re-assigned to a new buyer and the outstanding receivable from an earlier sale transaction incorrectly recorded without the transfer of risks and rewards of ownership of such property in the year ended 31 March 2015. Had the Holding Company followed the principles of Ind AS 16, Property, Plant and Equipment, 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, exceptional item (income), representing gain on sale of property, plant and equipment, for the year ended 31 March 2019 would have been higher by Rs. 22.79 Crores (quarter ended 31 March 2019: Nil), while depreciation expense for the year ended 31 March 2019 would have been higher by Rs. 0.02 Crores (quarter ended 31 March 2019: Nil). Our reports on the consolidated financial results for the quarter ended 31 December 2019 and year ended 31 March 2019 were also qualified in respect of the above matter, and accordingly, our opinion on the accompanying consolidated financial results for the year ended 31 March 2020 is also qualified with respect to the effects of this matter on the comparability of current and corresponding figures in the accompanying consolidated financial results.
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		iii) Auditors' comments on (i) or (ii) above	NA

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CFO and Director

For **Walker Chandiok & Co LLP**
Chartered Accountants
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BHARAT KOCHU SHETTY

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Date: 2020.06.30 23:35:02 +05'30'

Bharat Shetty
Partner
Membership No.: 106815

SUJAY SHETH
AUDIT COMMITTEE CHAIRMAN

Place: Mumbai
Date: 30 June 2020

AGC

Accelerating Business

BLACK BOX

GLOCAL

Think **Global**. Act **Local**.

30+ countries

ANNUAL REPORT

2019-20

AGC Networks Limited

An ESSAR Enterprise

CORPORATE INFORMATION

Directors

Sujay R. Sheth	Chairman - Independent Director
Dilip Thakkar	Independent Director
Neha Nagpal	Independent Director
Anshuman Ruia	Non-Executive Director
Naresh Kothari	Non-Executive Director
Sanjeev Verma	Whole-Time Director
Deepak Kumar Bansal	Executive Director
Mahua Mukherjee	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. Bandra Kurla Complex, LBS Marg, Kurla West, Mumbai 400070.

Tel.: +91 22 6661 7300/400 Fax: +91 22 6661 7405

Email: info@agcnetworks.com

Website: www.agcnetworks.com

CIN: L32200MH1986PLC040652

Regional Offices - India
Bengaluru, Chennai, Gandhinagar, Gurugram, Hyderabad, Kolkata, Mumbai & Pune.

Global Presence
North America, Latin America, Europe, India & SAARC, Middle East & Africa, Asia-Pacific

Bankers in India
Yes Bank Limited, IDBI Bank Limited & Bank of India

Registrar and Share Transfer Agents
Datamatics Business Solutions Limited
Plot No.B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai – 400093
Tel: +91 22 6671 2001-2006
Fax: +91 22 6671 2209
Email: investorsqry@datamaticsbpm.com
Website: www.datamaticsbpm.com

Audit Committee
Sujay R Sheth (Chairman),
Dilip Thakkar & Mahua Mukherjee (Members)

Nomination and Remuneration Committee
Dilip Thakkar (Chairman),
Sujay R Sheth & Naresh Kothari (Members)

Stakeholders Relationship Committee
Sujay R Sheth (Chairman),
Dilip Thakkar & Sanjeev Verma (Members)

Corporate Social Responsibility Committee
Sujay R Sheth (Chairman)
Sanjeev Verma & Mahua Mukherjee (Members)

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

TABLE OF CONTENTS

MESSAGE FROM THE CHAIRMAN

Dear Shareholder,

We all know about how the Covid-19 pandemic has made this year an exceptionally challenging year for individuals, organizations and economies. Despite this, I am happy to share that Your Company has already been ahead of the digital wave over the past 2-3 years and this has allowed our customers to be 'digital-ready' much earlier; to face and deal with the current global crisis.

The combination of services has substantially increased due to the AGC|Black Box presence and offerings in 30+ countries, specifically in North America and Europe. The AGC|Black Box combine has had a successful track record of helping customers survive multiple economic and technological challenges and stay ahead of the curve. During the year, Your Company has made a few tuck-in acquisitions that will augment the portfolio of products to be in line with current and future trends in areas of IoT, 5G and wireless capabilities, and also bring new products and services to our existing customers across the globe.

The journey from here on for all customers and Your Company would be challenging, but we are realistic and conscious of what is needed to address our customer requirements by being resilient with strong financials. We believe this will not only form a strong base for the future, but will also help Your Company become a strong, agile and robust organization to help customers accelerate their business without any hindrance.

The *new normal* will present several opportunities in the areas of operations of Your Company, and our capable management team is keeping a keen eye on these developments. Technology will continue to be the key enabler for enterprises and mid-market organizations to showcase their products and solutions and be their differentiator. Your Company's understanding of the customer needs, and the strong relationships with all major technology providers will ensure all customers are provided best in class customized solutions and support services.

On behalf of the Board of Directors of AGC and Black Box, I would like to thank you for your continued trust and support, especially in uncertain times like these.

Stay healthy, Stay Safe!

Best Wishes,

Sujay R Sheth

MESSAGE FROM THE WHOLE-TIME DIRECTOR

Dear Shareholder,

The financial year ending March 31 2020 was a defining year for AGC Networks. Our belief of becoming a truly *Glocal* Company took a definite shape with the coming together and integration of AGC & Black Box. It not only provided us with the much desired size and scale of presence across the globe but also enabled us in shaping the relationship and relevance with our customers and become their trusted partner in the ever evolving digital technology landscape.

In FY20, Your Company delivered consolidated revenues of INR 4994 crores, consolidated EBIDTA margin of INR 284 Crores and Net Profit of INR 41 crores.

We had a very successful year and the transformation and integration strategy we launched in January 2019 was well received by our ecosystem of customers and partners and executed seamlessly by our leadership teams. We continue to focus on improving our systems and processes to help accelerate our customers business. I want to take this opportunity to thank all AGC|Black Box employees for their hard work and our customers and partners for their continued long standing relationships.

We did face challenges at the tail end of the year with an unprecedented global pandemic, however, Your Company responded in a timely manner and has been able to maintain business operations with the support of customers, vendors and employees apart from other stakeholders. Your Company has activated business continuity plans focusing primarily on employee safety, continuing services to customers, mitigation of operational and financial impact and sustaining normal operations. Your Company continues to monitor opening of various countries as per local guidelines and relevant changes in evolving economic situation across the geographies it operates in. It is indeed a moment of pride and humility for me to share that AGC|Black Box employees have risen well to the occasion and remained productive by enabling Work From Home environments and supporting our customers across verticals and geographies.

As we enter the new fiscal year at this difficult and uncertain time, Your Company remains resilient and adaptable to overcome any challenges by staying close to our employees and customers and redefining our priorities. I expect many of the transformational and growth initiatives launched in FY20 will allow Your Company to respond to the changing customers' needs and demands going forward.

Acquisitions of Pyrios in Australia, Fujisoft in the Middle East, COPC Holdings and IoT & Sxtreo product business are some of the important milestones achieved during the year and a testimony to the investments and business transformation at AGC|Black Box.

We will continue to invest in talent and technology of the future more specifically in the areas of Digital Work Place, Data Center & Cloud services and Cyber Security added with our anywhere-any-place delivery model.

Our endeavour in providing globally benchmarked technology solutions and services to our customers in their specific geography and customized to their business needs is what makes us the customer's preferred partner of choice in each of the global markets that we operate in.

Although we are not out of the woods yet with respect to the current health crisis, with our redefined priorities, I remain confident and optimistic about our future.

Stay healthy, Stay Safe!

Warm Regards,

Sanjeev Verma

GLOCAL

At AGC|Black Box, our strategy is to 'Think Global Act Local' by delivering customized solutions and services to our global clients locally anywhere in the world.

Glocalization indicates the growing importance of continental and global levels occurring together with the increasing salience of local and regional levels. Although globalisation has benefits for the consumer, it does not always benefit the producer, resulting in either a higher price and loss of consumers, or a lower profitability. Although there are many challenges to globalisation, when done right it has many benefits; allowing companies to reach a larger target market is just one of them, but using the scale to standardise processes and systems and ultimately bringing economies of scale to the business by simultaneously reducing costs. The society also benefits when globalisation occurs as an increase in market competition generally pushes the price of products down which means the consumers benefit by gaining a lower price point. This decreases the inequality gap as people who couldn't previously afford products when the market was controlled by local monopolies are able to purchase the product more cheaply.

Given AGC's presence in over 30+ countries around the world, strong partnerships with various global technology platforms, complemented with Black Box Corporation's experience and global reach, we are able to provide solutions to our clients locally to all their locations anywhere in the world, thereby increasing efficiencies and also reducing costs. Through a Global talent pool and certified resources across technology platforms, the company drives process excellence & optimizes resource productivity with a local touch and global delivery skills.

NORTH AMERICA
Revolutionising through UC and AI solutions

EUROPE
Enabling true AV / IT convergence at the enterprise level

INDIA & SAARC
By being a leader in the Enterprise Communication space for over 3 decades

LATIN AMERICA
By enabling better experiences and empowering customer's customer

MIDDLE EAST & AFRICA
Evolving new markets through emerging tech

ASIA - PACIFIC
By enabling a culture of true digital transformation

ABOUT US

AGC Networks, comprising of Black Box, is an Essar enterprise. For over 35 years, we have been a leading digital technology solutions provider, having assisted enterprises in architecting, deploying, managing and securing their IT and communications infrastructure.

The company has served some of the world's best brands to evolve their digital landscape by offering holistic solutions leveraging technology and enterprise wide communication products. The combined entity operates in 30+ countries through its subsidiaries as AGC|Black Box.

AGC|Black Box provides technology solutions by partnering with leading technology vendors (OEMs) like Avaya, McAfee, Palo Alto, Cisco, Corning, RingCentral, NEC, Juniper, HPE, CommScope, Prysm, Trend Micro, Verint, Poly among others and provides need-based value-added services through its key technology alliance partners to provide 'End to End' solutions. The company has built a comprehensive portfolio offering through the strategic acquisition of Black Box Corp., to diversify its offerings, markets and clients across geographies.

The company delivers digital transformation solutions including connected buildings and structured cabling, wireless, mobility (including 5G), digital workplace and unified communications, data center and edge networks, and managed services. It also markets, sells, and distributes IT infrastructure products directly to consumers, through distributors, value-added resellers, web retailers, and large system integrators.

8,000+
Customers Served Globally

100+
Fortune 500 Companies

5,000+
Active Client Locations Serviced

30+
Global Partners

3,500+
Employees Globally

18
Delivery Centres Across 6 Regions

1000+
Certifications

30+
Presence in Countries

OUR VISION

To be a globally relevant Technology Solutions Integrator that help customers achieve their business goals by leveraging best in class Technology Products and Solutions.

Our Journey from Local to Glocal

2020 — Fujisoft: Acquires Fujisoft in Middle East enhancing Cloud Computing & Virtualization Solutions. Pyrios: Acquires Pyrios in Australia & New Zealand expanding customer experience cloud services

2019 — BLACK BOX: Acquires Black Box, expanding Global presence & capabilities and adding scale.

2014 — Amplifies customer centricity through M3 approach - Multi Solutions, Multi Alliances & Multi Geos

2011 — Goes global. Expands into North America & MEA markets

2010 — Rechristened, Reimagined & Renamed as AGC Networks Ltd. Acquired by Essar. AGC Accelerating Business

2004 — Avaya to AGC - Avaya buys TTL stake, forms Avaya Global Connect

1996 — The Partnership for Progress - AT & T carves out Lucent Technologies. Lucent spins off Enterprise business as Avaya. Tata-Avaya JV takes shape

1994 — Appointed AT & T's SI in India

1986 — Where the evolution began - Incepted as Tata Telecom Ltd

The Beginning

Glocal Industry Leadership

End to End Capabilities

- Focus on new and relevant technology areas
- Focus on integrating and delivering multiple technology solutions & services

Global Footprint

- Expansion in key customer markets
- Driving process excellence and optimizing resource productivity

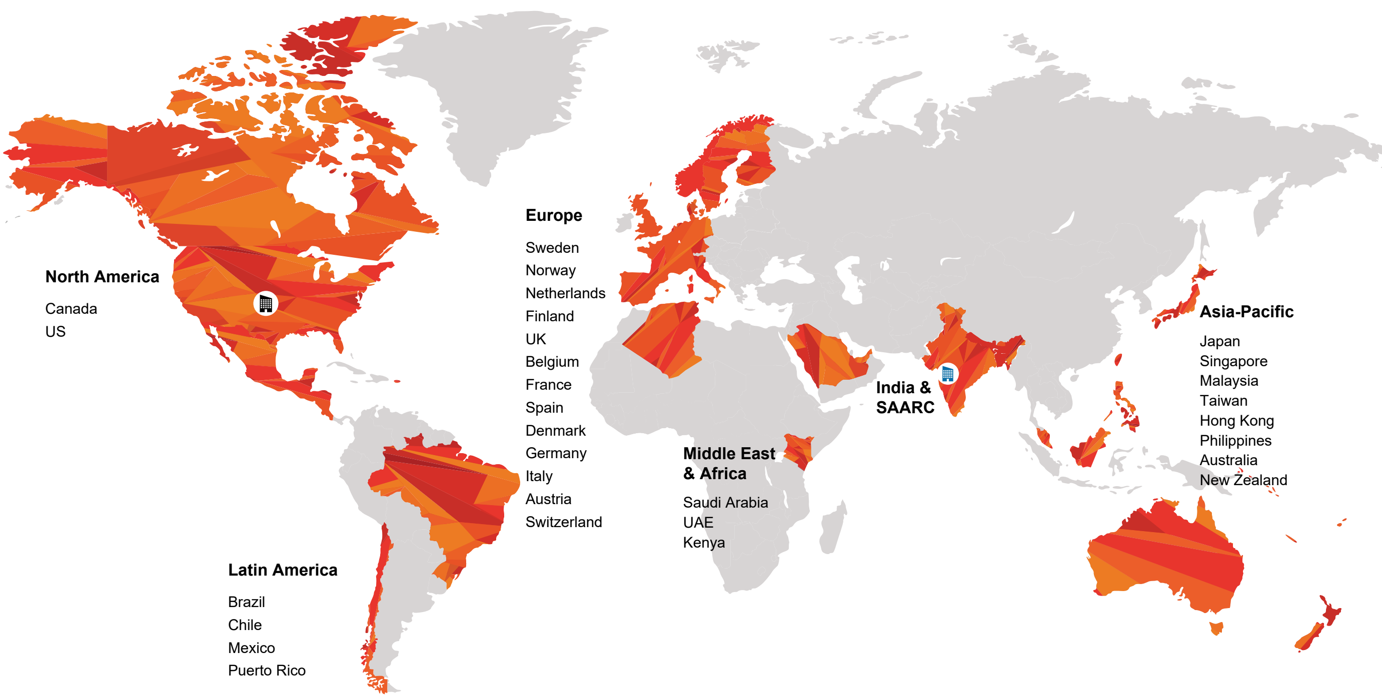
Differentiation

- Consultative / Value proposition based sales approach
- Vertical focused services & solutions
- Deliver from anywhere through Center of Excellence - delivery centers across geographies

OUR GLOBAL PRESENCE

To be a globally relevant Technology Solutions Integrator that help customers achieve their business goals by leveraging best in class Technology Products and Solutions.

Across 6 Regions and 30+ Countries



US HQ

Global and India HQ

The combination of increased country coverage across the globe and lower support costs has enabled the AGC|Black Box combine to become a global solutions provider of choice for customers.

AGC NETWORKS AND BLACK BOX SYNERGY

For over 40 years, Black Box has been a world-leader in providing premier IT infrastructure solutions. Today, it 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. Its 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.

AGC acquired Black Box Corporation in 2019. The transaction brings together two global IT solutions providers that share a “client focus” approach and are committed to accelerating their clients’ business. AGC brings its strong presence in India, the Middle East and Pacific Rim to complement Black Box’s services focus in the Americas and Europe, while also enhancing the presence in other global markets. Both companies provide full managed services capabilities in Unified Communications and Collaboration, Cloud, Data Center and Edge Technologies. AGC adds its expertise in digital applications and cybersecurity to Black Box’s strong infrastructure and mobility background. The synergy enhances their technology vendor partners’ reach in global markets, verticals and clients. The Black Box products business will continue to offer its full portfolio of products directly and through channel partners.

The AGC|Black Box combination brings in scale and capabilities enhancement and a global workforce seamlessly delivering solutions and services to a wide customer base.

SOLUTIONS & SERVICES PORTFOLIO

Solutions

Connected Buildings

Global Multisite Deployments
Structured Cabling
Digital Transformation Implementation
Deployment of IoT Devices

Digital Workplace

Premise & Hybrid UC&C
Managed UCaaS (Cloud)
Premise to Cloud Upgrade
Carrier Services

Customer Experience

Contact Center
Self-Service/Automation
Application Integration
Analytics

Enabling Technology

In-Building 5G/OnGo

4G to 5G Upgrade
5G and Public Safety DAS
OnGo Networking
RTLS

Edge Networking & Data Centers

Core Networking
Wi-Fi 6
SD-WAN & Connectivity
Physical Implementation

Cyber Security

Incident & Event Monitoring
Endpoint Detection & Response
VPN & Firewall
Governance & Assessments

Delivery Models

Services

Professional (Consult, Assess, Design, Project Management) & Field (On-Site, Deploy)
Support (Monitoring (NoC & SoC), Incidents, Remote Activities), Managed Services (XaaS, Custom)

Services

Maintenance and Support services for the customer's technology landscape – remotely and on-site – to deliver business results.

aCARE

Guardian Support Services

Tech support to enable process harmony

Global Security Operation Center (G-SoC) & Global Network Operation Center (G-NoC)

Re-imagining networking remotely to ensure borderless workflow

Professional Services

Analyzing your IT landscape to make your enterprise future-ready

Managed Services

Ensuring system efficiency to accelerate business

TECHNOLOGY PRODUCT SOLUTIONS

Technology for the Digital world

Signal Switching & Visualization

KVM
High Performance
Desktop
KVM Manager

AV
Video Distribution
Video Processing
Digital Signage
Control Systems
Room Scheduling
Scalers/Converters

IoT & Networking

IoT
IoT Gateways
Data Acquisition
IoT Sensors
M2M Secure VPN Routers
Cloud Monitoring & Analytics Platform
Telemetry & Positioning

Networking
Ethernet Switches
Media Converters
USB-C
PoE Injectors / Extenders
Console Servers

Infrastructure & Connectivity

Cable
Copper
Custom
Fiber
AOC / DAC Cables
AV Cables

Infrastructure
Freestanding Cabinets/Racks
Wallmount Cabinets
Climate Cabinets & Cooling
Cabinet / Rack Accessories
Power Protection / Distribution

STRONG RELATIONSHIP WITH GLOBAL TECHNOLOGY PARTNERS

aruba NETWORKS	AVAYA	CISCO	CORNING	COMMSCOPE	CYBERARK
DELL	ERICSSON	Extreme networks	Five9	FORCEPOINT	FORTINET
GENESYS	Hewlett Packard Enterprise	JUNIPER NETWORKS	McAfee An Intel Company	Microsoft	NEC
nectar	NICE inContact	NOKIA	NUTANIX	ORACLE	paloalto
poly	PRYSM	PulseSecure	RingCentral	riverbed	SAMSUNG
Symantec	TREND MICRO	VERINT			

GLOBAL ECO-SYSTEM OF DISTRIBUTION PARTNERS

Accu-Tech	ANIXTER	CONVENA distribution	GraybaR	HYPERTEC	inFlow
JENNE	LONGJOIN	Newark	scansource	SYNNEX CORPORATION	WESCO

*All logos are the property of their respective owners

CASE STUDY-TRANSFORMING THE CUSTOMER LANDSCAPE

Seamless Migration for Voice Technology Service

The Client

This healthcare provider, known worldwide for its excellence in clinical care, was given the highest recognition and national rankings in six specialties ranging from cardiology/heart surgery to neurology/neurosurgery.

The Challenge

The client was utilizing PRI, an outdated voice technology service that lacks redundancy and scalability. In addition, the client's current service provider (as well as others) were phasing out legacy PRI services in the region.

The Solution

AGC provided an up-to-date voice technology service delivering 2,000 SIP call paths over a redundant MPLS network. The on-site AGC technical team enabled a seamless migration from the old to the new system.

Benefits

The new centralized SIP service gave the client flexibility and scalability to add capacity as needed and redundancy with failover between circuits. Best of all, it reduced the client's voice technology service costs by nearly 30%.

Global 24/7/365 Managed Services

The Client

The client is a widely known multinational company and pioneer in communications and computing technologies. AGC partnered with a global information technology services and consulting company on the project.

The Challenge

The client needed a single managed services provider with global reach as well as local expertise to provide uniform, consistent IT services at its many locations spanning North and Latin America.

The Solution

The 24x7x365 solution involves more than 150 on-site staffers at 14 of the client's locations. Services include LAN/WAN support, equipment installation and management, plus structured cabling in offices, data centers, and manufacturing facilities.

Benefits

With outsourced managed services, the client now benefits from consistency, uniformity, and services optimization across all its information technology disciplines and at all of its locations.

CASE STUDY-TRANSFORMING THE CUSTOMER LANDSCAPE

Ubiquitous, 5G-Ready Wireless Coverage

The Client

This large, university-based healthcare system cares for tens of thousands of patients a year. It is world renowned for its neuroscience, cancer research and treatment capabilities.

The Challenge

The client needs to provide mission-critical cellular coverage in multiple existing and new buildings across its very large campus. The wireless coverage is designed for use by physicians, staff, patients, and visitors.

The Solution

AGC has, so far, designed and installed the CommScope ION-Era Digital Distributed Antenna (DAS) System with more than 500 universal access points (UAPs) in nine buildings across the campus.

Benefits

Future-ready and 5G capable, the DAS system provides ubiquitous, multi-operator, in-building wireless coverage to support physician/staff communications and patient/visitor satisfaction. It utilizes CAT6A cabling as the transport layer to ensure longevity.

Network Security Measures to Avoid Malware/Attacks

The Client

Last year, more than ten million passengers passed through this major, international airport in the U.S. Midwest.

The Challenge

The client's network had been infected by external malware; a ransomware attack. Information displays went dark causing severe issues for travelers and internal email services were disrupted.

The Solution

Within 24 hours, AGC experts were onsite working with the client and Cisco. We secured the network perimeter and installed Cisco Firewall and Advance Malware solutions. We also rebuilt the email services and the virtual compute environment.

Benefits

With our fast action and partnership with Cisco, we were able to remediate the issue quickly, enabling the client to avoid the ransom payment. We also established a new, secure network environment while minimizing disruption.

CASE STUDY-TRANSFORMING THE CUSTOMER LANDSCAPE

Unified Communications Infrastructure Consolidation for a Global Financial Services Technology Giant

The Client

A global provider of technology solutions to the financial world, including banks, credit unions, securities processing organizations, insurance companies, finance companies and mortgage banks.

The Challenge

The client needed to consolidate different versions of the Unified Communication infrastructure it had across various sites and also expand it in a few other sites.

The Solution

The solution proposed by AGC was for a pure Avaya IP Telephony Solution for all users with two systems upgraded on the latest platform (6000 ports).

Benefits

With the consolidation & infrastructure expansion, the client was future-ready in terms of technology and also for further expansion in the future.

Contact Center Infrastructure Upgrade for an Indian Logistics Company

The Client

Our client is an Indian Logistics Company providing courier delivery services & has a subsidiary cargo airline that operates in South Asian countries.

The Challenge

The client decided to upgrade their existing Contact Center technology that was obsolete and move on to a robust optimized architecture so as to ensure maximum uptime.

The Solution

AGC explained the merits of a centralized set-up vis-à-vis the existing de-centralized set-up & ensured optimization on the design by leveraging their existing infrastructure to the maximum. This involved complete Contact Center consolidation with back-office transformation on soft-phones. AGC's Professional Services were a part of this deal which showcased AGC's capability as a true Solution Integrator.

Benefits

A future-ready solution with low Total Cost of Ownership and high uptime.

CASE STUDY-TRANSFORMING THE CUSTOMER LANDSCAPE

KVM Upgrade and Custom Engineering for Military Aircraft

The Client

An air systems command provides material support for aircraft and airborne weapon systems for a branch of the United States military. The support includes research, design, development, and systems engineering.

The Challenge

The air command wanted to replace a discontinued Avocent HMX2000 system with a KVM system that will pass the commands' environmental and security testing before being deployed in military aircraft.

The Solution

The command chose the Emerald KVM system. This included custom engineering enabling users to access multiple sources and security-level targets. The command will integrate the Boxilla KVM/AV/IT Manager for monitoring users. Each plane will receive eight receivers, 36 transmitters, and two Boxilla systems.

Benefits

This system enables the command to upgrade outdated KVM solutions with a secure reliable system, giving users more real-time access to multiple systems while monitoring bandwidth. This solution is also targeted for future expansion to an additional command aircraft.

KVM Upgrade and Quick Pivot for Remote Access

The Client

An American multinational commercial broadcast television network is home to Emmy-winning comedy shows, dramas, reality TV, daytime and late-night talk shows, as well as awards programs.

The Challenge

The company, located in New York, invested in the first of many Emerald KVM-over-IP systems to replace end-of-life KVM systems. When the pandemic hit, they had an immediate need to enable staff to work from home with full, secure network access.

The Solution

We provided a solution that included 410 transmitters and receivers along with 100 Emerald Remote Access App licenses which enables users to securely access the network from home or another network facility.

Benefits

The Emerald KVM system gave the company flexibility and scalability. Because the company had already invested in the platform, expanding it is easy using standard IT protocol. Once fully deployed, the system will include approximately 660 transmitters and receivers.

BOARD OF DIRECTORS

Sujay R. Sheth

Chairman - Independent Director

Sujay is a Fellow member of the Institute of Chartered Accountants of India & is involved in audit, taxation, attestation and assurance functions of a wide selection of Indian and multi-national clients in an independent capacity.

Neha Nagpal

Independent Director

Being enrolled as a lawyer in India for over a decade now, Neha has vast commercial-law and litigation experience at the Supreme Court of India, various High Courts, National Company Law Tribunal, National Company Law Appellate Tribunal and the Competition Commission of India.

Naresh Kothari

Non-Executive Director

Naresh has 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.

Deepak Kumar Bansal

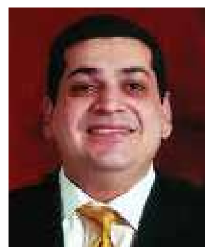
Executive Director

Deepak is a finance professional and business enabler with over 23 years of diverse experience across industry verticals and is responsible for leading the financial operations and strategic initiatives globally including fund raising, business control and corporate governance.

Dilip Thakkar

Independent Director

Dilip is associated with several public and private companies as a Director. He is a Fellow member of the Institute of Chartered Accountants of India.



Anshuman Ruia

Non-Executive Director

Anshuman is known for his financial expertise and project execution skills that have been invaluable in Essar's value creation journey. His deep knowledge of finance and corporate structure has earned him the respect of his peers.

Sanjeev Verma

Whole-Time Director

Sanjeev is a technology veteran with over 25 years 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.

Mahua Mukherjee

Executive Director

Mahua has over 24 years of HR management experience, of which more than 15 years have been in a senior HR leadership role with a strategic, operational and global focus.

NOTICE OF 34TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting ("AGM") of the Members of AGC NETWORKS LIMITED ("the Company") will be held on Wednesday, November 18th, 2020 at 10:00 A.M. Indian Standard Time (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business(s):

ORDINARY BUSINESS(S):

1. To receive, consider, approve and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2020 along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjeev Shekhar Verma (DIN: 06871685), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS(S):

3. **Appointment of Ms. Neha Nagpal (DIN:08842400) as an Independent 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, 150 and 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), Regulation 17 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), as amended, Ms. Neha Nagpal (DIN:08842400), who was appointed as an Independent Additional Director by the Board of Directors of the Company with effect from September 10, 2020 and who holds office only up to the date of the ensuing 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 her candidature for the office of Director of the Company as well as a declaration that she meets the criteria for independence as provided under section 149(6) of the Act readwith Regulation 16(1)(b) of LODR Regulations alongwith her consent to such appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (Five) consecutive years commencing from the date of her original appointment i.e. September 10, 2020 and her term shall not be subject to retirement by rotation."

4. **Appointment of Mr. Anshuman Ruia (DIN: 00008501) 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 and 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) and Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), as amended, Mr. Anshuman Ruia (DIN: 00008501) who was appointed by the Board of Directors as a Non-Executive Additional Director of the Company with effect from September 10, 2020 and who holds office only up to the date of the ensuing 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 and he shall be liable to retire by rotation."

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

Place: Mumbai
Dated: October 19, 2020
Registered Office:-
Equinox Business Park (Peninsula Techno Park),
Off Bandra Kurla Complex, LBS Marg, Kurla West,
Mumbai – 400070.
www.agcnetworks.com

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "relevant Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and said relevant circulars, the AGM of the Company is being held through VC/OAVM.

   Considering the practical difficulties being faced by Companies in conducting AGM on or before the due date of September 30, 2020 on account of the Covid-19 pandemic and after taking cognizance of the gravity of the public health situation; MCA, with a view to provide necessary relief to such companies, vide its General Circular No 28/2020 dated August 17, 2020 and Order dated September 8, 2020, extended the time within which Companies are mandated to hold the AGM by a period not exceeding three months i.e. till December 31, 2020.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC / OAVM pursuant to the said relevant Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The relevant Explanatory Statement pursuant to Section 102(1) of the Act, setting out the material facts concerning special business(s) as set out above in Item No. 3 & 4, is annexed hereto. The relevant details required to be disclosed in respect to Directors seeking appointment/re-appointment at this AGM pursuant to Regulation 36(3) of LODR Regulations, Secretarial Standards on General Meeting ("SS-2") issued by the Institute of Company Secretaries of India and any applicable provisions of the Act, have been provided in **Annexure I** to this Notice.

4. Institutional and Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting or otherwise. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to skjaincs1944@gmail.com with a copy marked to evoting@nsdl.co.in

5. Pursuant to the applicable provisions of the Act and SS-2 in conjunction with the relevant Circulars, the Register of Directors and Key Managerial Personnel and their shareholding, maintained in accordance with Section 170 of the Act and Register of Contracts or Arrangements in which Directors are interested, maintained in accordance with Section 189 of the Act ("Statutory Registers") will be available for inspection by the members on the website of National Securities Depository Limited (NSDL) at https://www.evoting.nsdl.com during the AGM.

6. M/s. Datamatics Business Solutions Limited ("Datamatics") is the Registrar and Share Transfer Agent ("RTA") of the Company. All members and investors are hereby advised to contact Datamatics at the below mentioned contact details for any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change/updation of residential address/email address/contact number, non-receipt of annual report, dividend payments or any 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

7. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, November 12, 2020 till Wednesday, November 18, 2020** (both days inclusive) for the purpose of this AGM.

8. As per Regulation 40 of LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Datamatics for assistance in this regard.

9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Datamatics in case the shares are held by them in physical form.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs (in case the shares are held by them in electronic form) as well as to Datamatics. Members who hold shares in the physical form, are requested to intimate such changes to the Company at investors@agcnetworks.com as well as to Datamatics.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Datamatics in case the shares are held in physical form.

12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send the details of such folios together with the share certificates to Datamatics, for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

14. Members who wish to seek any information with regard to the Company's Annual Report 2019-2020, Financial Statements (Standalone and Consolidated) alongwith the Directors' Report and Auditor's Report thereon or any matter to be placed at the AGM, are requested to address their query(ies) to the Company Secretary of the Company through email on investors@agcnetworks.com well in advance, i.e. at least 10 days before the Meeting. This will enable the Management to keep the information readily available at the Meeting.

15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in e-Form No. IEPF-5 available on www.iepf.gov.in.

16. In compliance with the Relevant Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website https://www.agcnetworks.com/in/investors/, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com

17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

18. At the 33rd AGM held on September 26, 2019 the Members approved re-appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Registration No. 001076N/N500013) as Statutory Auditors of the Company to hold office for a period of Five (5) Years from the conclusion of the 33rd AGM till the conclusion of the 38th AGM of the Company. Further, the requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of M/s. Walker Chandiok & Co. LLP as Statutory Auditors of the Company at this AGM.

19. Since the AGM will be held through VC/OAVM, the Route Map is not annexed with this Notice.

INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM THROUGH VC/OAVM

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of LODR Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

Pursuant to the relevant Circulars the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum as per Section 103 of the Act.

The remote e-voting period commences at **9:00 AM (IST) on Sunday, November 15, 2020 and ends at 5:00 PM (IST) on Tuesday, November 17, 2020.** 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 **Wednesday, November 11, 2020** may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members can join the AGM in the VC/OAVM mode during the period commencing from 15 minutes before the scheduled time of the AGM and ending at 15 minutes after the scheduled time of AGM, by following the procedure given hereinunder. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members only on first come first served basis. However, this shall not include Large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Authorised Representatives of Auditors etc. who will be allowed to attend the AGM without restriction on account of first come first served basis.

Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain their login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

- **Step 1:** Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/
- **Step 2:** Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your User ID details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

c) How to retrieve your ‘initial password’?

(i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

(ii) If your email ID is not registered, please follow steps given at the next page under the heading **procedure to be followed by shareholders whose email ids are not registered.**

d) If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

(i) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

(ii) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

e) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

f) Now, you will have to click on "Login" button.

g) After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Procedure to be followed by shareholders whose email ids are not registered for obtaining Annual Report and procuring user id and password and registration of e-mail ids for e-voting process:

- In case shares are held in physical mode, request you to kindly provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card) and AADHAR (self-attested scanned copy of Aadhar Card) by email to Datamatics Business Solutions Limited, Registrar & Share Transfer Agent of the Company at investorsqry@datamaticsbpm.com and to the Company at investors@agcnetworks.com
- In case shares are held in demat mode, request you to kindly provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card) and AADHAR (self-attested scanned copy of Aadhar Card) to your Depository Participant (DP) and register your email address as per the process advised by your DP.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
2. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

3. Members can join the AGM through the VC/OAVM mode during the period commencing from 15 minutes before the scheduled time of the AGM and ending at 15 minutes after the scheduled time of AGM, by following the procedure given in this Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members only on first come first served basis.
4. Members are encouraged to join the Meeting through Laptops for better experience. Members are requested to allow Camera access to NSDL website and use Internet with a good speed to be able to seamlessly attend the AGM and avoid any disturbance during the AGM.
5. Members who would like to express their views/have questions may send their questions to the Company Secretary of the Company through email on investors@agcnetworks.com well in advance, i.e. at least 10 days before the Meeting, while specifying details of their Name, DP ID and Client ID/folio number, email id and mobile number in the said email. The Company will reply to the same suitably.
6. Members who would like to express their views/ask questions during the AGM may register themselves as a Speaker by sending their request and query from their registered email address, mentioning their name, DP ID and Client ID/folio number, PAN and mobile number at investors@agcnetworks.com from November 12, 2020 (9:00 a.m. IST) to November 15, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of Speakers whose queries will be addressed during the AGM, depending on the availability of time for the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are not otherwise barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same as mentioned for Remote e-voting.

In case of any grievances connected with the facility for e-Voting during the AGM or remote e-voting, members may please contact:
Mr. Anubhav Saxena, Assistant Manager or Ms. Sarita Mote, Assistant Manager
National Securities Depository Limited
4th Floor, ‘A’ Wing, Trade World,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Email: evoting@nsdl.co.in or AnubhavS@nsdl.co.in or SaritaM@nsdl.co.in
Tel: 1800222990 (Toll Free)/022 2499 4835/022 2499 4890

In case of any assistance required or any queries, Members are requested to refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or contact NSDL by call on toll free no.: 1800-222-990 or send an e-mail at evoting@nsdl.co.in or contact abovementioned NSDL officials.

GENERAL INSTRUCTIONS

The Board of Directors has appointed Dr. S. K. Jain, Practising Company Secretary from M/s. S. K. Jain & Co., (Membership No. 1473 & C.P. No. 3076) as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock first the votes cast by e-voting during the AGM & thereafter the votes cast by remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall provide, not later than 48 hours of the conclusion of the AGM, a consolidated 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 result declared alongwith the Scrutinizer Report shall be placed on the Company's website https://www.agcnetworks.com/in/ and on the website of NSDL at https://www.evoting.nsdl.com, immediately after the declaration of result by the Chairman or by a person duly authorized by him in writing. The results shall also be simultaneously 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

The Board of Directors of the Company ("the Board") had at its meeting held on September 10, 2020, approved the appointment of Ms. Neha Nagpal (DIN: 08842400) as an Independent 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 ("the Committee"). In accordance with the provisions of Section 161(1) of the Act, Ms. Nagpal holds office only up to the date of the ensuing 34th AGM of the Company.

Considering the said expiry of the term of Ms. Nagpal as Independent Additional Director of the Company, the Board at its meeting held on October 19, 2020, based on the recommendation of the Committee, approved the re-appointment of Ms. Neha Nagpal as Independent Director for a term of Five (5) consecutive years commencing from the date of original appointment i.e. September 10, 2020, subject to the approval of the Members at the ensuing 34th AGM. Ms. Nagpal will not be liable to retire by rotation.

The Company has received the consent to appointment and 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 Ms. Nagpal, proposing her candidature for the office of Independent Director of the Company. Further, Ms. Nagpal 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, Ms. Nagpal fulfils the conditions specified in the Act readwith Rules made thereunder as well as LODR Regulations and is independent of the management of the Company.

Further, with respect to the proposed appointment of Ms. Nagpal, brief profile/resume, 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 I** to this Notice.

Considering Ms. Nagpal 's strong legal acumen and rich experience of practicing commercial law, the Board of Directors are of the opinion that her appointment as an Independent Director would be of immense benefit to the Company. Accordingly, the Board recommends the resolution for appointment of Ms. Neha Nagpal as the Independent Director of the Company for approval of Members as an **Ordinary Resolution** as set out as Item no. 3.

Save and except Ms. Nagpal, being the proposed appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution at Item No. 3.

Item No. 4:

The Board had at its meeting held on September 10, 2020 approved the appointment of Mr. Anshuman Ruia (DIN:00008501) 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 Committee. In accordance with the provisions of Section 161(1) of the Act, Mr. Ruia holds office only up to the date of the ensuing 34th AGM of the Company.

Considering the said expiry of the term of Mr. Ruia as Non-Executive Additional Director of the Company, the Board of the Company at its meeting held on October 19, 2020, based on the recommendation of the Committee, approved the re-appointment of Mr. Anshuman Ruia as Non-Executive Director of the Company, subject to the approval of the shareholders at the ensuing 34th AGM. Mr. Ruia shall be liable to retire by rotation.

The Company has received a notice pursuant to the provisions of Section 160 of the Act from Mr. Ruia, proposing his candidature for the office of Non-Executive Director of the Company which shall be subject to retirement by rotation. Further, Mr. Ruia 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, with respect to the proposed appointment of Mr. Ruia, brief profile/resume, 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 I** to this Notice.

In the opinion of the Board, Mr. Ruia' s deep repository of financial expertise, business acumen and excellent project execution skills would add immense value to the Board and hence it is proposed to appoint him as Non-Executive Director on the Board of the Company. Accordingly, the Board recommends the resolution for appointment of Mr. Anshuman Ruia as a Non-Executive Director of the Company for approval of Members as an **Ordinary Resolution** as set out as Item no. 4.

Save and except Mr. Ruia, being the proposed appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution at Item No. 4.

ANNEXURE I

Details of the Director seeking appointment/re-appointment in ensuing Annual General Meeting

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

Name of Director	Sanjeev Shekhar Verma	Neha Inderjit Nagpal	Anshuman Shashikant Ruia
Date of Birth, Age	July 20, 1967, 53 years	November 19, 1983, 36 years	March 11, 1971, 49 years
Date of first appointment	February 15, 2016	September 10, 2020	September 10, 2020
Expertise in specific functional areas; Qualifications and Brief Resume/ Profile	Mr. Verma is a Technology Veteran with over 23 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, Mr. Verma led from the front all the business development initiatives and helped drive multifold growth in sales and profitability.	Ms. Neha Nagpal is BA [Hons] Law and Business Studies graduate from the University of Warwick, England. She has also completed LL.M in International Economic Law from said University and holds Diploma in the Law of Private Equity Investment in India from NotJustLEx, an online learning platform. Ms. Nagpal has been enrolled as a Lawyer in India for over a decade and has gained vast commercial-law and litigation experience at the Supreme Court of India, various High Courts, National Company Law Tribunal, National Company Law Appellate Tribunal, Competition Commission of India. During this period, Ms. Nagpal has advised clients companies on transactions relating to re-structuring of Companies and Media/TV show productions and represented her clients on various assignments/cases such as International Commercial Arbitrations, the 2G cancellation and Coal block de-allocation case before the Supreme Court etc. She was a part of the team of Lawyers who worked to challenge the homosexuality laws in India before the Supreme Court, which led to the decriminalisation of homosexuality in India.	Mr. Anshuman Ruia is part of the second generation of the Ruia family that founded Essar. Mr. Ruia is known for his financial expertise and project execution skills that have been invaluable in Essar's value creation journey. His contribution to Essar's value creation includes his involvement in the construction of the 20 million tons Essar Oil refinery in Vadinar, which is one of India's most advanced refineries; his involvement in construction of Essar's coal-based and gas-based power plants in Gujarat, Madhya Pradesh and Odisha and his oversee of Aegis, Essar's erstwhile BPO business, which expanded more than tenfold within a short span of time. The refinery was recently acquired by Rosneft and the Trafigura-UCP consortium in a landmark $12.9 billion transaction which was the largest FDI in India's Energy sector. Also, in 2014 and 2017, the Aegis business was monetised in two tranches at a value almost 20 times the amount invested in the business. He was also responsible for the Power business' entry into the transmission segment and is also involved in the Ports business where he is driving higher efficiencies and developing an international footprint.

Name of Director	Sanjeev Shekhar Verma	Neha Inderjit Nagpal	Anshuman Shashikant Ruia
		Presently, her professional endeavors are focused on commercial law practice with a focus on white-collar crimes. She has represented various clients in matters pertaining to the PMLA, SFIO, CBI and Insolvency & Bankruptcy Code. Ms. Nagpal was awarded the Forbes 'Tycoons of Tomorrow' Award in 2018.	Mr. Ruia is a strong believer in adopting a modular approach in project management and he has ensured that these assets of national importance were completed within committed timelines. Mr. Ruia has always been a trenchant advocate for business turnaround and growth by taking bold decisions. Mr. Ruia is presently leading Essar's investment in asset-light, new age businesses in the technology and fintech domains. Mr. Ruia's deep knowledge of finance and corporate structure has earned him the respect of his peers. He is a member of the Young Presidents Organisation (YPO).
Terms of appointment	As approved by the Members at the 33rd Annual General Meeting of the Company held on September 26, 2019	Proposed to be appointed as Independent Director for a period of Five (5) consecutive years commencing from September 10, 2020.	Proposed to be appointed as Non-Executive Director liable to retire by rotation
Remuneration last drawn	NIL	NIL	NIL
Name/s of other Listed Companies in which Directorship held	NIL	NIL	NIL
Name/s of other Listed Companies in which the Director holds membership in the Committees	NIL	NIL	NIL
Shareholding in the Company#	70,454 equity shares (0.24% shareholding) allotted pursuant to exercise of ESOP options	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	Unrelated, except being on the Board of AGC Networks Limited
Number of Board Meetings attended during F.Y.2019-2020	All meeting i.e. Seven out of Seven	Not Applicable*	Not Applicable*

 # Shareholding details are as on the date of approval of this Notice of AGM by the Board.

** The details for number of Board meetings attended during FY2019-2020 does not apply as respective Director has been appointed after the end of FY2019-2020.*

DIRECTORS' REPORT

The Directors of your Company hereby present the Thirty Forth (34th) Annual Report alongwith the Audited Financial Statements (Consolidated and Standalone) of the Company for the Financial Year ("FY") ended March 31, 2020.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the FY 2019-2020 ("FY20") as compared to the previous FY 2018-2019 ("FY19") is given below:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations	309.35	306.85	4,993.92	1,852.74
Other Income	6.26	6.25	31.55	6.39
Total Income	315.61	313.10	5,025.47	1,859.13
Profit/(Loss) before finance cost, depreciation, exceptional items and tax	**24.33**	**14.67**	**401.49**	**52.96**
Less: Interest and finance charges (Net)	18.50	17.05	129.38	44.54
Less : Depreciation	7.46	2.01	98.96	14.65
Profit/(Loss) before tax & exceptional items	**(1.63)**	**(4.39)**	**173.15**	**(6.23)**
Add/(Less): Exceptional item	-	5.67	(125.05)	(73.12)
Profit/(Loss) before tax	**(1.63)**	**1.28**	**48.10**	**(79.35)**
(Add)/Less : Tax	-	-	6.98	(0.58)
Profit/(Loss) after tax	**(1.63)**	**1.28**	**41.12**	**(78.77)**
Add/(Less): Other Comprehensive Income	(0.51)	0.83	(99.48)	2.14
Total Comprehensive Income for the year	**(2.14)**	**2.11**	**(58.36)**	**(76.63)**
Earnings/(Loss) Per Share of ₹ 10/- each after exceptional items:				
Basic: (in ₹)	(0.55)	0.44	13.83	(26.97)
Diluted: (in ₹)	(0.55)	0.44	13.68	(26.97)

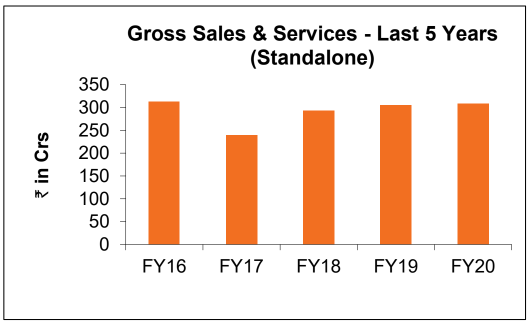
FINANCIAL PERFORMANCE

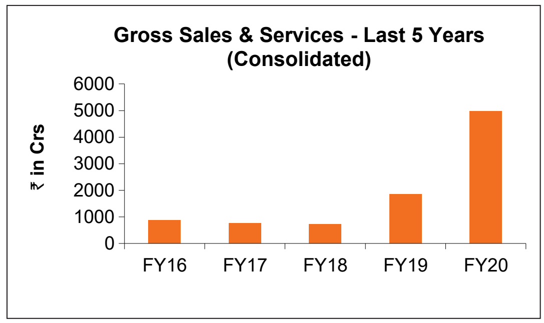
The Company, for the year ended March 31, 2020, recorded a gross turnover of ₹ 4,993.92 Crores for FY20 as against ₹ 1,852.74 Crores recorded in FY19 on consolidated basis, reflecting an increase of 2.7x over previous year. This increase was mainly attributed to the full year impact related to acquisition of Black Box Corporation and its direct/indirect subsidiaries (collectively referred to as "Black Box entities") which were acquired in January 2019. On standalone basis, the gross turnover was ₹ 309.35 Crores as against ₹ 306.85 Crores for the period ended March 31, 2019 reflecting a minimal increase of 0.81% over previous year. The muted performance on standalone basis was due to various reasons including slowing down in economy and adverse market condition coupled with COVID-19 condition during March-2020 quarter.

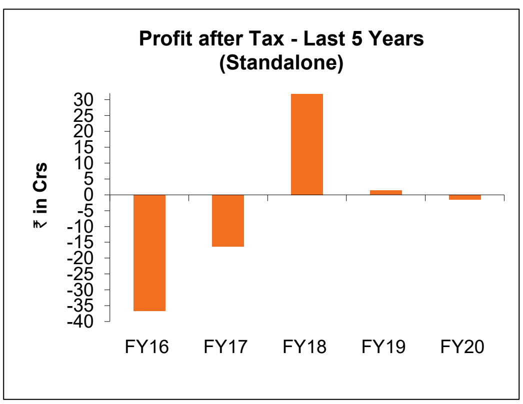
On Consolidated basis, the Company has recorded a Net Profit of ₹ 41.12 Crores for FY20 as compared to a net loss of ₹ 78.77 Crores for FY19. This increase in net profits is primarily due to cost transformation initiatives such as improvement in operational efficiencies, ratio-centric organisation and optimization of overheads including leased facilities. The Company continues its focus on all the financial metrics together with better liquidity management and profitability growth initiatives.

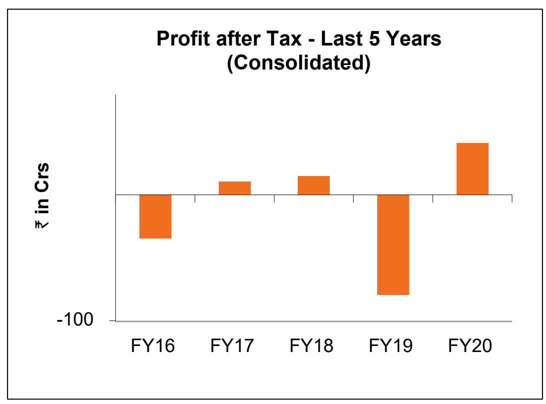
The Company recorded a Net loss (before exceptional items) of ₹ 1.63 Crores for FY20 as against Net loss (before exceptional item) of ₹ 4.39 Crores for FY19 on standalone basis.

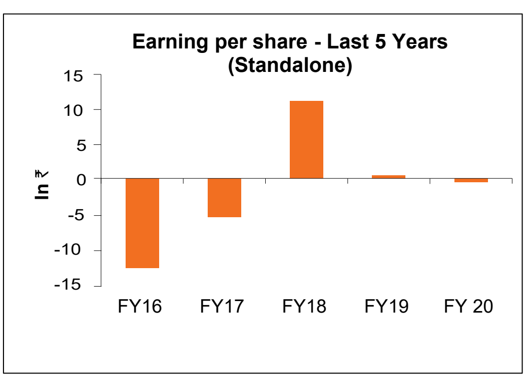
The Company has recorded Other Comprehensive Income (OCI) of negative ₹ 99.48 Crores for FY20 as against OCI of ₹ 2.14 Crores for FY19 on consolidated basis. The negative OCI recorded for FY20 is mainly attributed to re-measurement losses on defined pension plan of BBX Inc. and its subsidiaries in USA for the year ended March 31 2020 amounting to ₹ 82.15 Crores.

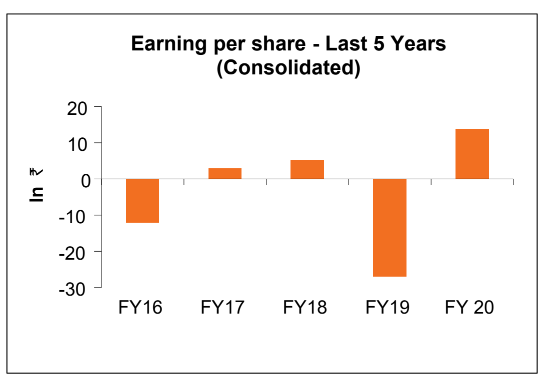












The unprecedented situation of COVID-19 has impact on economy and way of doing business generally in all the geographies the Company operates. The Company responded to the situation swiftly to maintain its business operations with the support of its customers, vendors and employees apart from other stakeholders. The Company activated business continuity plans focusing primarily on employee safety, mitigation of operational and financial impact and sustaining normal operations. Various initiatives were undertaken by the Company related to awareness of all stakeholders including tools for work-for-home (WFH), guidance on masks and other personal protective equipment as per requirement from customer and local jurisdiction guidelines. The Company hasn't seen significant or material impact of COVID-19 on its operations and financial results for the year ended March 31, 2020. The Company continues to monitor opening of various countries as per respective guidelines and relevant changes in evolving economic situation across the geographies it operates in.

Pursuant to Regulation 30(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations ("LODR Regulations") upon application of materiality and SEBI Circular dated May 20, 2020; on June 30, 2020, the Company submitted a disclosure containing detailed information on the impact of COVID-19 on its operations to the Stock Exchanges, as per the format prescribed in the said SEBI Circular. The disclosure is accessible on the website of the Company at https://www.agcnetworks.com/in/wp-content/uploads/2016/10/OutcomeofBM-1.pdf

NATURE OF BUSINESS AND STATE OF AFFAIRS OF THE COMPANY

During the year under review, there have been no changes in the nature of business of the Company. The information on the affairs of the Company has been covered under the Management Discussion & Analysis forming part of this 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 FY20, the Authorised 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 (Four Crore Fifty Lakh) equity shares of ₹ 10/- (Rupees Ten only) each, 50,00,000 (Fifty Lakh) Cumulative/Non-Cumulative Redeemable Preference Shares and 50,00,000 (Fifty Lakh) Convertible Preference Shares of ₹ 100/- (Rupees Hundred only) each or any other denomination as may be approved by the Board, which has remained unchanged during the year under review.

The paid-up capital of the Company at the beginning of the FY20 consisted of paid-up equity capital of ₹ 29,73,76,490/- (Rupees Twenty Nine Crore Seventy Three Lakh Seventy Six Thousand Four Hundred and Ninety only) divided into 2,97,37,649 equity shares of ₹ 10/- each.

On February 14, 2020, the Company issued & allotted 7,000 Equity Shares of ₹ 10/- (Rupees Ten only) each to an employee pursuant to exercise of Employee Stock Options ("ESOP options") duly vested upon him, in accordance with the applicable terms of "AGC Networks Employee Stock Option Scheme 2015" ("ESOP Scheme").

Accordingly, as on March 31, 2020, the Paid-up Equity Share Capital of the Company increased by ₹ 70,000/- to ₹ 29,74,46,490/- (Rupees Twenty Nine Crore Seventy Four Lakh Forty Six Thousand Four Hundred and Ninety only) divided into 2,97,44,649 Equity Shares of ₹ 10/- (Rupees Ten only) each. The Company has not made any issue of Sweat Equity Shares or Equity Shares with Differential Voting Rights during the year under review.

DIVIDEND

With a view to conserve resources for future growth, your Directors have not recommended any dividend for the financial year ended March 31, 2020.

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 2019-2020 should be transferred to the reserves of the Company.

ORGANIZATIONAL INITIATIVES

HR priorities for an engaging employee experience

FY20 has been a year of integration and transformation of AGC Black Box. This increased the Company's reach across the global market with our geographic footprint over Latin America, Europe and many countries in Asia Pacific. The Company's focus continued to be in acquiring talent, providing an engaged workplace and enhance overall employee experience.

At AGC Black Box, we believe that our employees are our greatest asset. They enable us to achieve our vision by accelerating growth for our customers. Hence, investing in upskilling individuals with the latest technology skills has been one of the priorities for the Company.

i) Talent Acquisition & Employer Branding:

The Talent Acquisition priorities have been on **Workforce Planning** in new technologies and skills in arena of Trend Micro, Avaya, AV, Voice, Digital Applications, Cyber-security, etc. The Company equally prioritizes the candidate experience of these new incumbents to stay competitive in the market. The Talent Acquisition team uses the social media platform for posting jobs and creating positive stories around the brand and gathering insights around emotional intelligence of employees, their passions and their motivations. These platforms have enabled best fit hires and cost saving for the Company.

Company culture and values are not only a priority but continues to be a core part of our employer brand and our recruiting strategy. The Company makes every effort to make progress towards it being an equal opportunity employer and promoting **diversity and inclusivity** through Talent Acquisition.

ii) Talent Development:

The Company believes that all our employees should have continuous access to opportunities which help them learn and grow. Over the last year, our learning offerings have been more accessible to our employees anywhere and at any time through the **Learning Management System (LMS)**. Our employees participated in learning programs in either of the modes – classroom or virtual, signifying the reach of learning that has been enabled for their capability growth.

Additionally, to enable and continue partnerships with core and strategic OEMs (Original Equipment Manufacturers), special importance has been assigned towards Key OEM certifications.

iii) Talent Engagement:

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 have been also undertaken throughout the year. As a responsible corporate entity, the Company has relentlessly strived towards adding value to the society through diverse community initiatives within its sphere of operations. The Company's community initiatives have been driven by a defined philosophy to reach out to the society at large and help people attain and sustain a valued quality life. The health and well-being of our employees has always been of prime importance to us and hence, through various awareness programs on health and fitness and participation in marathons we encouraged this attitude in our employees.

Moreover, through our **Global Reward & Recognition** framework, designed to recognize exceptional talents and outstanding business performances, employees are recognized for their achievements on diverse criterions, spread across functions & geos. The CEO Performance+ Awards are conferred on distinguished employees to acknowledge their exemplary performances, exceeding business expectations and setting new performance benchmarks.

The organizations empowering culture, philosophy of capability development and progressive HR practices has supported creation of a strong employer brand for the Company.

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"), Promoter of the Company, executed an off-market purchase of 1,97,912 equity shares of the Company thereby increasing its shareholding to 1,40,82,055 equity shares, constituting a 47.35% stake in the total paid-up share capital of the Company.

During the year, Onir Metallics Limited ("OML"), a Promotor Group entity, entered into an inter-se share transfer with Onir Information Technology Limited ("OITL"), another Promotor Group entity, pursuant to which OML acquired the entire shareholding of OITL. Further, OML also executed an off-market purchase of 12,40,694 equity shares of the Company. Consequently as on March 31, 2020, the shareholding of OML had increased to 64,72,897 equity shares constituting a 21.76% stake in the total paid-up share capital of the Company whereas OITL ceased to be the shareholder of the Company.

Thus, as on March 31, 2020, ETL and OML collectively hold 2,05,54,952 equity shares of the Company, constituting a 69.10% Promoter shareholding in the Company. Essar Global Fund Limited remains the ultimate Holding Company of the Company.

Incorporations:

Black Box Holdings Limited, Step-Down Subsidiary ("SDS") of the Company incorporated Black Box Network Services Hong Kong Limited.

Acquisitions:

a. **IOT Division of Stesalit Systems Limited ("Undertaking"), based in India:** Black Box Network Services India Private Limited, SDS of the Company, acquired the IOT Division of Stesalit Systems Limited ("Stesalit"), situated in India, together with all employees, assets and liabilities thereof (hereinafter referred to as "Undertaking"), as a going concern on slump sale basis by executing a Business Transfer Agreement with Stesalit Systems Limited. The estimated enterprise value of the Undertaking was ₹ 20.40 Crores and the total purchase consideration for the said acquisition transaction aggregated to ₹ 15.31 Lakhs approx. The said acquisition was effective from February 1, 2020.

b. **Fujisoft Technology LLC (Dubai), Fujisoft Security Solutions LLC (Dubai) and Fuji Soft Technology LLC (Abu Dhabi):** Black Box Holdings Limited, SDS of the Company, acquired all shares of Fujisoft Technology LLC and Fujisoft Security Solutions LLC, situated in Dubai & Fuji Soft Technology LLC, situated in Abu Dhabi (collectively referred to as "Fujisoft entities"), by executing a Share Sale Agreement with Mr. Abizer Leelwalla Sajjad Hussain and Mr. Albert Raj Naricitti Peter on May 31, 2020. The aggregate consideration for said acquisition was AED 9,866,353 (UAE Dirhams Nine Million Eight Hundred Sixty Six Thousand Three Hundred and Fifty Three Only). The acquisition of Fujisoft Technology LLC and Fujisoft Security Solutions LLC, situated in Dubai was completed with effective date as July 1, 2020. Further, the acquisition of Fuji Soft Technology LLC, situated in Abu Dhabi is anticipated to be completed by end of December 2020, upon receipt of approval of relevant MEA authorities.

   The management had undertaken said acquisition of Fujisoft entities with the object of establishing the presence of Black Box in Middle East region as well as to add Datacentre portfolio and capabilities and offer wider range of services to the customers.

c. **Pyrios Pty Limited (Australia) and Pyrios Limited (New Zealand) (collectively "Pyrios entities"):** Black Box Networks Services Australia Pty Ltd, SDS of the Company, acquired 100% stake in Pyrios Pty Limited, situated in Australia, by executing a Share Sale Agreement with Agile Group Limited on June 10, 2020. The aggregate consideration for said acquisition was US$ 800,000/- (US Dollars Eight Hundred Thousand Only). The said acquisition was completed with effective date as July 1, 2020.

   Further, Black Box Networks Services New Zealand Ltd, SDS of the Company, acquired 100% stake in Pyrios Limited, situated in Auckland, New Zealand, by executing a Share Sale Agreement with Agile Group Limited on June 10, 2020. The aggregate consideration for said acquisition was USD 1,950,000/- (US Dollars One Million Nine Hundred and Fifty Thousand Only). The said acquisition was completed with effective date as July 1, 2020.

   The management had undertaken said acquisition of Pyrios entities with the object of creating efficiency of scale in Australia & New Zealand markets as well as to add Cloud Services portfolio. Further, this enabled widening the range of services offering to existing customers of Pyrios and Black Box entities alongwith adding to the management capabilities.

As on March 31, 2020, the following are the subsidiaries/step-down subsidiaries of the Company:

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. (now known as AGC Networks LLC)	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	Australia	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

Sr. No.	Name of the Entity	Registration Geos	Nature of Relationship
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
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.	Black Box Network Services Hong Kong Limited	Hong Kong	Step-Down Subsidiary Company
59.	Servicios Black Box S.A. de C.V.	Mexico	Step-Down Subsidiary Company
60.	COPC Holdings Inc.	US	Step-Down Subsidiary Company
61.	COPC Inc.	US	Step-Down Subsidiary Company
62.	COPC International Inc.	US	Step-Down Subsidiary Company
63.	RevealCX LLC	US	Step-Down Subsidiary Company
64.	COPC Asia Pacific Inc.	US	Step-Down Subsidiary Company
65.	COPC International Holdings LLC.	US	Step-Down Subsidiary Company
66.	COPC India Private Limited	India	Step-Down Subsidiary Company
67.	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) have been re-appointed as the Statutory Auditors of the Company, vide resolution passed by Shareholders at the 33rd Annual General Meeting (AGM) of the Company and hold this office for a period of Five (5) year commencing from conclusion of the 33rd AGM till the conclusion of 38th AGM of the Company.

Statutory Auditors' Report

The Statutory Auditors' Report on the financial statements of the Company (standalone & consolidated) for the financial year ended March 31, 2020, has been annexed to the financial statements contained in this Annual Report. The Statutory Auditors have expressed their qualifications/reservations /emphasis of matter on the standalone & consolidated financial statements of the Company in the said report.

The qualifications relate to previous years and has no relevance w.r.t dealings of the Company in the FY 2019-2020 and emphasis of matter deals with COVID related impact. Further, the said reservation/emphasis of matter/qualifications alongwith the management's response on the same is given below:

A. Standalone Audit Report:

(i) Auditor's qualification on annual audited financial results (Standalone)

"As stated in point no. 3 of the Auditors' report on Standalone Financial Statement of the Company, during the previous year ended 31 March 2019, the Company had recorded only the differential amount of ₹ 1.11 Crores, as profit on sale of property, plant and equipment, being the difference between the sale consideration of a certain property re-assigned to a new buyer and the outstanding receivable from an earlier sale transaction was incorrectly recorded without the transfer of risks and rewards of ownership of such property in the year ended 31 March 2015.

Had the Company followed the principles of Ind AS 16, Property, Plant and Equipment 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, 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 (quarter ended 31 March 2019: Nil), while depreciation expense for the year ended 31 March 2019 would have been higher by ₹ 0.02 Crores (quarter ended 31 March 2019: Nil).

Our reports on the standalone financial results for the quarter ended 31 December 2019 and year ended 31 March 2019 were also qualified in respect of the above matter, and accordingly, our opinion on the accompanying standalone financial results for the year ended 31 March 2020 is also qualified with respect to the effects of this matter on the comparability of current and corresponding figures in the accompanying standalone financial statements."

Management's views on the above:

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-principle 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 year ended 31 March 2019, the said property was re-assigned in 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 had been transferred to another buyer through a separate sale transaction for a consideration of ₹ 23.51 Crores and the Company had 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 to ₹ 22.23 Crores as at re-assignment date from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed.

(ii) Emphasis of Matters – Impact of COVID 19 and compliances with laws and regulations

"As stated in point no. 5 of the Auditors' report on Standalone Financial Statement of the Company with respect to delay in repatriation of proceeds of export of goods and services and delay in remittance for import payments, aggregating to ₹ 1.37 Crores and ₹ 4.33 Crores, respectively as on 31 March 2020 beyond the timelines stipulated, under the Foreign Exchange Management Act, 1999 and regulations thereunder. The management of the Company is in the process of filing, and in some cases, has filed necessary applications seeking extension of time / approval for write off of foreign currency payables and condonation of delays with appropriate authorities for regularising these defaults, subsequent to 31 March 2020. Pending conclusion on these matters, management is of the view that the possible fines / penalties, which may be levied, are currently unascertainable but are not expected to be material and accordingly, the accompanying standalone financial statements do not include any consequential adjustments that may be required due to such delay / default."

"As stated in point no. 6 of the Auditors' report on Standalone Financial Statement of the Company which describes the impact of COVID-19 pandemic on the Company's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the operations of the Company is significantly dependent on the future developments as they evolve."

Management's views on the above:

Response to point no. 5 of the Auditors' report on Standalone Financial Statement of the Company

The outstanding balance of trade receivables and trade payables as appearing in standalone balance sheet as at 31 March 2020 include amount receivable aggregating to ₹ 1.37 Crores and amount payable aggregating to ₹ 4.33 Crores respectively from / to the companies situated outside India. These balances are pending for settlement and have resulted in delay in collection / remittance beyond the timeline stipulated under the Foreign Exchange Management Act, 1999. The Company has filed the necessary applications with the appropriate authority for extension of time period / condonation of such delays subsequent to 31 March 2020. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying standalone financial statements do not include any adjustments that may arise due to such delay / default.

Out of the above-mentioned receivables, the Company has filed application with AD Category - I bank ("AD Bank") during the year for extension of time limit for an amount aggregating to ₹ 0.44 Crores. However, approval is pending from AD Bank as at 31 March 2020. Also, Company has remitted foreign payment aggregating to ₹ 1.79 Crores towards imports subsequent to 31 March 2020.

Response to point no. 6 of the Auditors' report on Standalone Financial Statement of the Company

The spread of COVID-19, a pandemic caused by the novel Coronavirus, is having an unprecedented impact on global economy and way of doing business. The Company has responded to the situation swiftly and maintained business operations with the support of their customers, vendors, employees and other stakeholders through the crisis. There has been no significantly adverse impact on the operations and results for the year ended 31 March 2020. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, inventories, tangible assets, intangible assets, investments and other financial assets and continues to monitor changes in future economic conditions. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial results, has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of these standalone financial statement.

B. Consolidated Audit report

(i) Auditor's qualification on annual audited financial results (consolidation)

"As stated in Note 3 of the Auditors' report to the Consolidated Financial Statements, during the previous year ended 31 March 2019, the Holding Company had recorded only the differential amount of ₹ 1.11 Crores, as profit on sale of property, plant and equipment, being the difference between the sale consideration of a certain property re-assigned to a new buyer and the outstanding receivable from an earlier sale transaction incorrectly recorded without the transfer of risks and rewards of ownership of such property in the year ended 31 March 2015.

Had the Holding Company followed the principles of Ind AS 16, Property, Plant and Equipment, 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, 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 (quarter ended 31 March 2019: Nil), while depreciation expense for the year ended 31 March 2019 would have been higher by ₹ 0.02 Crores (quarter ended 31 March 2019: Nil).

Our reports on the consolidated financial results for the quarter ended 31 December 2019 and year ended 31 March 2019 were also qualified in respect of the above matter, and accordingly, our opinion on the accompanying consolidated financial results for the year ended 31 March 2020 is also qualified with respect to the effects of this matter on the comparability of current and corresponding figures in the accompanying consolidated financial statement

Management's views on the above:

During the year ended 31 March 2015, the Holding 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-principle 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 Holding 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 year ended 31 March 2019, the said property was re-assigned in the name of the Holding 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 had been transferred to another buyer through a separate sale transaction for a consideration of ₹ 23.51 Crores, and the Holding Company had 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 to ₹ 22.23 Crores as at re-assignment date from the erstwhile buyer is not required to be refunded by the Holding Company. The entire transaction stands completed.

(ii) Emphasis of Matters – Impact of COVID 19

"As stated in point no. 5 of the Auditors' report on Consolidated Financial Statement of the Company which describes the impact of COVID-19 pandemic on the Group's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the operations of the Group is significantly dependent on the future developments as they evolve."

Management's views on the above:

The spread of COVID-19, a pandemic caused by the novel Coronavirus, is having an unprecedented impact on global economy and way of doing business. The Group has responded to the situation swiftly and maintained business operations with the support of their customers, vendors, employees and other stakeholders through the crisis. There has been no significantly adverse impact on the operations and results for the year ended 31 March 2020. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, inventories, tangible assets, intangible assets, investments and other financial assets and continues to monitor changes in future economic conditions. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial results, has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of these consolidated financial statement.

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) & Proprietor of M/s. S. K. Jain & Co., for the financial year 2019-2020. The Report given by the Secretarial Auditor is annexed as Annexure - I and forms an integral part of this Board's 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, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee, 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 SEBI 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. LLP, 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 2019-2020, Seven (7) Board meetings were held. Further detail on the same is available in the Corporate Governance Report which forms part of this Annual Report.

EMPLOYEES STOCK OPTION SCHEME

Pursuant to the shareholders' approval dated April 21, 2015, the Nomination and Remuneration Committee of the Board of Directors of the Company granted stock options as per the terms of "AGC Networks Employee Stock Option Scheme 2015" ("ESOP Scheme") (approved by the shareholders at their meeting held on April 21, 2015), to the employees and executive 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 31.3.2019 (B)	14,95,913
Total options lapsed as on 31.3.2019 (C)	8,69,651
Options available for grant as on 31.3.2019 (D) = (A-B+C)	**7,97,061**
Options granted during the FY 2019-2020 (E)	0
Options lapsed during the FY 2019-2020 (F)	0
Options available for grant as on 31.3.2020 (G) = (D-E+F)	**7,97,061**

During the year under review, the Company issued & allotted 7,000 Equity Shares of ₹ 10/- (Rupees Ten only) each to an employee on February 14, 2020, pursuant to exercise of Employee Stock Options ("ESOP options") duly vested upon him, in accordance with the applicable terms of ESOP Scheme.

The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and web link of the same is https://www.agcnetworks.com/in/wp-content/uploads/2016/10/Disclosure-on-ESOP-Scheme-2015-as-on-31.03.2020.pdf

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 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 2019-2020, during FY 2019-2020 as well as at the at the end of the FY 2019-2020.

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 Committee, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates, new amendments, circulars and notifications issued by the regulatory authorities including ROC, RBI and SEBI which mandates further compliances for the Company are regularly circulated 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 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 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 for the Financial Year 2019-2020, 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 as well as through Committees. The overall assessment of the Board was 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 2019-2020, has been placed on the website of the Company and can be accessed at https://www.agcnetworks.com/in/wp-content/uploads/2016/10/Annual-Return-FY2019-2020.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, Mr. Sanjeev Shekhar Verma, Whole-time Director of the Company shall retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

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

Name	Event	Designation	Date of Event
Mr. Deepak Kumar Bansal	Appointment	Executive Director	August 14, 2019

As on March 31, 2020, the Company had the following KMPs:

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

Post-closure of the year under review, the Board of Directors of the Company, at its meeting held on September 10, 2020, has approved the appointment of Ms. Neha Nagpal (DIN: 08842400) as an Independent Additional Director and Mr. Anshuman Ruia (DIN: 00008501) as a Non-Executive Additional Director of the Company. In accordance with the provisions of Section 161 of the Act, both Additional Directors are eligible to hold respective offices only upto the date of the ensuing 34th AGM of the Company. Consequently, the Board, at its meeting held on October 19, 2020, on the basis of recommendation of the Nomination and Remuneration Committee, approved the re-appointment of Ms. Neha Nagpal as an Independent Director of the Company for a period of 5 (Five) consecutive years commencing from September 10, 2020 and re-appointment of Mr. Anshuman Ruia as Non-Executive Director of the Company, subject to the approval of the Members at the ensuing AGM.

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 and without any external influence. These declarations and confirmations of the Independent Directors were noted by the Board of Directors after due assessment. Consequently, the Board is of the opinion that all Independent Directors of the Company fulfill the criteria of independence specified under the Act & LODR Regulations and are independent from the management of the Company.

Further, in the opinion of the Board of Directors, all Independent Directors of the Company hold highest standards of integrity and possess requisite expertise & experience enabling them to fulfil their duties as Independent Directors.

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

The Nomination and Remuneration Committee of the Company has devised a policy for performance evaluation of Directors, Board and Senior Management which includes the criterias for performance evaluation as well as the remuneration policy for the Directors, Senior Management and Employee of the Company.These policies are annexed to this report as Annexure III and IV respectively and are also 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 and https://www.agcnetworks.com/in/wp-content/uploads/2016/10/Remuneration-Policy.pdf 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 2019-2020.

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 readwith 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 FY 2019-2020. 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 Rule 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 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 details of complaints raised by the employees of the Company are as follows:

Particular	No. of Complaints received during the FY 2019-2020	No. of Complaints disposed during the FY 2019-2020	No. of Complaints pending at the end of FY 2019-2020
No. of Complaints	Nil	Nil	Nil

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:

(₹ In Crores)

Expenditure in foreign currency (accrual basis)	FY2020	FY2019
Service charges	13.37	12.63
Travelling and conveyance	1.09	1.27
Expenses reimbursement paid	0.90	0.85
Other items	0.36	0.49
Total	**15.72**	**15.24**

(₹ In Crores)

Earnings in foreign currency (accrual basis)	FY2020	FY2019
Sale of goods and services (Including sale from overseas branch and to Export Oriented Units)	27.44	15.13
Commission income	0.75	0.74
Expenses reimbursement received	21.46	14.72
Total	**49.65**	**30.59**

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 is accessible 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 SEBI (LODR) Regulations, 2015, the provisions of constituting Risk Management Committee were not applicable to the Company during the FY2019-2020.

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 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 of 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 is accessible on the Company's website at the link https://www.agcnetworks.com/in/wp-content/uploads/2020/05/Related-Party-Transaction-Policy-Revised.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a. in the preparation of the annual accounts for the year ended March 31, 2020, 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, 2020 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 FY 2019-2020.

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**
Texas, USA	**Mumbai**
October 19, 2020	**October 19, 2020**

ANNEURE I TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANICAL YEAR ENDED 31ST MARCH, 2020

[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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2020** generally 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, 2020** 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; **(Not applicable as the Company has not made any further issue of Shares)**

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/proposed 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 bought back / proposed 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

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with (Listing Obligations and Disclosures Requirements Regulations, 2015).

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, 2020** according to the provisions of various other Laws applicable, including the Rules made is, 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 for meaningful participation at the meeting.

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. M/s. Walker Chandiok & Co. LLP, Chartered Accounts, were re- appointed as the Statutory Auditors of the Company for a period of 5 (five) years by passing a resolution at the Annual General Meeting held on 26/09/2019 .
2. Mr. Naresh Kothari (DIN: 00012523) was appointed as an Additional Director with effect from 17/01/2019. The shareholders of the Company approved the appointment of Mr. Naresh Kothari as the Non- Executive Director by passing a resolution at the Annual General Meeting held on 26/09/2019.
3. Mr. Deepak Kumar Bansal (DIN: 07495199), the Chief Financial Officer of the Company was appointed as an Executive Director by passing a Special resolution at the Annual General Meeting held on 26/09/2019.
4. Mr. Sanjeev Verma (DIN:06871685), was re-appointed as an Executive Director designated as Whole-Time Director of the Company for a period of 3 (three) years w.e.f. 15/02/2019 by passing a Special Resolution at the Annual General Meeting held on 26/09/2019.
5. The Board of Directors appointed M/s. RMJ and Associates as the Internal Auditors of the Company at its meeting dated 14/02/2020 for a period commencing from April 1, 2020 to September 30, 2020.

For S. K. Jain & Co.
Dr. S. K. Jain
Practicing Company Secretary
FCS No: 1473
C P No: 3076
UDIN:F001473B000444179

Place: Mumbai
Date: 13/07/2020

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, 2020.
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 report.
4. Minutes of General Body Meetings held during the Financial Year under report.
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 Report.
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 report.

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
UDIN:F001473B000444179

Place: Mumbai
Date: 13/07/2020

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, 2020**

We certify that the Company has complied with the conditions 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, 2020.

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 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.
Practicing Company Secretary
Dr. S. K. Jain
Proprietor
C P No: 3076

Place: Mumbai
Date: June 20, 2020

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 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 website 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 as specified in Annexure – 1 (Board Member Feedback) and available on the website of the Company.

7. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the 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
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, key managerial personnel and other employees 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, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ratio and Relationships

1. Ratio of the remuneration to each Director to the median remuneration of the employees of the Company for the financial year:

Name and Designation of the Director	Ratio of the remuneration to the median remuneration of the employees
Mrs. Mahua Mukherjee, Executive Director	9.00:1
Mr. Sujay R. Sheth, Independent Director	1.48:1
Mr. Dilip Thakkar, Independent Director	1.05:1

Notes:

a. *Median remuneration of the employees of the Company for the FY20 was ₹10.50 Lacs.*

b. *Directors other than those mentioned above, did not receive any remuneration during the FY20.*

c. *Independent Director's remuneration comprises of the sitting fee paid for attending the meetings of the Company.*

2. Percentage increase in remuneration of each Director, CFO and CS during the year:

Name and Designation of the Director/KMP	% increase/(decrease) in remuneration
Mrs. Mahua Mukherjee, Executive Director	8.00
Mr. Sujay R. Sheth, Independent Director	(11.00)
Mr. Dilip Thakkar, Independent Director	(27.00)
Mr. Aditya Goswami, Company Secretary	29.00

Note: CFO was paid remuneration only for a part of the FY20 and hence the % increase in remuneration of CFO during FY20 in comparison with FY19 could not be computed.

3. % increase in median remuneration of the employees for the year: 5%

4. Average percentile increase already made in the salary of employees during FY20 in comparison with the percentile increase in the remuneration of MD/WTD/Manager/other Directors, alongwith justification:

   The remuneration increase outlook has been linked to the Company's performance and market trend. 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, 2020: 361

6. Information as per Rule 5 (2) of Chapter XIII, 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.	Rohit Himatsingka	SVP - Corporate Development & Strategy	1.82	CA, 16 Years	1-Apr-18	39	Essar Services India Pvt. Ltd.
2.	Komal Seshagiri	Global Legal Head	1.50	ICSI (Intermediate) & LLB, 33 years	11-Mar-19	57	Rattan India Group
3.	Jayantha Prabhu	Business Head - India & SAARC	1.00	MBA (ITM), 27 Years	1-May-11	47	Essar Services India Pvt. Ltd.
4.	Mahua Mukherjee	Chief People Officer	0.84	MBA (Personnel Management), 28 Years	12-Jul-10	53	Capgemini Consulting India Pvt. Ltd.
5.	Subir Bhatnagar	VP & Head - UC & Digital Applications	0.77	BE (Electronics) 27 Years	18-Sep-17	56	AGC Networks Inc. (USA)
6.	Jagdish Mhalgi	Vice President & Head Service Delivery	0.74	BE (Electrical), 32 Years	16-Jul-14	53	Servion Global Solution Ltd.
7.	Abhinav Sharma	VP & Sales Head - India & SAARC	0.68	PGDBM, 25 Years	21-Feb-11	48	CS Infocomm Pvt. Ltd.
8.	Bhavin Barbhaya	VP & Practice Head - DC & Edge IT	0.64	BE (Electronics), 24 Years	2-Nov-17	46	Sify Technologies Ltd.
9.	Neelam Kapoor	VP & Head - Marketing	0.61	PGDBM, 24 Years	9-Feb-05	53	Abhishek Infotech Pvt. Ltd.
10.	Rajat Varma	Regional VP (West)	0.54	BE (Mechanical), 23 Years	4-Apr-16	45	Passionkart Services Pvt Ltd

B. Employed for part of the year with an average salary above ₹ 8.5 lakhs per month: None

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: NA
3. Future Plan on Development: NA
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): ₹ 5.20 Crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 10.00 Lacs

5. Details of CSR spent during the financial year 2019-2020:

   - Total amount to be spent for the financial year: ₹ 10.00 Lacs
   - Total amount spent during the year: ₹ 11.14 Lacs
   - Amount unspent, if any: Not Applicable

6. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or others (2) State and District where project/ program undertaken	Amount outlay (budget) – plan or project wise (₹ In Lacs)	Amount spent on the project or project Sub-heads (₹ In Lacs): (1) Direct expenditure on project; (2) Overheads	Cumulative expenditure upto reporting period (₹ In Lacs)	Amount spent: Direct or through implementing agency
1.	Education of Differently-abled	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, measures for reducing inequalities faced by socially and economically backward groups	Mumbai & Pune (Maharashtra), Kolkata (West Bengal) and Hyderabad (Telangana)	5.25	4.95	4.95	Through Implementing Agency (Sarthak Educational Trust, an Indian NGO)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or others (2) State and District where project/ program undertaken	Amount outlay (budget) – plan or project wise (₹ In Lacs)	Amount spent on the project or project Sub-heads (₹ In Lacs): (1) Direct expenditure on project; (2) Overheads	Cumulative expenditure upto reporting period (₹ In Lacs)	Amount spent: Direct or through implementing agency
2.	Contributions to Funds dedicated to providing Relief in Emergency Situations	Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women	PAN India	0	6.19	6.19	Direct
	Total			**5.25**	**11.14**	**11.14**	

For and on behalf of the Board of Directors

Sanjeev Shekhar Verma
Whole-Time Director
DIN: 06871685
Texas, USA
October 19, 2020

Mahua Mukherjee
Executive Director
DIN: 08107320
Mumbai
October 19, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

The Calendar Year 2019 started off with rising tensions between two of the world's largest economies – US and China. US and China together account for 40% of the global GDP and the trade disputes between them had an adverse effect on the global economy and overall sentiment. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also impacted the output and profitability of firms leading to deterred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs on intermittent favourable news on US-China trade negotiations.

If the pain felt across global economies in 2019 wasn't enough, the year ended off on a worse footing with the Corona Virus or COVID-19 being first detected in December and quickly spreading across the world. COVID-19 triggered a global crisis like no other, that of a global health crisis, but also leading to the deepest global recession since the Second World War. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020—the deepest global recession in eight decades, despite unprecedented policy support. Growth forecasts for all regions have been severely downgraded, while many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support measures. Other than essential commodities like Foods, Pharmaceuticals and FMCG, all other sectors across the world were impacted through reduced demand, supply chain disruptions, labour problems, creating a domino effect on the financials and working capital cycles.

INDIAN ECONOMIC OVERVIEW

The Indian economy started FY20 on a dull note due to the ongoing liquidity crisis. In order to achieve the government's vision of making India a USD 5 trillion economy by 2025, the finance ministry slashed domestic corporate tax rates to 25.17% midyear.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports supported by software, travel and financial services. India's crude oil import bill fell by 9% Y-o-Y to $102 billion in 2019-2020 on account of price crash; though volumes remained fairly unchanged. Foreign fund outflows and the Fed's grim prognosis for the US economy further weighed on the rupee as it touched 77 against US dollar in April 2020. The CPI inflation stood at 5.84% YoY in March 2020 - higher from 2.86% in March 2019. According to the Indian Budget 2020, the real GDP growth was estimated at 5.0% in the financial year 2019-2020 but the COVID-19 crisis has ensured that FY21 will be a challenging one for India and the world. As per Fitch ratings, India's GDP growth is likely to slip to 0.8% for FY21.

UNIFIED COMMUNICATIONS AND COLLABORATION MARKET

Unified Communications and Collaboration (UCC) is the integration of various communication technologies with collaboration tools such as real-time video conferencing, e-mails, instant messaging and desktop sharing. UCC solutions enable enterprises in streamlining employee and customer interaction methods. They also facilitate easily accessible communication services for globally dispersed employees. A widespread global network of 4G connectivity and ongoing investments for early commercialization of 5G networks will contribute largely to the uptake of modern enterprise communication solutions.

UCC Market size exceeded USD 30 billion in 2019 and is estimated to grow at a CAGR of around 8% between 2020 and 2026. The growing penetration of smartphones and large-scale investments by telecom players for modernizing communication network infrastructure are expected to facilitate the consistent growth of the market.

North America held an industry share of nearly 45% in 2019 and is projected to dominate the UCC market size from 2020 to 2026 due to availability of advanced communication and IT infrastructure in the region, especially in the U.S. In addition, robust growth of enterprise mobility witnessed in the region along with the rapid proliferation of mobile devices is augmenting market revenue. North American employees are ahead of their global peers in terms of BYOD adoption, which is driving enterprises to leverage UCC-based systems for collaboration functions.

The presence of key global players, such as Microsoft and Cisco, has also propelled market growth in the region. There is a growing interest among enterprises to use third-party managed services for on-premise UCC solutions to effectively manage complex infrastructure, enable seamless integration and maintain the functioning of different communication systems. The high degree of consistency in terms of the attitude toward adopting and implementing BYOD among mid-sized companies as well as enterprises operating in this region will further strengthen market value.

The key market players operating in the UCC market are focusing on new product development strategies to strengthen their product portfolio and increase customer acquisition. For instance, in January 2020, Avaya, a leading communication enterprise, launched Avaya OneCloudTM ReadyNow. This new offering has been made available in more than 30 countries and is helping the Company offer secure on-premise unified communication services to its customers. Avaya's UCC customers now have access to critical communication tools, resources and expertise designed to increase business recognition and growth.

Several acquisitions are enabling further consolidation of the market as key players are strategically acquiring companies that can complement their existing product lines and enhance their value proposition.

DATA CENTER AND EDGE IT

Global Edge Data Center market size exceeded USD 5.5 billion in 2019 and is estimated to grow at 23% CAGR between 2020 and 2026. The edge data center market growth is attributed to factors such as the increasing adoption of smartphones and rising internet penetration in several regions. The introduction of 5G smartphones by global players is resulting in an increased demand for advanced facilities for enhancing data traffic management.

Another factor leading to edge data center market growth is the rising trend of IoT devices such as sensors, actuators, self-driven cars and robots, which is compelling service providers to place facilities closer to the network edge. The growing adoption of these devices results in generating massive amounts of data, which needs to be effectively stored and accessed. SMBs and large enterprises are investing in these data centers to reduce latency and increase the speed of delivering services and data. Edge facilities provide secure data storage and aid enterprises to keep pace with real-time processing and low-latency responsiveness. The rise in data traffic and the increasing adoption of IoT technology is boosting the industry demand globally.

Based on component, the edge data center market has been segmented into solutions and services. Solutions include products such as cooling, power, UPS, IT racks & enclosures, networking equipment, and DCIM software, while services include installation & integration, managed and consulting services. The edge data center UPS market will witness growth of over 10% CAGR over the forecast timespan owing to the increasing demand for battery backup in data centers.

Source: https://www.gminsights.com/industry-analysis/edge-data-center-market

CYBER SECURITY

The global cyber security market size was valued at USD 156.5 billion in 2019 and is expected to expand at a compound annual growth rate (CAGR) of 10.0% from 2020 to 2027. Cyber security and defense against online threats undertake greater significance in today's changing digital landscape. It has become vital amid organizations due to rapidly increasing frauds, cybercrimes, risk, threats and vulnerabilities. Disruptive and emerging technologies in banking, retail, information technology, defense and manufacturing sectors have offered new capabilities, facilitated automation and offered ease of working in the recent past. However, these technologies have also emerged as a potent factor in the development of the global threat landscape of exploits, vulnerabilities and malware. The emerging threat landscape is observed with an increased number of cybercrime activities in the global digital era.

The services segment dominated in 2019 with a 54.7% revenue share of the cyber security market. It is also anticipated to continue its dominance over the forecast period. Cyber security vendors offer both professional and managed services to provide IT support and assistance for troubleshooting software issues and carrying out regular maintenance. Furthermore, the need for continuous event monitoring, vulnerability management and real-time dedicated security support for timely delivery of products is compelling enterprises to adopt these services. Thus, the need for timely support and professional assistance is expected to aid the growth of the cyber security market. Moreover, the rising trend of employing third-party vendors by organizations owing to their robust solutions offered at optimum costs thereby boosts the growth of Security as a Service (SaaS).

The hardware segment is expected to register the highest CAGR over the forecast period contributing to the market. The hardware comprises of next-generation equipment and devices such as encrypted USB flash drives, firewalls, and Intrusion Prevention System (IPS) equipment that secure an organization's IT networks by monitoring their networks from malicious incidents.

Source: Grand View Research

https://www.grandviewresearch.com/industry-analysis/cyber-security-market

DIGITAL TRANSFORMATION

Digital transformation has emerged as one of the most prominent strategies for public and private organizations over the past few years. It is increasingly transforming the conventional technology landscape across all industry verticals. Although enterprise applications based on digital transformation technologies are still in their nascent stages of development, they are gradually beginning to drive innovation into business strategies and proving their significance at every step of an organization.

The digital transformation market is projected to reach $3,294 billion in 2025, growing at a CAGR of 22.7% from 2019 to 2025. The growth in this market is mainly attributed to the growing adoption of AI & robotics in manufacturing industries, lack of skilled workforce, increasing adoption of Internet of Things (IoT) in different industry verticals, and government initiatives & policies towards digitization in developing nations. Furthermore, the demand for streamlining business processes and the adoption of 5G technology is also expected to support the growth of the digital transformation market over the forecast period. However, the high cost of transformation and lack of infrastructure are the major challenges limiting the growth of this market.

The large share of digital transformation segment is mainly attributed to the increasing need to develop efficient and effective operations to reduce expenses associated with traditional operational processes, the need for improved customer services & engagement, and the need to enhance productivity of business operations and processes with incorporation of advanced digital technologies.

Source: Global Newswire News

https://www.globenewswire.com/news-release/2020/06/10/2046146/0/en/Digital-Transformation-Market-Worth-3-294-Billion-by-2025-Growing-at-a-CAGR-of-22-7-from-2019-Global-Market-Opportunity-Analysis-and-Industry-Forecasts-by-Meticulous-Research.html

GLOBAL TECHNOLOGY OUTLOOK

The COVID-19 crisis has reduced overall demand for many consumer and enterprise technology products and services. With consumers and businesses facing losses, IT spending has declined - as of April 2020, IT spending for the year is forecast to fall by 3 percent, revised down from a 5 percent increase in January. Declines could be coming in servers, storage, and network hardware as enterprise IT services also look to reduce costs. Software had been poised for double-digit growth in 2020, but as companies postpone enterprise upgrades and big projects to preserve cash, growth could be closer to 1 or 2 percent.

For all its pain, the COVID-19 crisis can be an opportunity to make significant upgrades to infrastructure and processes that may be long overdue. Developing more transparent and dynamic supply chains, enabling higher-performing remote workforces and accelerating migration to public clouds are potential ways to recover strongly while setting up long-term strategies for success. Tech companies have the opportunity to emerge stronger, more resilient, and more innovative during the current times.

HUMAN RESOURCES MANAGEMENT

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 **Talent Acquisition,** meticulous planning is done to attract, recruit & select exceptional talents. Accordingly, the team takes a strategic and holistic approach while building talent pool for the organization. In the year 2019-2020, the Company 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 as well. New joinees undergo customized best-in-class in-house orientation programs to facilitate their seamless integration.

Learning and development, through its varied, customized interventions across career levels and functional domains, has played a significant role in honing and developing employee skills and competencies. Diverse behavioral and functional trainings with technical certifications are imparted round the year. In Year 2019-2020, the focus has been to create a pool of Skill-Ready Workforce, enabling preparedness and immediate deployment of resources. Employees were encouraged and enabled for achieving certifications whereby 138 certifications across practices were secured. 53% employees have undergone Training & Certifications, achieving 394 man-days of training. Extensive external and internal technical process trainings were conducted through 28 programs across four major technology quadrants such as – Unified Communications, Network & Data Center, Cyber Security and Enterprise Applications.

In line with aspirations of employees and to boost their individual growth and development opportunities, Global Talent Exchange (GTEx) and Internal Job Postings (IJP) has enabled in fulfilling global resource requirements internally. This approach of 'exploring talents from within' has helped the Company in achieving cost prudence through optimized resource utilization, elimination of avoidable costs and improved levels of profitability.

Talent Management & Employee Engagement plays a pivotal role towards building & sustaining superior employee connect and a high level of employee engagement. Diverse calendared Engagement programs are scheduled round the year towards building & sustaining a superior employee connect and a high level of engagement in the organization.

To connect employees with thought leaders as well as peer groups at different levels, there are 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. The Company'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) 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.

d) 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.

e) 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 keeping 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.

f) **Staff Attrition:**

Over the past few years, the IT Industry has particularly faced a high attrition rate mainly attributable to the highly volatile nature of this industry and the resultant demand for constant skill updation & development from the employees by companies belonging to 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 & highly competitive employees contributing majorly to the performance of the Company over the years.

g) **Talent Acquisition:**

The Company is engaged in such a business which highly depends on the capabilities of its workforce for its performance. Like numerous other companies engaged in the IT industry, the Company has been facing the long standing challenge of refreshing and hiring skilled and talented employees compatible with the constantly changing landscape of the IT industry and commensurate with the nature, size and global presence of the Company's business. Over the years, the Company has undertaken meticulous planning to attract, recruit & select exceptional talents and has taken strategic and holistic approach to build its talent pool. In the current year, the Company has hired employees in upcoming technology quadrants. Also, the Company has especially emphasized on promoting a culture of inclusivity and diversity at workplace, as the experience and engagement of employees plays an important role in forging a lasting association.

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. Implementation of ERP project to have SAP for Black Box Corporation is currently underway and we expect to go live with SAP by end of FY21 with integration of SFDC, Oracle and Service now. This newly implemented SAP would be integrated with overall AGC SAP to have one platform as planned for FY22.

The Company management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI LODR Regulations 2015) as on March 31, 2020.

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 for its review and approval.

REVENUE BREAK-UP

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

(₹ in Crores)

Business Segments	Standalone		Consolidated	
	FY2019-2020	FY 2018-2019	FY 2019-2020	FY 2018-2019
System Integration	309.35	306.85	4,067.06	1,606.39
Technology Product Solution	0	0	820.81	227.19
Consulting	0	0	106.05	19.16
Total	**309.35**	**306.85**	**4,993.92**	**1,852.74**

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. Consulting business is related to providing consulting services for performance improvement and customer experience.

SHARE CAPITAL

As on March 31, 2020, the Issued, Subscribed and Paid-up Equity Share Capital of the Company was ₹ 29,74,46,490/- divided into 2,97,44,649 Equity Shares having face value of ₹ 10/- each. The Company has not issued any other class of shares.

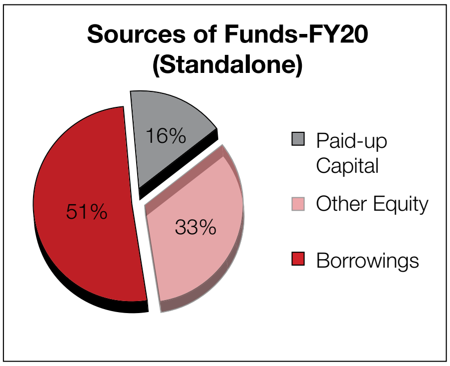
OTHER EQUITY

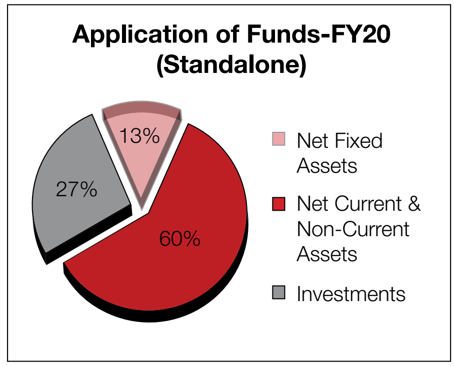
India:

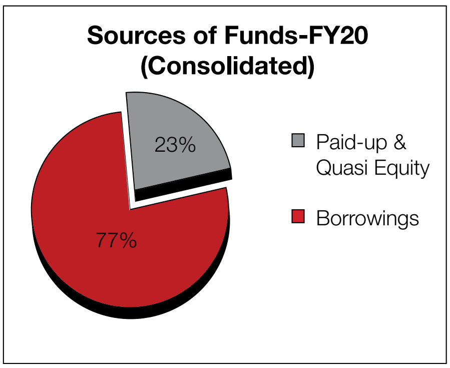
Total Other Equity stands at ₹ 59.20 Crores which mainly includes Capital Reserve of ₹ 22.64 Crores, Security Premium Reserves of ₹ 45.90 Crores, General Reserves of ₹ 100.58 Crores and accumulated losses of ₹ 109.92 Crores as at the end of the financial year 2019-20.

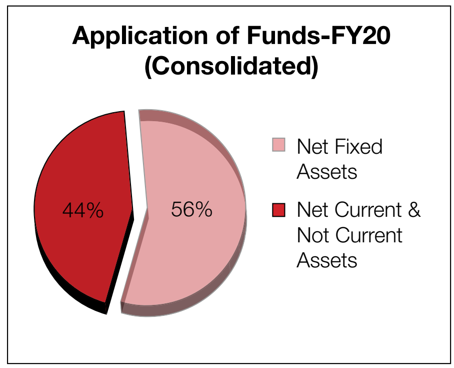
Consolidated:

Total Other Equity stands at negative ₹ 77.57 Crores which mainly comprises of Capital Reserve of ₹ 38.04 Crores, Security Premium Reserves of ₹ 45.90 Crores, General Reserves of ₹ 100.58 Crores and accumulated losses of ₹ 262.09 Crores as at the end of the financial year 2019-2020. Accumulated losses are higher due to other comprehensive loss of ₹ 80.49 Crores on account of re-measurement on defined pension plan of BBX Inc and its subsidiaries in the United States of America and one-time costs of ₹ 99.94 Crores on account pre-payment premium and other expenses paid on debt refinancing.









BORROWINGS

India:

The Borrowings of the Company stands at ₹ 93.82 Crores as on March 31, 2020. The Borrowings comprise Working Capital facility. The Term Loan facility has been fully repaid during the year ended March 31, 2020. Working capital stands at ₹ 93.82 Crores as on March 31, 2020 as against ₹ 98.04 Crores as on March 31, 2019 showing a reduction of 4% 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 ₹ 462.38 Crores as on March 31, 2020 against ₹ 803.86 Crores showing reduction of 42% on account of pre-payment of term loan by Black Box Corporation. This repayment was done through entering into a non-recourse account receivable securitization program for sale of both billed and unbilled receivables originated by Black Box Corporation's subsidiaries in the United States of America and the United Kingdom to an unaffiliated third party. The securitization program allows availability upto $ 90 million to Black Box Corporation. Additionally, Black Box Corporation entered into $15 Million term loan facility that is secured by one of the tranches in the securitization program. The proceeds from the sale of receivables and term loan were used to pay off all the outstanding loans from former lenders.

Above borrowings also include borrowing by AGC Networks Pte Ltd, Singapore from AGC Parent Company, Essar Telecom Limited (ETL) of ₹ 188.84 Crores, which was primarily utilized towards acquisition of Black Box Corporation.

FIXED ASSETS

India:

The fixed assets (net block including PPE and intangible) of the Company is at ₹ 7.11 Crores as on March 31, 2020. In addition during the current year ended March 31, 2020, due to adoption of the Ind AS on leases 116, Company has recognized Right of use assets for ₹ 17.04 Crores.

Consolidated:

The fixed assets (net block including PPE and intangible) is at ₹ 105.35 Crores as on March 31, 2020. The total Goodwill stands at ₹ 234.24 Crores (including ₹ 137.24 Crores on account of acquisition of Black Box Corporation and COPC Holdings Inc. during January 2019). In addition, during the current year ended March 31, 2020 due to adoption of the Ind AS on leases 116, Company has recognized Right of use assets for ₹ 186.52 Crores.

INVESTMENTS

India:

The total investment by the Company in subsidiaries as on March 31, 2020, is at ₹ 48.72 Crores.

Consolidated:

The total investment of the Company as on March 31, 2020, is NIL.

OPERATING RESULTS

India:

The Company, for the year ended March 31, 2020, recorded a gross turnover of ₹ 309.35 Crores as against ₹ 306.85 Crores for the period ended March 31, 2019 on standalone basis reflecting a minimal increase of 0.81% over previous year. The muted performance on standalone basis was due to various reasons including slow down in economy and adverse market condition coupled with COVID condition during March-2020 quarter

The Company recorded a Net loss (before exceptional items) of ₹ 1.63 Crores for FY20 as against Net loss (before exceptional item) of ₹ 4.39 Crores for FY19 on standalone basis.

Employee cost has improved to 11.54% of the total income for the FY 2019-2020 as against 14.65% in the previous year.

Finance Cost stood at ₹ 15.50 Crores (excluding interest on lease liabilities of ₹ 2.99 Crores) for the FY 2019-2020 as against ₹ 17.05 Crores in the previous year showing a reduction of 9.1%

Consolidated:

On Consolidated basis, the Company for the year ended March 31, 2020, recorded gross turnover of ₹ 4,993.92 Crores as against ₹ 1,852.74 Crores for the period ended March 31, 2020 registering an whopping increase of 170% over previous year. This is attributable to full year impact of the revenues from Black Box Corporation and its subsidiaries.

On Consolidated basis, the Company has achieved a net profit of ₹ 41.12 Crores for FY 2019-2020 against a net loss of ₹ 78.77 Crores for the FY 2018-19. The total Consolidated Profits of ₹ 41.12 Crore was primarily attributable to transformation initiatives towards profitability improvement including operational efficiencies, ratio-centric organization and reduction in overheads with continued focus on all the financial metrics together with better liquidity management.

The Employee costs stood at ₹ 1,894.51 Crore for the FY 2019-2020 constituting 37.70% of the total income as against ₹ 627.53 Crore in the previous year which constituted 33.75% of the total income for that year. This rise in the employee costs is mainly attributed to acquisition of Black Box Corporation in January 2019 and full year impact of the employee cost for the year ended March 31, 2020.

Finance Cost stood at ₹ 129.38 Crore for the F.Y. 2019-2020 as against ₹ 44.54 Crores in the previous year. This steep rise in finance cost is mainly attributed to full year impact of borrowings in Black Box Corporation and AGC Networks Pte Ltd.

KEY RATIOS

Key Ratios	Standalone		% Change	Consolidated		% Change
	FY2019-2020	FY2018-2019		FY 2019-2020	FY 2018-2019	
Revenue from Operations	309.35	306.85	0.8%	4,993.92	1,852.74	169.5%
EBITDA (%)	5.84%	2.74%	3.1%	7.41%	2.51%	4.9%
EBITDA (excluding lease) (%)	2.98%	2.74%	0.2%	5.68%	2.51%	3.2%
Operating Profit Margin (%)	5.45%	5.97%	-0.5%	3.55%	-1.88%	5.4%
Net Profit Margin before exceptional item (%)	-0.53%	-1.43%	0.9%	3.33%	-0.30%	3.6%
Return on Net Worth (%)	-1.83%	1.38%	-3.2%	-85.98%	-421.99%	336.0%
Return on Net worth (excluding re-measurement of defined benefit obligation) (%)	-1.83%	1.38%	-3.2%	113.88%	-452.89%	566.8%
Interest Coverage Ratio	0.91	1.08	-15.2%	1.37	(0.78)	-275.5%
Debtors Turnover	0.90	3.10	-70.8%	2.04	3.46	-41.0%
Inventory Turnover	2.30	6.26	-63.3%	2.62	6.84	-61.7%
Current Ratio	0.85	0.93	-8.8%	0.80	1.17	-31.9%
Debt Equity Ratio	1.05	1.06	-0.2%	-5.37	42.51	-112.6%
Debt Equity Ratio (Excluding re-measurement of defined benefit obligation)	1.05	1.06	-0.2%	7.12	45.62	-84.4%

Details / reason of significant changes:

1. Minor Changes in standalone ratios is primarily due to marginal revenue growth of 0.8% as compared to previous year due to recession in the market coupled with CoVID-2019 situation.

2. Changes in consolidated ratios is due to full year impact of acquisition of Black Box Corporation 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 transition impact of re-measurement of defined benefit obligation for ₹ 80.49 Crores arising due to CoVID-2019 situation.

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 2020

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 guided, 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

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 Regulation 46(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Regulations" or "LODR Regulations", as applicable, with regard to Corporate Governance.

BOARD OF DIRECTORS

As on March 31, 2020, the Board of Directors of the Company ("the Board") consists of Six (6) members comprising of Two (2) Independent Directors, Three (3) Executive Directors of which One (1) is a Woman Director and One (1) Non-Executive Non-Independent Director. Further, as on the date of this report, the Board of the Company consist of Eight (8) members comprising of Three (3) Independent Directors of which One (1) is a Woman Director; Three (3) Executive Directors of which One (1) is a Woman Director and Two (2) Non-Executive Non-Independent Director of which One (1) is a Promoter 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:

1. Approving Corporate Philosophy and Mission
2. Participating in the formulation of Strategic Business Plans

3. Reviewing and Approving Financial Plans and Budgets
4. Monitoring and Reviewing Corporate Performance vis-à-vis the Business Plans
5. Ensuring compliance of laws and regulations

The required details related to the Board as on March 31, 2020 are listed below:

Name of Director	Designation and Category	Directorship 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	Chairperson-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)	-	1
			Poddar Housing and Development Limited (Non-Executive Director)	-	-
			Indo Count Industries Limited (Independent Director)	1	-
			Walchandnagar Industries Limited (Independent Director)	1	2
			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
Mrs. Mahua Mukherjee	Executive Director	1	Black Box Network Services India Private Limited (Executive Director)	-	-

Name of Director	Designation and Category	Directorship 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. Naresh Kothari	Non-Executive Director	5	ADF Foods Limited (Independent Director)	-	1
			B L Kashyap And Sons Limited (Non-Executive Director)	-	1
			Soul Space Projects Limited (Non-Executive Director)	-	-
			Alpha Alternatives Holdings Private Limited (Executive Director)	-	-
			Provincial Finance and Leasing Co Private Limited (Executive Director)	-	-
Mr. Deepak Kumar Bansal	Executive Director	1	Fed On-Demand Technology Private Limited (Non-Executive Director)	-	-

The above information is presented as per the data in the annual disclosures submitted by the Directors as on March 31, 2020. 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 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 2019-2020, Seven (7) Board meetings were held on the following dates:

April 30, 2019, May 29, 2019, July 5, 2019, August 14, 2019, November 14, 2019, January 7, 2020 and February 14, 2020.

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 2019-2020	Number of Board meetings Attended	Attended Last AGM	Shareholding in the Company as on March 31, 2020
Mr. Sujay R. Sheth	7	7	Yes	NIL
Mr. Sanjeev Verma	7	7	Yes	NIL
Mr. Dilip Thakkar	7	6	Yes	NIL
Mrs. Mahua Mukherjee	7	6	Yes	NIL
Mr. Naresh Kothari	7	6	Yes	5,53,025 Equity Shares held beneficially
Mr. Deepak Kumar Bansal[1]	7	4	Yes	6,903 Equity Shares held by relative

NOTE:

1 Mr. Deepak Kumar Bansal was appointed as Executive Additional Director of the Company w.e.f. August 14, 2019. Further, at the 33rd AGM of the Company, the Members approved the appointment of Mr. Deepak Kumar Bansal as the Executive Director of the Company w.e.f September 26, 2019.

DIRECTORS APPOINTMENT / RE-APPOINTMENT

Mr. Sanjeev Shekhar Verma shall retire by rotation at the ensuing 34th Annual General Meeting ("AGM") of the Company. Further, Mr. Verma is proposed to be re-appointed as Whole-Time Director of the Company at the said AGM, on the existing terms of appointment as approved by the Members at the 33rd AGM of the Company held on September 26, 2019.

Ms. Neha Nagpal has been appointed as an Independent Additional Director by the Board of the Company with effect from September 10, 2020 and in terms of Section 161 of the Act, Ms. Nagpal holds office only up to the date of the ensuing 34th AGM of the Company. Thus, Ms. Nagpal is proposed to be appointed as an Independent Director of the Company at the said AGM, on such terms as set out in the explanatory statement annexed to the Notice of the ensuing 34th AGM.

Mr. Anshuman Ruia has been appointed as a Non-Executive Additional Director by the Board of the Company with effect from September 10, 2020 and in terms of Section 161 of the Act, Mr. Ruia holds office only up to the date of the ensuing 34th AGM of the Company. Thus, Mr. Ruia is proposed to be appointed as a Non-Executive Director of the Company at the said AGM, on such terms as set out in the explanatory statement annexed to the Notice of the ensuing 34th AGM. He shall be liable to retire by rotation.

The requisite details with regards to the proposed appointment(s)/re-appointment(s) have been provided in the notice of the forthcoming AGM of the Company.

INDEPENDENT DIRECTORS

At present, the Board of the Company consists of Three (3) Independent Directors, One (1) of which is a Woman Director and the strength of Independent Directors on the Board is 37.5% which is in conformity with the requirements of Regulation 17 of the LODR 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 LODR 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 are required to meet at least once in every financial year without the presence of Executive Directors or management personnel.

In line with the relaxations granted by the Ministry of Corporate Affairs ("MCA") on March 24, 2020 in view of the Co-VID 2019 outbreak, for the FY20 the Independent Directors of the Company deemed it apt to abstain from holding a separate meeting of Independent Directors without the presence of Non-Independent Directors or management personnel.

However, the Performance Evaluation for FY20 was dully undertaken by the Board through Digital platform. The Company provided the Independent Directors (as well as all other Directors of the Company) the means to review the performance of the Chairperson of the Company (taking into account the views of Executive Directors and Non-Executive Directors); the performance of the Board as a Whole (including Committees thereof); the performance of the Non-Independent Directors & assess the quantity and timeliness of flow of information between the Company's management and the Board, by way of a questionnaire based assessment mechanism hosted through the Digital Platform. The remarks of every Director including Independent Directors as well as the outcome of the said evaluation conducted through questionnaires was circulated to all Directors. Thereafter, such remarks and outcome were reviewed and after deliberation taken as noted by the Independent Directors and the Board.

During the year under review, there was no instance of resignation of any 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, 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 are regularly circulated 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 LODR Regulations and pursuant to the corresponding relaxations granted by the relevant Regulators, the annual performance evaluation of each members of the Board, the Chairperson, Board of Directors as a whole and the Committees thereof was undertaken.

The process of performance evaluation of the members of the Board, the Chairperson, Board of Directors as a whole and the Committees thereof was undertaken through 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 the performance of which 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, individually as well as through Committees. The overall assessment of the Board was that it was functioning as a cohesive body (including the Committees thereof which were functioning effectively as well).

BOARD DIVERSITY POLICY

In compliances with the provision of the LODR 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 with 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

Areas of Skills/ Expertise	Definition of Expertise/Skills	Name of Director possessing Skill/expertise
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.	Sujay R. Sheth; Dilip Thakkar; Naresh Kothari; Sanjeev Shekhar Verma; Deepak Kumar Bansal and Anshuman Ruia
Technology	Significant background in technology industry resulting in knowledge of how to anticipate industry trends, generate disruptive innovation and expand/create new business models.	Sanjeev Shekhar Verma; Deepak Kumar Bansal and Anshuman Ruia
Leadership	Extended experience in holding leadership roles in a significant enterprise generating practical understanding of organizations, process, strategic planning and risk management. Demonstrates strengths in developing talents, planning succession and driving change and long-term growth.	Sujay R. Sheth; Dilip Thakkar; Naresh Kothari; Sanjeev Shekhar Verma; Deepak Kumar Bansal; Mahua Mukherjee and Anshuman Ruia
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.	Sanjeev Shekhar Verma, Deepak Kumar Bansal; Mahua Mukherjee and Anshuman Ruia
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.	Sanjeev Shekhar Verma; Deepak Kumar Bansal and Anshuman Ruia
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.	Sujay R. Sheth, Dilip Thakkar, Naresh Kothari and Sanjeev Shekhar Verma
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 as well as enhancing enterprise reputation.	Sanjeev Shekhar Verma

Areas of Skills/ Expertise	Definition of Expertise/Skills	Name of Director possessing Skill/expertise
Industry specific Expertise	Experience in managing or leading operations of an enterprise engaged 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.	Sanjeev Shekhar Verma and Deepak Kumar Bansal
Legal Expertise	Possessing knowledge and understanding of varied industry specific or generic laws/acts applicable on the Company and its business operations, keeping update-to-date with landmark judgements and latest amendments, modifications or repealment of such applicable laws/acts; Ability to evaluate the legal implications and accordingly provide requisite advise, guidance or opinion to the management, whereever sought, on the comprehensive legal overview/implications of any major strategic business plans/transactions undertaken or proposed to be undertaken including restructuring transactions such as M&A, Demergers, Foreign collaborations, JVs etc., market/ product growth or expansion strategies etc.	Neha Nagpal

BOARD COMMITTEES

As of March 31, 2020, 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:

During the FY 2019-2020, Seven (7) Audit Committee meetings, Six (6) Nomination and Remuneration Committee meetings, Four (4) Stakeholders Relationship Committee meetings, Four (4) Ethics & Compliance Committee meetings and Two (2) Corporate Social Responsibility Committee meetings were held on the following dates:

Audit Committee: May 29, 2019, July 5, 2019, August 14, 2019, October 10, 2019, November 14, 2019, January 7, 2020 and February 14, 2020.

Nomination and Remuneration Committee: April 30, 2019, May 29, 2019, July 5, 2019, August 14, 2019, November 14, 2019 and February 14, 2020.

Stakeholders Relationship Committee: May 29, 2019, August 14, 2019, November 14, 2019 and February 14, 2020.

Ethics & Compliance Committee: May 29, 2019, August 14, 2019, November 14, 2019 and February 14, 2020.

Corporate Social Responsibility Committee: May 29, 2019 and November 14, 2019.

Board Committees	Audit Committee	Nomination & Remuneration Committee	Ethics and Compliance Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Meetings held	**7**	**6**	**4**	**4**	**2**
Directors' Attendance					
Mr. Sujay R. Sheth	7	6	4	4	2
Mr. Dilip Thakkar	6	5	N.A.	4	N.A.
Mr. Sanjeev Verma	N.A.	N.A.	N.A.	4	2
Mrs. Mahua Mukherjee	6	N.A.	4	N.A.	1
Mr. Naresh Kothari	N.A.	5	N.A.	N.A.	N.A.
Mr. Deepak Kumar Bansal	N.A.	N.A.	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, 2020:

Mr. Sujay R. Sheth	Independent Director (Chairperson)
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 LODR Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure.

Powers of the Audit Committee

a) To investigate any activity within its terms of reference

b) To seek information from any employee

c) To obtain outside legal or other professional advice

d) 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 and 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 & performance and 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 & 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 and 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 said 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 said Regulations.

NOMINATION AND REMUNERATION COMMITTEE

Constitution of the Nomination and Remuneration Committee as on March 31, 2020:

Mr. Dilip Thakkar	Independent Director (Chairperson)
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 LODR 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:

a) To identify persons who are qualified to become Directors or who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal

b) To carry out evaluation of every Director's performance

c) To formulate the criteria for determining qualifications, positive attributes & independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees

d) To formulate the criteria for evaluation of Independent Directors and the Board

e) To devise a policy on Board diversity

f) To recommend the continuance or extension of the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of such Director

g) To recommend to the Board, all remunerations, in whatever form, payable to the senior management.

h) To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria

i) 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, 2019 to March 31, 2020 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	0.66	0.11	-	-	0.77

The details in respect of the remuneration paid to the Non-Executive Directors (including Independent Directors) during the period from April 1, 2019 to March 31, 2020 are as under:

(in ₹)

Name	Designation	Particulars of Remuneration	Gross Amount
Mr. Sujay R. Sheth	Independent Director and Chairperson	Sitting Fees	15,50,000
Mr. Dilip Thakkar	Independent Director	Sitting Fees	11,00,000
Total			**26,50,000**

ETHICS AND COMPLIANCE COMMITTEE

Constitution of the Ethics and Compliance Committee as on March 31, 2020:

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

The Committee, at its meeting(s), sets forth the policies relating to and 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 / 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, 2020:

Mr. Sujay R. Sheth	Independent Director (Chairperson)
Mr. Dilip Thakkar	Independent Director (Member)
Mr. Sanjeev Verma	Whole-time Director (Member)

The Stakeholders Relationship Committee's composition and terms of reference meets with the requirements of Regulation 20 of the LODR Regulations and section 178 of the Act.

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

a) 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.

b) Review of measure taken for effective exercise of voting rights by the shareholders

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

d) 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, 2019 to March 31, 2020, were 42. There was no outstanding complaint / query or request for transfer as on March 31, 2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution of the Corporate Social Responsibility Committee as on March 31, 2020:

Mr. Sujay R. Sheth	Independent Director (Chairperson)
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 meet with the requirements of the Act.

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

a) 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.

b) To recommend the amount of expenditure to be incurred on the CSR activities.

c) 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 insiders 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 or specified persons 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 Designated Persons (including specified employee of the Company) for submission of application for obtaining pre-clearance of trades and reporting of trades executed by them 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 LODR 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 2019-2020. The below given is the declaration made by Mr. Sanjeev Verma, Whole-Time Director, with respect to the said affirmation by Directors and member of Senior Management of the Company, pursuant to the applicable provisions of Schedule V of LODR Regulations:

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

To,
The Members
AGC Networks Limited

Sub: Declaration on compliance with Code of Conduct of the Company during F.Y. 2019-2020

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

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 F.Y. 2019-2020.

Yours Sincerely,

S.d./-
Sanjeev Shekhar Verma
Whole-Time Director
DIN: 06871685

Place: Dallas, Texas, US
Date: June 30, 2020

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 shares 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. The RTA of the Company (i.e. specified official(s) of the RTA) is duly authorised by the Board of Directors of the Company to approve and process the requests lodged for transfer of shares at the Registrar's address. All requests for dematerialization of Shares are processed and the confirmation is given to the Depositories within the stipulated timeline (in line with relaxations granted by regulators with respect to the period under review, if any). 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. 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 RTA.

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)
September 26, 2019	Yashwantrao Chavan Centre, General Jagannath Bhosle Road, Nariman Point, Mumbai – 400021	11.15 AM	4
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

RESOLUTION PASSED BY POSTAL BALLOT

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

DISCLOSURES

1. 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 have been provided under notes to accounts section of the Annual Report.

2. 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.

3. 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

4. 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 LODR Regulations. 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.

5. Web-link for Policy for determining 'Material' subsidiaries:

   Pursuant to the provisions of Regulation 16(c) of LODR 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

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

   Pursuant to the provisions of Regulation 23(1) of LODR 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/2020/05/Related-Party-Transaction-Policy-Revised.pdf

7. Web-link for details of Familiarization Program imparted to Independent Directors:

   The relevant information and details on familiarization programs is given in the Directors Report portion of this Annual Report.

8. Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

   Not Applicable

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

   In accordance with the provisions of Regulation 34(3) of LODR 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: **Not Applicable**

      c) Commodity risks faced by the Company during the year and how they have been managed: **Not Applicable**

         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. 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 this Annual Report.

10. Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placement ("QIP"): **Not Applicable**

11. 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	1,10,02,249	16,10,999	1,26,13,247
2	Other Services	1,27,61,571	4,47,30,000	5,74,91,571
	Total	**2,37,63,820**	**4,63,40,999**	**7,01,04,818**

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

Particular	No. of Complaints received during the FY 2019-2020	No. of Complaints disposed during the FY 2019-2020	No. of Complaints pending at the end of FY 2019-2020
No. of Complaints	Nil	Nil	Nil

13. Disclosure of shareholding of Non-Executive Directors:

    As on March 31, 2020, Mr. Naresh Kothari, Non-Executive Director of the Company beneficially holds 1.86% shareholding in the Company. Further, Mr. Deepak Kumar Bansal, Executive Director holds 0.02% shareholding in the Company through his relative. No other Director of the Company (including Executive Director) hold any shares in the Company as on March 31, 2020.

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 https://www.agcnetworks.com/in/investors/ 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 LODR 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 conditions of Corporate Governance specified under the LODR Regulations, which is given in this Annual Report on page no 53.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM)

The AGM of the Company for the financial year ended March 31, 2020 shall be held on Wednesday, November 18, 2020 at 10:00 A.M. through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM").

Following are the other general shareholder information.

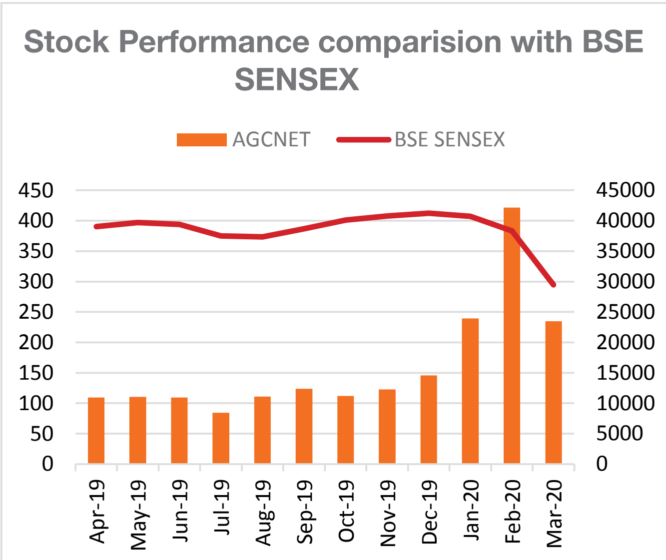
Financial Year	April 1 to March 31
Dates of Book Closure	Thursday, November 12, 2020 till Wednesday, November 18, 2020 (Both days inclusive)
Dividend Payment Date	No dividend is recommended by Directors of the Company on Equity Shares for the current Financial Year.
Name and Address of the Stock Exchanges 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 FY2019-2020 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 LODR 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, 2020	See Table No. 4

Credit Rating(s)	During the year under review, credit rating(s) were subject to periodic review by CARE and the ratings assigned to the credit facilities of the Company were revised on September 23, 2019. Credit Rating for Long Term Bank Facilities (Term Loan) was revised from CARE BB+ (Double B Plus) to CARE D (Single D). However, the rating was subsequently withdrawn on September 2, 2020 as there was no outstanding against the relevant facility as on that date. Credit Rating for Long Term Bank Facilities (Fund-Based Facility) was revised from CARE BB+ (Double B Plus) to CARE C, Stable (Single C; Stable Outlook). Credit Rating for Short Term Banking Facilities remained stable at CARE A4 (A Four) during the year under review. The Company intimated the Stock Exchanges about the aforesaid Credit Rating revisions, pursuant to applicable provision of Regulation 30 of LODR Regulations.
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 FY2019-2020 and stock performance comparison with BSE Sensex & NSE Nifty 50

Month	BSE		NSE	
	High	Low	High	Low
April 2019	126.00	109.00	123.00	107.25
May 2019	118.40	92.65	122.90	93.05
June 2019	117.00	104.05	116.90	110.00
July 2019	117.25	83.80	119.75	82.05
August 2019	131.70	75.05	130.80	71.95
September 2019	129.90	109.50	125.55	109.00
October 2019	123.80	110.05	120.95	107.45
November 2019	132.95	108.25	132.85	110.00
December 2019	159.90	117.25	155.00	115.10
January 2020	244.10	140.65	245.70	140.20
February 2020	456.85	240.25	456.50	241.0
March 2020	439.20	234.65	441.95	208.10

Stock performance comparison with BSE Sensex & NSE Nifty 50



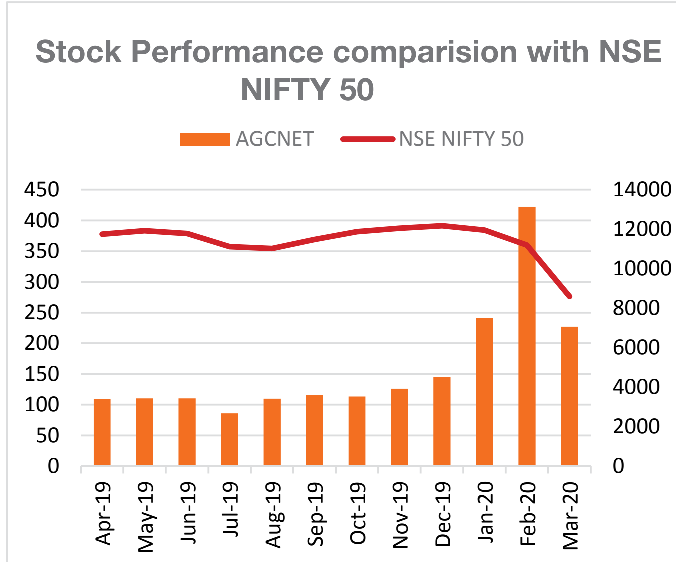


Table No. 2: Distribution of shareholding as on March 31, 2020

Sr. No.	Shares Range		No. of Shares	% of Total Shares	No. of Shareholders	% of Total Shareholders
	From	To				
1	1	100	168817	0.57	3774	48.13
2	101	500	825166	2.77	3091	39.42
3	501	1000	413096	1.39	591	7.54
4	1001	5000	543578	1.83	266	3.39
5	5001	10000	320278	1.08	44	0.56
6	10001	100000	1847959	6.21	60	0.77
7	100001 & above		25625755	86.15	15	0.19
	TOTAL		**29744649**	**100.00**	**7841**	**100.00**

Table No. 3: Category-wise distribution as on March 31, 2020

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Shares held	% to Capital
1	Promoter & Promoter Group Companies	2	20554952	69.11
2	Foreign Institutional Investors & OCB	6	1801187	6.06
3	Banking/Financial Institutions/Insurance Companies	6	146031	0.49
4	Central Government/State Government	2	188867	0.63
5	Mutual Funds/UTI	6	2814	0.01
6	Bodies Corporate/Trusts/Clearing Members	181	2603962	8.75
7	Non-Resident Individuals	157	113522	0.38
8	Resident Individuals	7481	4333314	14.57
	TOTAL	**7841**	**29744649**	**100.00**

Shareholding pattern as on March 31, 2020

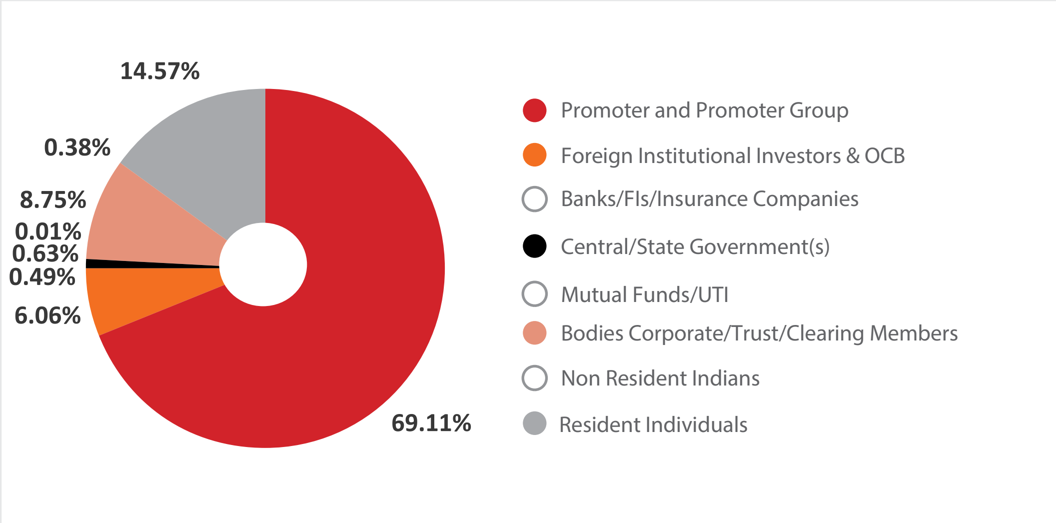


Table No. 4: Dematerialization of shares and liquidity as on March 31, 2020

Description	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
NSDL	4557	58.12	19768003	66.46
CDSL	2046	26.09	9628311	32.37
Physical	1238	15.79	348335	1.17
TOTAL	**7841**	**100.00**	**29744649**	**100.00**

Sanjeev Verma
Whole-time Director
DIN: 06871685

Place: Dallas, Texas, USA
Date: October 19, 2020

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, 2020 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.	DILIP JAYANTILAL THAKKAR	00007339	08/02/2018
2.	NARESH LAKSHMAN SINGH KOTHARI	00012523	17/01/2019
3.	SUJAY RAJABABU SHETH	03329107	21/05/2011
4.	SANJEEV SHEKHAR VERMA	06871685	15/05/2014
5.	MAHUA MUKHERJEE	08107320	05/04/2018
6.	DEEPAK KUMAR BANSAL	07495199	14/08/2019

Ensuring the eligibility 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
UDIN: F001473B000360337

Place: Mumbai
Date: June 20, 2020

WTD AND CFO CERTIFICATE

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**, Executive Director & 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, 2020 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, 2020 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 as well as 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) The Company has adopted Ind AS 116, "Leases", effective from April 1, 2019, using modified retrospective approach. Apart from the said change, there was no other 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
Whole-Time Director
DIN: 06871685

Deepak Kumar Bansal
Executive Director & Chief Financial Officer
DIN:07495199

Place: Dallas, Texas, USA
Date: June 30, 2020

SECRETARIAL COMPLIANCE REPORT

FOR THE YEAR ENDED MARCH 31ST, 2020

I, **Shubhkaran Jain**, Practicing Company Secretary, have examined:

(a) all the documents and records made available to us and explanation provided by AGC Networks Limited (hereinafter referred to as "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 31, 2020 ("Review Period") in respect of compliance with the provisions of:

(i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(ii) 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:-

1. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (Not applicable as the Company has not made any further issue of Shares)
3. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
4. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

   (Not applicable as the Company has not bought back/propose to Buy-back any of its securities during the Financial Year under review)
5. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (The Company has not introduced any such scheme during the financial year under review)
6. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (The Company has not issued any Debt Securities during the financial year under review)
7. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;

   (The Company has not issued any Non- Convertible and Redeemable Preference Shares during the financial year under review)
8. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   and circulars/ guidelines issued thereunder;

   and based on the above examination, I/We 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 and 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.

(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.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports: **(Not Applicable, as no observations were made/raised in the Secretarial Compliance Report for financial year ended March 31, 2019)**

FOR S. K. JAIN & CO.
CS. Dr. S. K. JAIN
Membership No. FCS 1473
C. P. NO. 3076
UDIN: F001473B000360337

Place: Mumbai
Date: June 20, 2020

BUSINESS RESPONSIBILITY REPORT OF AGC NETWORKS LIMITED

for the year ended March 31st, 2020

(Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"))

SECTION A: GENERAL INFORMATION

Corporate Identification Number (CIN):	L32200MH1986PLC040652
Name of the Company:	AGC Networks Limited
Registered Office Address:	Equinox Business Park (Peninsula Techno Park), Off Bandra Kurla Complex, LBS Marg, Kurla West, Mumbai – 400070
Website:	www.agcnetworks.com
Email id:	investors@agcnetworks.com
Financial Year Reported:	April 1, 2019 to March 31, 2020
Sector(s) that the Company is engaged in (Industrial activity code-wise):	Class 620 (Computer Programming, Consultancy and Related activities); Sub-Class: 62011, 62013 and 62020
List key products/services that the Company manufactures/provides (as in balance sheet):	1. Solutions related to Connected Buildings, Digital Workplace and Customer Experience 2. Enabling technology for In-building 5G/CBRS, Edge Networking, Data centers and Cyber security 3. Technology Products such as KVM, AV, IOT and Networking products
Total number of Locations where business activities are undertaken by the Company:	a. Number of National Locations: Eight (8) b. Number of International Locations (Named 5 major locations): Twenty Nine (29) countries; Majorly in North America, Europe, Asia Pacific, Middle East and Latin America
Markets served by the Company (Local/ State/National/International):	All

SECTION B: FINANCIAL INFORMATION AS ON MARCH 31, 2020

Paid-up Capital (in ₹):	₹ 29,74,46,490/-
Total Turnover (in ₹):	₹ 3,09,34,65,288/-
Total Profit/(Loss) after Tax (in ₹):	(₹ 1,63,49,478/-)
Total spending on Corporate Social Responsibility (CSR) as % of Profit after Tax:	₹ 11,14,500/- (approx. 2.1% of PAT)
List of activities in which expenditure in point 4 above has been incurred:	Kindly refer to Report on Corporate Social Responsibility i.e. Annexure VII of the Directors Report section of this Annual Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company(s)?**

   Yes. For more details/information, kindly refer to the list of Subsidiaries/Step-Down Subsidiaries provided in the Directors Report section of this Annual Report.

2. **Do the Subsidiary Company(s) participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s):**

   Yes. The Company policies are applicable across its Subsidiaries, unless otherwise stated. Further, various Subsidiaries contribute to the Company's overall performance across all parameters – Economic, Social and Environmental.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility ("BR") initiatives of the Company?**

   The Company deals with multiple vendors, suppliers, distributors etc. While they do not participate directly in the Business Responsibility ("BR") initiatives of the Company, they may have their own policies and programs with regards to Business Responsibility.

SECTION D: BUSINESS RESPONSIBILITY ("BR") INFORMATION

1. **Details of Directors & BR Head responsible for implementation of BR policy(s):**

   The Corporate Social Responsibility ("CSR") Committee is responsible for the implementation of relevant BR Policies. The following are details of the Directors constituting the CSR Committee:

Sr. No.	Name of Director & Designation	DIN
1.	Sujay R. Sheth, Independent Director	03329107
2.	Sanjeev Shekhar Verma, Whole-Time Director	06871685
3.	Mahua Mukherjee, Executive Director & Chief People Officer	08107320

The details of BR Head alongwith their contact details:

Mrs. Mahua Mukherjee, Executive Director & Chief People Officer

Tel No: 02266617368 & Email id: Mahua.Mukherjee@agcnetworks.com

2. **Principle-wise (as per NVGs) BR Policy(s): Principles (P) as per SEBI Business Responsibility Report Framework:**

   - P1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.
   - P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
   - P3: Businesses should promote the well-being of all employees.
   - P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
   - P5: Businesses should respect and promote human rights.

- P6: Business should respect, protect and make efforts to restore the environment.
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8: Businesses should support inclusive growth and equitable development.
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of compliance (in Yes/No):

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for ….	Yes	Yes	Yes	Yes	Yes	Yes (Refer Note 1)	Yes (Refer Note 8)	Yes	Yes
2.	Has the policy been formulated in consultation with the relevant stakeholders? (Refer Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy confirm to any National/ International Standards? (Refer Note 3)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director? (Refer Note 4)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the Policy? (Refer Note 4)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online.	Refer Note 5 & 6								
7.	Has the policy been formally communicated to all relevant Internal and External Stakeholders ? (Refer Note 5 & 6)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the Company carried out Independent Audit/ evaluation of the working of this policy by an Internal or External agency? (Refer Note 7)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

***Notes:**

1 AGC has adopted an internal HR Policy on Health, Safety & Environment which is applicable to all employees. Further, Environment Protection is one of the thrust area in CSR Policy. However, AGC does not have a

separate policy on Environment Protection as it is not engaged in any major manufacturing activities.

2 While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders/departments.

3 The policies are framed as per all applicable law and as per Industry standards.

4 Certain Policies have been approved by the Board of Directors of the Company ("the Board") or by Committee(s) thereof, in accordance with the applicable provisions of the Companies Act or the applicable provisions of LODR Regulations. All other policies have been approved by respective Committee(s) of the Board, designated Functions/Departments or Functional Heads/Business Leaders and they oversee the implementation of such policies.

5 It has been Company's practice to upload policies on Company's website for the information of all the stakeholders. The Code of Conduct for Directors and Senior Management, the Code of Conduct for Individuals, Whistle Blower Policy, Corporate Social Responsibility Policy and Policy on Prevention of Gender Harassment are available on the Company's website at https://www.agcnetworks.com/in/investors/.

6 Additionally, the Company has also adopted various policies such as Policy on Human Rights; Policy on Equal Employment Opportunities, Policy on Prohibition of Child Labour Employment, Policy on Health, Safety & Environment, Policy on Prevention of Bribery and Corruption etc. which have been uploaded on the intra Company website www.agctalkies.com and access of the same is available to all the employees of the Company.

7 While your Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

8 The Company does not have separate policy for P7 as the Company does not participate in such policy advocacy activities.

b. **If answer to the Question No. 1 in above table against any Principle is 'No', please explain why:** Not Applicable.

3. **Governance related to BR:**

a) **Indicate the frequency with which the Board, Committee thereof or CEO assess the BR performance of the Company (Within 3 months, 3-6 months, Annually, More than One year):**

The Company's BR performance will be assessed on an Annual Basis.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

Pursuant to the applicable provisions of Regulation 34 of LODR Regulations, this is the first Business Responsibility (BR) Report issued by the Company. The Company's BR Reports will be uploaded on the Company's website at https://www.agcnetworks.com/in/investors/ as a part of the Annual Report for each respective financial year.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPAL 1:

a. **Does the policy relating to Ethics, Bribery and Corruption cover only the Company?**

The Company's 'Code of Conduct' aims to uphold the standards of its business ethics and practices which are required to be observed in all business transactions. These are applicable to all its employees and Directors. Additionally, the Company's 'Policy on Prevention of Bribery and Corruption' has a Zero tolerance approach towards bribery and corruption and drives all AGC Group employees, outsourced employees and all consultants, suppliers, partners, distributors, vendors etc. working with AGC to act professionally, fairly and with integrity in all their business transactions and relationships, wherever we operate.

b. **Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes. The Company has adopted its 'Policy on Prevention of Bribery and Corruption' with the object to conduct business in an honest & ethical manner while employing a Zero tolerance approach towards Bribery and Corruption. The said policy is applicable on all employees of the Company (including its subsidiaries/affiliates) across various Geos; outsourced personnel working in the Company premises and consultants, suppliers, partners, distributors and vendors associated either directly or indirectly with the Company. The Company has a well-defined 'Code of Conduct for Directors and Senior Management' which is applicable on Directors of the Company and its Subsidiary Company(s) as well as Members of Senior Management of the Company and its Subsidiary Company(s) that covers issues, inter alia, related to ethics, honesty, misconduct etc. Further, the 'Code of Conduct of Individuals' adopted by the Company prescribes the standards of ethics and integrity to be followed by all Directors, Officers and Employees while dealing with various stakeholders such as Customers, Suppliers, Competitors etc.

c. **How many Stakeholder Complaints have been received in the past financial year i.e. FY2019-2020 and what % was satisfactorily resolved by the management?**

During FY2019-2020, the Company has not received any complaints from any of its Stakeholders (other than Shareholders).

The total number of complaints/requests received and replied to the satisfaction of Shareholders during the period April 1, 2019 to March 31, 2020 was 42. There was no outstanding Shareholders complaint or request as on March 31, 2020.

PRINCIPAL 2:

a. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:**

The Company is engaged in the space of providing IT solutions/services (including consulting service) such as solutions related to Connected Buildings, Digital Workplace and Customer Experience; enabling technology for In-building 5G/CBRS, Edge Networking, Data Centers and Cyber security as well as Technology Products such as KVM, AV, IOT and Networking products, all of which fundamentally are premised on improving resource efficiency and reducing environmental footprint. The Company works in the various industry domains including that of health care and life sciences, government services, retail, banking and financial services helping enhance provisioning of services across all sections of the society.

b. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product, if any:

The Company provides a range of IT Solutions/services to its customers such as solutions related to Connected Buildings, Digital Workplace and Customer Experience; enabling technology for In-building 5G/CBRS, Edge Networking, Data Centers, Cyber security and Technology Products such as KVM, AV, IOT and Networking products etc. It does not undertake any manufacturing activity of physical products other than assembly of products sometimes. Thus, given the nature of service offerings of the Company, it is difficult to quantify the details of per unit resource use.

Further, all IT services/solutions provided by the Company facilitates efficient resource management and minimization of environmental impacts for our customers.

c. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes. During the recent months the Company has undertaken various measures to meet its cost-optimization and transformation targets which also includes sustainable sourcing including from global sources.

d. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (If yes, what steps have been taken to improve their capacity and capability of local and small vendors?)

Yes. The Company engages with various vendors and suppliers at the national & international level. It is the policy of the Company to choose its suppliers solely based on merit, considering among other things, price, quality, delivery capability and reputation for service and integrity. Thus, the procurement activities of the Company are undertaken in a non-discriminatory manner. Further, all Suppliers dealing with the Company are required to conduct their business in ethical and legal manner as well as in line with the 'Code of Conduct' adopted by the Company.

e. Does the Company have a mechanism to recycle products and waste? (If yes, what is the percentage of recycling of products and waste?)

The Company has established appropriate Waste Management systems and procedures which enable minimization, management and proper disposal of wastes. Under the said system specific emphasis has been given to disposal of wastes (including hazardous waste) in a responsible manner and in accordance with the applicable regulatory/statutory requirements or procedures in the geographies we operate. With a view to reduce its carbon footprint, the Company has adopted various Recycling practices specifically for consumable resources such as papers, computer hardware, accessories, other electronic goods etc. As a part of such Recycling initiatives in India, the Company actively participated in paper and electronic goods recycle campaign in association with Evergreen Recycle Karo (I) Pvt. Ltd., an organisation approved by Maharashtra Pollution Control Board. Through such initiative, the Company collected and donated for recycling purposes approx. 530 kgs of waste papers. Also, with a view to minimise waste generation, wherever possible, the use of paper is actively discouraged across the organisation and internal procedures have been aligned to process various admin/accounts transactions through electronic submissions of vouchers, receipts and other documents.

PRINCIPAL 3:

a. Total no. of employees: **361**

b. Total no. of employees hired on temporary/contractual/casual basis: **4**

c. Total no. of permanent Women employees: **47**

d. Total no. of permanent employees with disabilities: **5**

e. Does the Company have an employee association recognized by the management?: **No**

f. What percentage of permanent employees are members of this recognized employee association?: **Not Applicable**

g. Details of complaints relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment in the FY 2019-2020:

Sr. No.	Category	No of complaints filed during FY2019-2020	No of complaints pending as on the end of FY2019-2020
1.	Child Labour/Forced Labour/Involuntary Labour	Nil	Nil
2.	Sexual Harassment	Nil	Nil
3.	Discriminatory Employment	Nil	Nil
	TOTAL	**Nil**	**Nil**

h. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a) Permanent Employees: **58%**

b) Permanent Women Employees: **5%**

c) Casual/Temporary/Contractual Employees: **14%**

d) Employees with Disabilities: **1%**

PRINCIPAL 4:

a. Has the Company mapped its internal and external stakeholders? Yes

b. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? Yes

c. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

Yes. AGC believes in integrating environment and community care in its business operations in collaboration with the stakeholders. It participates in various opportunities to positively support well-being of our environment and communities with emphasis on certain vulnerable and disadvantaged sections. As an ongoing commitment, AGC engages in the education of Differently-abled people in various geographies.

Through its Corporate Social Responsibility (CSR) initiatives, AGC aimed to break down barriers for people with disabilities by empowering them as agents of change. Accordingly, the AGC team actively engaged with Sarthak

Educational Trust, an Indian NGO, to enable Vocational Skill Building Program for 30 Differently Abled candidates across locations like Mumbai, Pune, Kolkata and Hyderabad from January 2020 to March 2020. During this development program, a Sarthak Meet-Up program was also initiated where AGC representatives from respective locations visited the Education Centres and imparted basic behavioural skill training required to perform at work productively, to Differently-abled candidates. The training sessions were well appreciated by the Sarthak Team and were quite interactive amongst the candidates. For further details on said CSR initiatives kindly refer to 'Report on Corporate Social Responsibility' enclosed as Annexure VII of Director Report section of this Annual Report.

PRINCIPAL 5:

a. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes. AGC has adopted the 'Policy on Human Rights' wherein the Company and all its employees undertake to preserve the human rights of every individual and community it deals with. AGC while undertaking its operations has always strived to uphold the integrity and respect the Human rights of every individual including its various stakeholders. AGC undertakes various measure to supports and protects the human rights of all individuals within its sphere of influence in order to prevent any form of violation of human rights in any of its actions, intentions, policies and dealings with people.

b. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During FY2019-2020, the Company has not received any complaints from any of its Stakeholders (other than Shareholders).

The total number of complaints/requests received and replied to the satisfaction of Shareholders during the period April 1, 2019 to March 31, 2020 was 42. There was no outstanding Shareholders complaint or request as on March 31, 2020.

PRINCIPAL 6:

a. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others?**

AGC has adopted an internal HR Policy on Health, Safety & Environment which is applicable to all employees. Further, Environment Protection is one of the thrust area in CSR Policy. However, AGC does not have a separate policy on Environment Protection as it is not engaged in any major manufacturing activities.

b. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? (If yes, please give hyperlink for webpage etc.)**

Yes. AGC is committed to achieve excellence in health, safety and environment by facilitating safe and healthy working conditions to its employees and adopting such operational practices that will assist in protecting and conserving the environment. AGC has demonstrated commitment towards environment protection and conservation through various measures. It regularly takes measure to identifies, monitors and mitigates its carbon footprint and contribution to pollution as well as reduce its environmental impact. Some of these measures include adopting the culture of optimum utilisation of resources by planning and carrying out operations through environmentally responsible processes, techniques and practices; Judicious consumption of certain resources such water, energy, paper etc; Environmental risk and Hazard Assessment of its operations by through audits and review of standard operating procedures as well as taking steps to mitigate such risks; and Increasing the Health Safety and Environment Awareness and Competency of its employees.

c. **Does the Company identify and assess potential environmental risks?**

Yes

d. **Does the Company have any project related to Clean Development Mechanism? (If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed)**

Given the nature of the business of the Company, this is not relevant.

e. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? (If yes, please give hyperlink for web page etc.)**

Kindly refer to the initiative of the Company as specified for the abovementioned point b for Principle No. 6.

f. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not appicable as no hazardous emission or waste generated from the Company's business.

g. **Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:**

The Company has not received any show cause / legal notice from CPCB / SPCB as on financial year ended on March 31, 2020.

PRINCIPLE 7:

a. **Is your company a member of any trade chamber or association?**

No

b. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? (If yes specify the broad areas (i.e. Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

PRINCIPLE 8:

a. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? (If yes details thereof).**

Yes. AGC aims to break down barriers for people with disabilities, by empowering them as agents of change. Accordingly, the AGC team actively engaged in a CSR project with Sarthak Educational Trust, an Indian NGO, to enable **Vocational Skill Building Program** for 30 **Differently Abled Candidates** across locations like Mumbai, Pune, Kolkata and Hyderabad from January 2020 to March 2020. During this development program, a Sarthak Meet-Up program was also initiated, where AGC representatives from respective locations visited the Education centres and imparted basic behavioural skill training required to perform at work productively.

During the last few months of 2020, the unprecedented situation of COVID-19 pandemic impacted the economy and way of doing business generally across various geographies including all Geos in which AGC operates. The Company responded to the situation swiftly and activated business continuity plans focusing primarily on employee safety, mitigation of operational and financial impact and sustaining normal operations. AGC took various initiatives related to awareness of all stakeholders including tools for work-for-home (WFH), guidance on masks and other personal protective equipment as per requirements of customer and local jurisdiction guidelines. By activating WFH, providing tools to its employees to perform the work which can be done remotely in consultation with our customers, AGC continued to serve its customers as best as possible. Further, most of the AGC services identify as essential services in almost all operating geographies, particularly in India and the United States of America. Thus, AGC technical staff was allowed to go to customer sites to perform tasks. The Company also set up control rooms to help all its stakeholders including customers, employees and vendors. AGC has been able to keep most of the services operational during such time of hardship and need, to best serve its customers, as per their requirements.

Further, being a 'Socially responsible' organization, in light of the COVID-19 pandemic in India, AGC extended support in the need of the hour by making **Contribution to The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund** ("PM CARES Fund"). The Fund is currently being used for combating, containment and relief efforts against the coronavirus outbreak and will be used for similar pandemic-like situations in the future.

For further details on said initiatives, kindly refer to 'Report on Corporate Social Responsibility' enclosed as Annexure VII of Director Report section of this Annual Report.

AGC strongly emphasizes that as an organization, it is committed towards achieving a sustainable future and helping the environment and communities become healthier.

b. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The aforesaid initiatives have been implemented by the Company through its employees as well as through implementing agency such as NGOs (having track record of at least 3 years) which can provide requisite guidance to Company to identify Socially Responsible (CSR) projects as well as effective implement such programs/projects/ initiatives.

c. **Have you done any impact assessment of your initiative?**

The Company does due diligence of partnering NGO's and monitors and evaluates progress/outcomes during the course of the program through reports submitted by the NGOs.

d. **What is your Company's direct contribution to community development projects? (Amount in Rs. and the details of the projects undertaken)**

For information and details on Company's contribution towards project related to community development undertaken by way of CSR initiatives, kindly refer to 'Report on Corporate Social Responsibility' enclosed as Annexure VII of Director Report section of this Annual Report.

e. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

The implementation and impact of the CSR initiatives undertaken by the Company are duly monitored and reported to the Corporate Social Responsibility (CSR) Committee of the Company for review purposes.

PRINCIPLE 9:

a. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

During the financial year 2019-2020, the Company has received a total of 21,359 service requests. Significant number of these requests aggregating to 89.60%, were resolved within a period of 3 days from the date of receipt of the requests itself whereas only 0.12% service requests were pending as on March 31, 2020. Further, no consumer cases were pending against the Company as on the end of the financial year.

b. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

Not Applicable.

c. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

None.

d. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

No.

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 2020, 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 of the Company as at 31 March 2020, and its loss (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 previous year ended 31 March 2019, the Company had recorded only the differential amount of ₹ 1.11 Crores, as profit on sale of property, plant and equipment, being the difference between the sale consideration of a certain property re-assigned to a new buyer and the outstanding receivable from an earlier sale transaction incorrectly recorded without the transfer of risks and rewards of ownership of such property in the year ended 31 March 2015.

   Had the Company followed the principles of Ind AS 16, Property, Plant and Equipment, 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, 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, while depreciation expense for the year ended 31 March 2019 would have been higher by ₹ 0.02 Crores.

   Our report on the standalone financial statements for the year ended 31 March 2019 was also qualified in respect of the above matter, and accordingly, our opinion on the accompanying standalone financial statements for the year ended 31 March 2020 is also qualified with respect to the effects of this matter on the comparability of current and corresponding figures in the accompanying standalone financial statements.

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 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.

Emphasis of Matters – Impact of COVID 19 and compliances with laws and regulations

5. We draw attention to Note 48 to the accompanying standalone financial statements with respect to delay in repatriation of proceeds of export of goods and services and delay in remittance for import payments, aggregating to ₹ 1.37 Crores and ₹ 4.33 Crores, respectively as on 31 March 2020 beyond the timelines stipulated, under the Foreign Exchange Management Act, 1999 and regulations thereunder. The management of the Company is in the process of filing, and in some cases, has filed necessary applications seeking extension of time / approval for write off of foreign currency payables and condonation of delays with appropriate authorities for regularising these defaults, subsequent to 31 March 2020. Pending conclusion on these matters, management is of the view that the possible fines / penalties, which may be levied, are currently unascertainable but are not expected to be material and accordingly, the accompanying standalone financial statements do not include any consequential adjustments that may be required due to such delay / default.

6. We draw your attention to Note 49 to the accompanying standalone financial statements, which describes the impact of COVID-19 pandemic on the Company's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the operations of the Company is significantly dependent on the future developments as they evolve.

   Our opinion is not modified in respect of the above matters.

Key Audit Matters

7. 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.

8. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters 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
Measurement and disclosure of tax exposures	Our audit procedures included, but were not limited to the following:
Refer Note 2(C)(vii) to the standalone financial statements – "Use of estimate and judgement – Provisions", Note 2(D)(xii) to the standalone financial statements – "Provisions, contingent liabilities and contingent assets" and Note 34(A) to the standalone financial statements – "Contingent liabilities"	• Obtained an understanding of the management's process for identification of tax matters initiated against the Company, updating the status of the tax assessments, and estimating provision for taxes.

As at 31 March 2020, the Company has significant uncertain tax positions including matters under dispute with excise, service tax and custom authorities which could have a significant impact on the standalone financial statements, if the potential exposures were to materialise. The application of Appendix C of Ind AS 12, Income Taxes, for evaluation of uncertain tax treatment to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective, and based on professional advice sought from external tax consultants. The measurement of provisions and disclosure of contingent liabilities for the aforesaid tax exposures requires a careful evaluation of the facts and consideration of various legal aspects of the matters involved. As the outcome of such assessments is uncertain, the position taken by the management involves significant judgment and estimation and auditing management judgments on whether the tax positions are probable of being sustained in tax assessments involves a high degree of subjectivity, this matter has been considered to be a Key Audit Matter.	• Evaluated the design and implementation and tested the operating effectiveness of the internal controls over the completeness of records and those related to interpretation of tax laws and its application in estimation of tax liabilities. • Obtained details of open tax assessments as at 31 March 2020 including demands raised against the Company from the management. • Tested the independence, objectivity and competence of internal and external management's experts who were involved and representing these cases in various authorities. • Involved auditor's experts to evaluate the tax opinions and challenge the reasonableness of the assumptions used in estimating the tax provisions and contingent liabilities and the possible outcomes of the disputes based on knowledge and understanding of the prevalent tax laws and regulations, outcome of previous claims, legal opinion sought by the management and developments in the tax environment, etc. • Evaluated the adequacy and appropriateness of disclosures made by the Company in the standalone financial statements.
Existence of inventories Refer Note 2(D)(xv) and Note 10 to the standalone financial statements. The Company holds inventory at various offices and warehouses in India. As per the Company's inventory verification plan, management has performed physical verification of the inventory at all locations. Our attendance at physical verification of inventory carried out by management was impracticable due to the lockdown enforced in the country near the year-end and travel restrictions imposed by the government and state authorities. Consequently, we have performed alternate audit procedures to obtain sufficient appropriate audit evidence over existence and condition	Our audit procedures included but were not limited to the following: • Obtained an understanding of the management's process for inventory count, including the changes required thereto as a result of COVID-19 related restrictions. • Evaluated the design and implementation and tested the operating effectiveness of the relevant key controls with respect to physical verification of inventory. • Verified the instructions issued by the management to all location heads and evaluated the signed inventory observation documents received from respective locations responsible for the physical verification of inventory.

of inventory as per the guidance provided in Standard on Auditing 501 "Audit Evidence – Specific Considerations for Selected Items". As a result of the above-mentioned complexities involved in the alternate procedures, existence of year-end inventory balance is considered as a Key Audit Matter.	• Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory. • Ensured that the differences noted, if any, in management's physical verification of inventory from book records were adequately adjusted in books of account. • Agreed the details for inventory lying with the Company's offices and warehouses as at 31 March 2020 to underlying supporting documents. • Further, for the inventories sold subsequent to year end, verified the invoices and goods outward notes. Details are cross verified with gate register over video conferencing. • For inventory lying in the custom warehouse, we have verified the Bill of Entry filed subsequently. • Performed cut off procedures for purchases and sales made near year end based on average delivery period.

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

9. 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

10. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 financial position, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. 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.

12. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

13. 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.

14. 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 with reference to financial statements 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 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; and

- 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.

15. 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.

16. 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.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit, 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.

19. 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.

20. Further to our comments in Annexure II, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and except for the matter described in the Basis for Qualified Opinion section, 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 accompanying standalone financial statements;

    b) except for the effects of the matter described in the Basis for Qualified Opinion section, 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 section, 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 2020 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 section;

g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 June 2020 as per Annexure II expressed unmodified 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. except for the effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section, the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2020, as detailed in Note 34(A) to the standalone financial statements;

   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 2020;

   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 2020; 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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 20106815AAAABT9588

Place : Mumbai
Date : 30 June 2020

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 2020

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 fixed property, plant and equipment.

(b) The property, plant and equipment 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 property, plant and equipment 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 loans, investments and guarantee. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and 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) 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, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.

(b) There are no dues in respect of duty of excise and goods and service tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs and value added tax on account of any dispute, are as follows:

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 2020 (CONTD)

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
Income-tax Act, 1961	Income tax	13.01	13.01	Assessment year 2005-06	Deputy Commissioner of Income Tax
Income-tax Act, 1961	Income tax	2.13	2.13	Assessment year 2006-07	Deputy Commissioner of Income Tax
Income-tax Act, 1961	Income tax	5.12	5.12	Assessment year 2007-08	Deputy Commissioner of Income Tax
Income-tax Act, 1961	Income tax	0.28	0.28	Assessment year 2008-09	Commissioner of Income Tax (Appeal)
Income-tax Act, 1961	Income tax	0.55	0.55	Assessment year 2009-10	Commissioner of Income Tax (Appeal)
Income-tax Act, 1961	Income tax	5.53	5.53	Assessment year 2010-11	Commissioner of Income Tax (Appeal)
Income-tax Act, 1961	Income tax	2.22	0.44	Assessment year 2011-12	Commissioner of Income Tax (Appeal)
Income-tax Act, 1961	Income tax	4.73	4.73	Assessment year 2012-13	Income Tax Appellant Tribunal
Income-tax Act, 1961	Income tax	4.43	-	Assessment year 2013-14	Income Tax Appellant Tribunal
Income-tax Act, 1961	Income tax	11.94	-	Assessment year 2014-15	Income Tax Appellant Tribunal
Income-tax Act, 1961	Income tax	0.55	0.54	Assessment year 2015-16	Commissioner of Income Tax (Appeal)
Income-tax Act, 1961	Income tax	0.04	-	Assessment year 2016-17	Commissioner of Income Tax (Appeal)
West Bengal Sales Tax, 1994	Sales tax	0.03	-	2003-04, 2005-06 and 2006-07	Sr. Joint Commissioner of Commercial Tax, West Bengal
The Kerala Value Added Tax Act, 2003	Value added tax	0.08	-	2008-09	Kerala VAT Tribunal
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	0.28	0.08	2008-09	Additional Commissioner (Appeal) of Commercial Tax, Lucknow
The Kerala Value Added Tax Act, 2003	Value added tax	0.05	0.02	2011-12	Assistant Commissioner Appeals
The Kerala Value Added Tax Act, 2003	Value added tax	0.03	0.01	2009-10	Assistant Commissioner Appeals
The Gujarat Value added Tax Act, 2003	Value added tax	0.74	0.26	2011-12	Gujarat VAT Tribunal
The Gujarat Value added Tax Act, 2003	Value added tax	1.58	0.44	2012-13	Gujarat VAT 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 2020 (CONTD)

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 Gujarat Value added Tax Act, 2003	Value added tax	0.20	0.06	2013-14	Gujarat VAT Tribunal
The Maharashtra Value Added Tax Act, 2002	Value added tax	0.47	0.03	2013-14	Joint Commissioner of Appeals
The Gujarat Value added Tax Act, 2003	Value added tax	0.54	0.07	2015-16	Joint Commissioner Appeal, Ahmedabad
Tamil Nadu Value Added Tax Act, 2006	Value added tax	0.10	-	2015-16	Deputy Commissioner Appeal, Chennai
The Kerala Value Added Tax Act, 2003	Value added tax	1.15	-	2013-14, 2014-15, 2015-16 and 2016-17	State Tax Officer
The Haryana Value Added Tax Act, 2003	Value added tax	1.90	-	2015-16	Joint Excise & Tax Commissioner (Appeals), Haryana
The Maharashtra Value Added Tax Act, 2002	Value added tax	0.51	-	2015-16	Deputy Commissioner of State Tax
The Gujarat Value added Tax Act, 2003	Value added tax	2.50	-	2016-17	Commissioner of State Tax, Ahmedabad
Finance Act,1994	Service tax	0.50	0.05	2006-07, 2007-08 and 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Finance Act,1994	Service tax	4.17	0.35	2003-04 to 2006-07	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Finance Act,1994	Service tax	0.74	0.04	2004-05 to 2006-07	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Finance Act,1994	Service tax	4.73	0.05	2003-04 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Finance Act,1994	Service tax	5.40	0.50	2004-05 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
The Customs Act,1962	Custom duty	6.60	-	Various financial years	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad (Order also passed by Supreme Court)
Finance Act,1994	Service tax	0.06	0.03	2005-06	Commissioner of Central Excise and Service 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 2020 (CONTD)

(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 bank:

Name of the bank	Amount of default (₹ in Crores)	Period of default	Remarks
Yes Bank	2.55	May 2019	The repayment has subsequently been made in July 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) 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) In our opinion, 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 standalone financial statements 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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 20106815AAAABT9588

Place : Mumbai
Date : 30 June 2020

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 2020

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of 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 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the ICAI. 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 internal financial

controls with reference to financial statements 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.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 20106815AAAABT9588

Place : Mumbai
Date : 30 June 2020

STANDALONE BALANCE SHEET as at 31 March 2020

₹ in Crores

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	6.51	7.70
Right of use assets	4	17.04	-
Other intangible assets	5	0.60	0.78
Financial assets			
Investments	6	48.72	48.72
Loans	7	1.63	1.46
Other financial assets	8	0.99	1.03
Tax assets (net)		71.10	62.13
Other non-current assets	9	5.92	5.97
Total non-current assets		**152.51**	**127.79**
Current assets			
Inventories	10	10.00	16.18
Financial assets			
Trade receivables	11	77.11	93.92
Cash and cash equivalents	12	1.09	0.73
Bank balances other than cash and cash equivalents	12	1.83	2.76
Loans	7	19.02	23.68
Other financial assets	8	18.43	24.77
Other current assets	9	57.71	54.89
Total current assets		**185.19**	**216.93**
TOTAL ASSETS		**337.70**	**344.72**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	29.75	29.74
Other equity		59.20	63.05
Total equity		**88.95**	**92.79**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14	14.20	-
Other financial liabilities	15	0.14	0.52
Provisions	16	6.85	6.31
Other non-current liabilities	17	9.94	12.63
Total non-current liabilities		**31.13**	**19.46**
Current liabilities			
Financial liabilities			
Borrowings	18	93.82	98.04
Trade payables	19		
Total outstanding dues to micro enterprises and small enterprises		17.17	6.99
Total outstanding dues to creditors other than micro enterprises and small enterprises		45.52	65.61
Lease liabilities	14	5.16	-
Other financial liabilities	15	23.34	25.36
Other current liabilities	17	32.04	35.82
Provisions	16	0.57	0.65
Total current liabilities		**217.62**	**232.47**
TOTAL EQUITY AND LIABILITIES		**337.70**	**344.72**

Notes 1 to 50 form an integral part of the standalone 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

Place : Indore
Date : 30 June 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

₹ in Crores

	Notes	31 March 2020	31 March 2019
Income			
Revenue from operations	20	309.35	306.85
Other income	21	6.26	6.25
Total income (I)		**315.61**	**313.10**
Expenses			
Cost of materials and components consumed	22	-	-
Purchase of stock-in-trade		114.73	115.48
Changes in inventories of work-in-progress and stock-in-trade	23	5.52	5.39
Service charges		103.92	98.09
Employee benefits expense (net)	24	36.43	44.60
Finance costs	25	18.50	17.05
Depreciation and amortisation expense	26	7.46	2.01
Other expenses	27	30.68	34.87
Total expenses (II)		**317.24**	**317.49**
Loss before exceptional items and tax (I - II)		**(1.63)**	**(4.39)**
Exceptional items - income	28	-	5.67
(Loss) / profit before tax		**(1.63)**	**1.28**
Tax expenses		-	-
Net (loss) / profit for the year		**(1.63)**	**1.28**
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
- Remeasurement (loss) / gain on defined benefit plan		(0.51)	0.83
Other comprehensive (loss) / income for the year		**(0.51)**	**0.83**
Total comprehensive (loss) / income for the year		**(2.14)**	**2.11**
(Loss) / earnings per equity share	29		
Loss per share of ₹10 each before exceptional items:			
Basic (in ₹)		(0.55)	(1.50)
Diluted (in ₹)		(0.55)	(1.50)
(Loss) / earnings per share of ₹10 each after exceptional items:			
Basic (in ₹)		(0.55)	0.44
Diluted (in ₹)		(0.55)	0.44

Notes 1 to 50 form an integral part of the standalone 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

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Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2020

₹ in Crores

	31 March 2020	31 March 2019
Cash flows from operating activities		
(Loss) / profit before tax	**(1.63)**	**1.28**
Adjustments for non-cash transactions and items considered separately:		
Depreciation and amortisation expense	7.46	2.01
Loss on disposal of property, plant and equipment	-	0.01
(Reversal) / creation of provision for warranties	(0.01)	0.02
Allowances for doubtful debts	5.62	0.41
Liabilities / provisions for earlier years no longer required written back	(0.68)	(2.00)
Unrealised foreign exchange loss / (gain)	0.37	(0.77)
Finance costs	18.50	17.05
Interest income on bank deposits	(0.21)	(0.18)
(Reversal) / expenses on employee stock option scheme	(0.17)	0.64
Reversal of provision against obsolete / non-moving Inventory	-	(3.65)
Interest income on consideration from sale of Gandhinagar land and building	-	(0.91)
Interest income on inter corporate deposits	(3.63)	(1.89)
Profit on sale of Gandhinagar land and building	-	(1.11)
Operating profit before working capital changes	**25.62**	**10.91**
Changes in working capital :		
Trade receivables	11.68	10.36
Inventories	6.18	9.92
Loans and other assets	8.88	6.15
Trade payables	(10.40)	20.46
Provisions and other liabilities	(8.85)	4.55
Cash generated from operating activities before taxes	**33.11**	**62.35**
Income taxes paid	(8.97)	(4.28)
Net cash generated from operating activities (A)	**24.14**	**58.07**
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets (including Gandhinagar land and building)	(0.28)	(23.54)
Proceeds from sale of property, plant and equipment and other intangible assets (including Gandhinagar land and building)	0.06	23.50
Inter corporate deposit received back / (given)	3.20	(22.39)
Interest received on bank deposits	0.33	0.29
Interest received on inter corporate deposits	-	1.89
Liquidation of / (investment in) margin money and bank deposits	0.46	(1.40)
Net cash generated from / (used in) investing activities (B)	**3.77**	**(21.65)**

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2020

₹ in Crores

	31 March 2020	31 March 2019
Cash flows from financing activities		
Issue of equity shares	0.01	-
Security premium received on issue of equity shares	0.05	-
Repayment of working capital loan (refer note 18)	(7.03)	(12.74)
Availment / (repayment) of cash credits (refer note 18)	2.81	(6.49)
Payment of lease liabilities (net)	(5.12)	-
Payment of unclaimed dividend	(0.16)	(0.03)
Payment of interest	(18.12)	(17.20)
Net cash used in financing activities (C)	**(27.56)**	**(36.46)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**0.35**	**(0.04)**
Cash and cash equivalents at the beginning of the year	0.73	0.86
Unrealised gain / (loss) on foreign currency cash and cash equivalents	0.01	(0.09)
Cash and cash equivalents at the end of the year (refer note 12)	**1.09**	**0.73**
Components of cash and cash equivalents		
Balances with banks:		
– In current accounts	0.36	0.32
– In deposit accounts	0.31	0.30
Cheques on hand	0.38	0.10
Cash on hand	0.04	0.01
Total cash and cash equivalents	**1.09**	**0.73**

Notes 1 to 50 form an integral part of the standalone financial statements.

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of AGC Networks Limited

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Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

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Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

Equity share capital

Particulars	Note	Number of shares	₹ in Crores
As at 1 April 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**
Changes during the year		7,000	0.01
As at 31 March 2020	13	**29,744,649**	**29.75**

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 options outstanding		Remeasurement of defined benefit obligation	
As at 1 April 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
Remeasurement 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
As at 31 March 2019	**22.64**	**45.83**	**100.58**	**(108.68)**	**2.35**	**-**	**0.33**	**63.05**
Impact on account of adoption of Ind AS 116 - Leases (refer note 41)	-	-	-	(1.59)	-	-	-	(1.59)
Loss for the year	-	-	-	(1.63)	-	-	-	(1.63)
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(0.51)	(0.51)
Reversal of expenses on employee stock option scheme	-	-	-	-	(0.17)	-	-	(0.17)
Transferred to securities premium	-	0.02	-	-	(0.02)	-	-	-
Issue of share capital on exercise of employee stock option	-	0.05	-	-	-	-	-	0.05
As at 31 March 2020	**22.64**	**45.90**	**100.58**	**(111.90)**	**2.16**	**-**	**(0.18)**	**59.20**

Nature and purpose of reserves:

Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the company own equity instrument is transferred to capital reserve.

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.

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.

Equity component of compound financial instrument (preference shares)

Fair valuation of preference share capital

General reserve

This represent appropriation of profit by the company.

Retained earnings

Retained earnings comprises of current year and prior years undistributed earnings / (loss) after taxes.

Notes 1 to 50 form an integral part of the standalone 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

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Place : Indore
Date : 30 June 2020

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Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

All amounts included in the standalone 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 standalone 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) Deferred tax: 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.

(iii) **Defined benefit plan and compensated absences:** The cost of the defined benefit plan, 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.

(iv) **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 options 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.

(v) **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 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.

(vi) **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.

(vii) **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.

(viii) **Leases:** Ind AS 116 Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

D. Summary of significant accounting policies

(i) Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The standalone 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 instrument. 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 FVOCI 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. **De-recognition 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, or

b. Held primarily for the purpose of trading, or

c. Expected to be realised within twelve months after the reporting period, or

d. Cash or cash equivalents 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, or

b. Held primarily for the purpose of trading, or

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
Vehicles	4 years
Computers and servers	3 to 4 years
Electrical installations	5 years

Depreciation on addition to property, plant and equipment or on disposal of property, plant and equipment is calculated pro-rata from the month of such addition or up to the month of such 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 2020

(vii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset class consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets 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 (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

(ii) The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

(viii) Impairment of assets

a. Non-financial assets

Intangible assets, right of use assets and PPE 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 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing component. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the lifetime credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(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 in the financial statements 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 recognize 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 plan for post employment benefits in the form of provident fund, employees' state insurance and labour welfare fund. Under the defined contribution plan, 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 plan for post employment benefits in the form of gratuity for its employees in India. Liability for defined benefit plan 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 remeasurement of net defined benefit liability or asset through other comprehensive income.

Remeasurement 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 employee 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 of performance incentives.

(xi) Share based payments

The Company determines the compensation cost based on the fair value method using Black-Scholes-Merton formula 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 payment 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 the “other assets”.

(xii) Provisions, contingent liabilities and contingent assets

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.

Contingent asset is not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

(xiii) 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.

(xiv) Borrowing costs

Borrowing costs 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 in which they occur.

(xv) 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.

(xvi) 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 "revenue received in advance".

The Company collects goods and services tax (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 “revenue received in advance”.

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 revenue

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.

(xvii) 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 temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred 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 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 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 tax liabilities are recognised for all taxable temporary differences.

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(xviii) 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.

(xix) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(xx) Equity shares

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(xxi) 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.

(xxii) Recent accounting pronouncements (Standards issued but not effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

3 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Buildings*	Plant and equipment	Computers and servers	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount								
As at 1 April 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
As at 31 March 2019	**0.09**	**19.27**	**11.39**	**1.09**	**2.26**	**10.01**	**0.07**	**44.18**
Additions	-	0.09	0.02	0.04	0.06	0.02	-	0.23
Disposals	-	-	0.17	-	-	0.02	-	0.19
As at 31 March 2020	**0.09**	**19.36**	**11.24**	**1.13**	**2.32**	**10.01**	**0.07**	**44.22**
Accumulated depreciation								
As at 1 April 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
As at 31 March 2019	**0.08**	**14.36**	**9.74**	**0.95**	**1.90**	**9.38**	**0.07**	**36.48**
Charge for the year	0.00	0.55	0.57	0.04	0.08	0.13	-	1.37
Disposals	-	-	0.12	-	-	0.02	-	0.14
As at 31 March 2020	**0.08**	**14.91**	**10.19**	**0.99**	**1.98**	**9.49**	**0.07**	**37.71**
Net carrying amount								
As at 31 March 2019	**0.01**	**4.91**	**1.65**	**0.14**	**0.36**	**0.63**	**-**	**7.70**
As at 31 March 2020	**0.01**	**4.45**	**1.05**	**0.14**	**0.34**	**0.52**	**-**	**6.51**

Notes:

1. Building includes those constructed on leasehold land.
2. For capital commitments, refer note 34(B).

* Refer note 38

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

4 RIGHT OF USE ASSETS*

₹ in Crores

	Buildings
Gross carrying amount	
As at 1 April 2019	19.06
Additions	3.84
As at 31 March 2020	**22.90**
Accumulated depreciation	
Charge for the year	5.86
As at 31 March 2020	**5.86**
Net carrying amount	
As at 31 March 2020	**17.04**

*Refer note 41

5 OTHER INTANGIBLE ASSETS

₹ in Crores

	Computer software
Gross carrying amount	
As at 1 April 2018	12.81
Additions	0.04
Disposals	0.02
As at 31 March 2019	**12.83**
Additions	0.05
Disposals	-
As at 31 March 2020	**12.88**
Accumulated amortisation	
As at 1 April 2018	11.34
Charge for the year	0.73
Disposals	0.02
As at 31 March 2019	**12.05**
Charge for the year	0.23
Disposals	-
As at 31 March 2020	**12.28**
Net carrying amount	
As at 31 March 2019	**0.78**
As at 31 March 2020	**0.60**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

6 NON-CURRENT INVESTMENTS

	31 March 2020				31 March 2019			
	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**
Aggregate amount of unquoted investments				**48.72**				**48.72**
Aggregate amount of impairment in value of investments				-				-

7 LOANS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Unsecured, considered good				
Deposits	1.63	1.46	1.72	3.18
Inter corporate deposit (refer note 40)	-	-	17.30	20.50
	1.63	**1.46**	**19.02**	**23.68**

Refer note 36 for information on credit risk and market risk.

8 OTHER FINANCIAL ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Unsecured, considered good				
Margin money deposits with banks *	0.80	0.49	-	-
Receivable against sale of property, plant and equipment (refer note 38)	-	-	1.46	1.46
Receivable from related parties	0.14	0.52	11.40	21.22
Interest accrued on inter corporate deposit (refer note 40)	-	-	5.52	1.89
Interest accrued on margin money deposits	0.05	0.02	0.05	0.20
	0.99	**1.03**	**18.43**	**24.77**

Refer note 36 for information on credit risk and market risk.

* As lien against bank guarantees issued amounting to ₹ 12.17 Crores (31 March 2019 : ₹ 15.67 Crores)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

9 OTHER ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Advances other than capital advances				
Advance to vendors	-	-	1.44	3.35
Prepaid expenses	0.03	0.18	1.31	0.67
Balances with statutory / government authorities	5.89	5.79	11.45	13.13
Unamortised cost for maintenance contracts	-	-	36.62	30.85
Other receivables	-	-	6.89	6.89
	5.92	**5.97**	**57.71**	**54.89**

10 INVENTORIES

₹ in Crores

	31 March 2020	31 March 2019
Work-in-progress (refer note 23)	0.02	0.49
Stock-in-trade (includes in transit ₹ 0.59 Crores)	8.54	13.59
(31 March 2019: ₹ 0.39 Crores) (refer note 23)		
Stores and spares	1.44	2.10
	10.00	**16.18**

Note:

Write down of inventories to net realisable value amounted to ₹ Nil (31 March 2019: ₹ Nil). Further, reversal of write down of inventories amounted to ₹ Nil (31 March 2019: ₹ 3.65 Crores) (refer note 28(a)).

11 TRADE RECEIVABLES

₹ in Crores

	31 March 2020	31 March 2019
Unsecured		
Considered good	131.28	144.71
Less: Allowance for expected credit loss	(54.17)	(50.79)
Credit impaired	2.23	-
Less: Allowance for expected credit loss	(2.23)	-
	77.11	**93.92**
Includes due from related parties [refer note 33(III)]	6.51	13.11

Notes:

1. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms.
2. Refer note 36 for information on credit risk and market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

12 CASH AND CASH EQUIVALENTS AND BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

	31 March 2020	31 March 2019
Cash and cash equivalents		
Balances with banks:		
– In current accounts	0.36	0.32
– In deposit accounts	0.31	0.30
Cheques on hand	0.38	0.10
Cash on hand	0.04	0.01
	1.09	**0.73**
Bank balances other than cash and cash equivalents		
Margin money deposits with maturity of more than 3 months and less than 12 months*	1.83	2.60
Unclaimed dividend account** [refer note (a) below]	-	0.16
	1.83	**2.76**

* As lien against bank guarantees issued amounting to ₹ 12.17 Crores (31 March 2019 : ₹ 15.67 Crores).

** Represents earmarked balance in respect of unpaid dividend.

Note (a) - Unclaimed dividend account

₹ in Crores

Financial year	31 March 2020	31 March 2019
2011-12	-	0.16
	-	**0.16**

There are no repatriation restrictions with regard to cash and cash equivalents and bank balances other than cash and cash equivalents as at the end of the reporting period and prior periods.

Refer note 36 for information on credit risk and market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

13 EQUITY SHARE CAPITAL

₹ in Crores

	31 March 2020	31 March 2019
Authorised share capital		
45,000,000 (31 March 2019: 45,000,000) equity shares of ₹10 each	45.00	45.00
5,000,000 (31 March 2019: 5,000,000) Non-cumulative Non-convertible redeemable preference shares of ₹ 100 each	50.00	50.00
5,000,000 (31 March 2019: 5,000,000) Compulsory convertible preference shares of ₹ 100 each	50.00	50.00
Issued, subscribed and fully paid-up share capital		
29,744,649 (31 March 2019 : 29,737,649) equity shares of ₹ 10 each	29.75	29.74
Total issued, subscribed and fully paid-up share capital	**29.75**	**29.74**

Notes:

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2020		31 March 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	29,737,649	29.74	28,466,464	28.47
Conversion of CCPS to equity shares	-	-	1,271,185	1.27
Shares issued on exercise of employee stock option plan (refer note 31)	7,000	0.01	-	-
Outstanding at the end of the year	**29,744,649**	**29.75**	**29,737,649**	**29.74**

1% Non-cumulative Non-convertible redeemable preference shares ('NCRPS')

	31 March 2020		31 March 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	-	-	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	**-**	**-**	**-**	**-**

0.01% Compulsory convertible preference shares ('CCPS')

	31 March 2020		31 March 2019	
	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 where-in authorised preference share capital was re-classified to ₹ 100 Crores comprising of 5,000,000 Non-cumulative Non-convertible redeemable preference shares of ₹ 100 each and 5,000,000 Compulsory convertible preference shares of ₹ 100 each.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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.

(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 ensuring 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 2020, ETL is holding 14,082,055 (31 March 2019 : 13,884,143) equity shares of ₹ 10 each fully paid-up amounting ₹ 14.08 Crores (31 March 2019 : ₹ 13.88 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 2020.

(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 2020		31 March 2019	
	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	14,082,055	47.34%	13,884,143	46.69%
- Onir Metallics Limited	6,472,897	21.76%	4,300,000	14.46%
- Export-Import Bank of India	-	-	1,958,606	6.59%
- Silverleaf Oak Advisors LLP	-	-	1,500,000	5.04%

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.

(g) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan of the Company, refer note 31.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

14 LEASE LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Lease liabilities	14.20	-	5.16	-
	14.20	**-**	**5.16**	**-**

Notes:

(a) Refer note 25 for interest on lease liabilities.

(b) The total cash outflow for leases during the year is ₹ 7.55 Crores (including interest).

(c) Refer note 41

(d) **The details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis are as follows:**

₹ in Crores

	31 March 2020	31 March 2019
Within one year	7.51	7.82
Later than one year and not later than five years	16.47	9.17
Later than five years	0.05	-

15 OTHER FINANCIAL LIABILITIES

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Employee related payables	-	-	3.95	5.08
Payables for expenses	-	-	12.22	8.65
Unclaimed dividend *	-	-	-	0.16
Interest accrued on borrowings [refer note 18 (c)]	-	-	0.97	0.58
Guarantee liability (refer note 39)	0.14	0.52	0.38	0.38
Payables for letter of credit	-	-	5.82	10.51
	0.14	**0.52**	**23.34**	**25.36**

* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as at 31 March 2020 and 31 March 2019. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

16 PROVISIONS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits				
Provision for gratuity [refer note 30(b)]	6.28	5.70	0.17	0.21
Provision for compensated absences [refer note 30(c)]	0.57	0.61	0.03	0.06
	6.85	**6.31**	**0.20**	**0.27**
Other provision				
Provision for warranties [refer note (a) below]	-	-	0.37	0.38
	-	**-**	**0.37**	**0.38**
	6.85	**6.31**	**0.57**	**0.65**

(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 2020	31 March 2019
At the beginning of the year	0.38	0.36
Recognised during the year	0.37	0.38
Unused amounts reversed	(0.38)	(0.36)
At the end of the year	**0.37**	**0.38**

17 OTHER LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue received in advance (refer note 45)	9.94	12.63	24.73	30.12
Advances from customers	-	-	1.93	2.27
Statutory dues payable	-	-	2.83	2.02
Other payables	-	-	2.55	1.41
	9.94	**12.63**	**32.04**	**35.82**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

18 CURRENT BORROWINGS

₹ in Crores

	31 March 2020	31 March 2019
Secured		
Working capital loan from bank [refer footnote (a)]	-	7.03
Loans repayable on demand		
Cash credits from banks [refer footnote (b)]	93.82	91.01
	93.82	**98.04**

Cash flow changes in liabilities arising from financial activities:

₹ in Crores

Particulars	Borrowings
As at 1 April 2018	**117.27**
Cash flows (net)	(19.23)
As at 31 March 2019	**98.04**
Cash flows (net)	(4.22)
As at 31 March 2020	**93.82**

Footnotes:

(a) 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 2019: 10.25% p.a.) plus spread 1.5% p.a. Hence effective rate is 11.75% p.a. (31 March 2019: 11.75% p.a.). The loan was fully repaid on 5 July 2019.

(b) 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 2019 : 13.00% to 15.00% p.a.).

(c) In view of COVID-19 pandemic, the Reserve Bank of India has, vide Circular No. RBI/2019-20/186 dated 27 March 2020, inter-alia, permitted the lending institutions to defer recovery of interest in respect of working capital facility during the period from 1 March 2020 to 31 May 2020. The Company has applied for the aforementioned moratorium for all the cash credit facilities.

Note:

During the year ended 31 March 2020, the Company has defaulted in repayment of working capital loan to Yes Bank amounting to ₹ 2.55 Crores which was due on 9 May 2019. The repayment has subsequently been made after the due date on 5 July 2019 for the above-mentioned default.

During the year ended 31 March 2019, the Company had defaulted in repayment of working capital loan to Yes Bank amounting to ₹ 3.38 Crores, ₹ 4.50 Crores and ₹ 4.50 Crores which was due on 9 May 2018, 8 November 2018 and 9 February 2019 respectively. The repayment has subsequently been made after the due date on 22 May 2018, 31 January 2019 and 9 April 2019 for the above-mentioned defaults.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

19 TRADE PAYABLES

₹ in Crores

	31 March 2020	31 March 2019
Dues to micro enterprises and small enterprises (refer note 35)	17.17	6.99
Dues to creditors other than micro enterprises and small enterprises	45.52	65.61
	62.69	**72.60**

Note:

Trade payables are generally non-interest bearing and are normally settled in line with respective industry norms.

20 REVENUE FROM OPERATIONS

₹ in Crores

	31 March 2020	31 March 2019
Revenue from operations		
Sale of products (refer footnote of note 23)	143.06	148.26
Sale of services [refer note (a) below]	165.44	156.59
	308.50	**304.85**
Other operating revenue		
Liabilities / provisions for earlier years no longer required written back [refer note (b) below]	0.85	2.00
	309.35	**306.85**

Notes:

(a) Details of sale of services

₹ in Crores

	31 March 2020	31 March 2019
- Maintenance services	76.90	68.58
- Implementation services	88.54	88.01
	165.44	**156.59**

(b) Details of liabilities / provisions for earlier years no longer required written back

₹ in Crores

	31 March 2020	31 March 2019
- pertaining to provision for expenses	0.07	0.07
- pertaining to employee stock option expense	0.17	-
- pertaining to trade payables	0.23	1.40
- pertaining to goods receipt / invoice receipt balances	0.15	0.20
- pertaining to advance from customers	0.23	0.33
	0.85	**2.00**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

21 OTHER INCOME

₹ in Crores

	31 March 2020	31 March 2019
Interest income on		
Bank deposits	0.21	0.18
Income tax refund	0.96	2.85
Inter corporate deposits	3.63	1.89
Others	0.22	0.25
Corporate guarantee commission [refer note 33 (II)]	0.75	0.74
Net gain on foreign currency transaction and translation	-	0.30
Miscellaneous income	0.49	0.04
	6.26	**6.25**

22 COST OF MATERIALS AND COMPONENTS CONSUMED

₹ in Crores

	31 March 2020	31 March 2019
Inventory at the beginning of the year	-	0.14
Add: Purchases made / (return) during the year	-	(0.14)
	-	-
Less: Inventory at the end of the year	-	-
	-	-

23 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Crores

	31 March 2020	31 March 2019
Inventories at the end of the year		
Stock-in-trade	8.54	13.59
Work-in-progress	0.02	0.49
	8.56	**14.08**
Inventories at the beginning of the year		
Stock-in-trade	13.59	19.02
Work-in-progress	0.49	0.45
	14.08	**19.47**
	5.52	**5.39**

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

24 EMPLOYEE BENEFITS EXPENSE (NET)

₹ in Crores

	31 March 2020	31 March 2019
Salaries and wages *	33.89	41.10
Contribution to provident and other funds [refer note 30(a)] *	1.08	0.99
Staff welfare expenses	1.46	1.87
Share based payment to employees (refer note 31)	-	0.64
	36.43	**44.60**

* Includes amount paid to key managerial personnel amounting ₹ 1.29 Crores (31 March 2019: ₹ 2.25 Crores) [refer note 33 (IV)].

25 FINANCE COSTS

₹ in Crores

	31 March 2020	31 March 2019
Interest on borrowings	12.90	14.79
Guarantee commission	0.17	0.18
Interest on lease liabilities	2.99	-
Other borrowing costs	2.44	2.08
	18.50	**17.05**

26 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (refer note 3)	1.37	1.28
Depreciation of right of use assets (refer note 4)	5.86	-
Amortisation of other intangible assets (refer note 5)	0.23	0.73
	7.46	**2.01**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

27 OTHER EXPENSES

₹ in Crores

	31 March 2020	31 March 2019
Consumption of stores and spares	1.23	1.35
Power and water charges	0.98	0.97
Rent [refer note (a) below]	0.79	8.21
Rates and taxes	0.49	1.02
Insurance	0.11	0.11
Repairs and maintenance - others	3.61	3.20
Travelling and conveyance	8.61	9.48
Communication expenses	0.84	0.96
Legal and professional fees	4.34	4.15
Advertisement and sales promotion	0.44	0.96
Outward freight, clearing and forwarding charges	0.36	0.39
Commission on sales	0.13	0.06
Directors' sitting fees [refer note 33(IV)]	0.27	0.33
Corporate social responsibility expenditure (refer note 44)	0.11	-
Auditor's remuneration [refer note (b) below]	1.22	0.71
Net loss on foreign currency transaction and translation	0.09	-
Allowance for expected credit loss	5.62	0.41
Loss on disposal of property, plant and equipment (net)	-	0.01
Miscellaneous expenses	1.44	2.55
	30.68	**34.87**

Notes:

(a) Amounts recognised for short term leases and income from subleasing

₹ in Crores

	31 March 2020	31 March 2019
Rent relating to short term leases	0.19	-
Income from subleasing of right of use assets	0.07	-

(b) Auditor's remuneration

₹ in Crores

	31 March 2020	31 March 2019
As auditors:		
Audit fee and limited review fees (including consolidation)	1.10	0.60
In other capacities:		
Other services (certification fees)	0.02	0.02
Reimbursement of expenses	0.10	0.09
	1.22	**0.71**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

28 EXCEPTIONAL ITEMS - INCOME

₹ in Crores

	31 March 2020	31 March 2019
Reversal of provision against obsolete / non-moving inventory [refer note (a) below]	-	3.65
Interest income against sale of property, plant and equipment [refer note (b) below and note 38]	-	0.91
Profit on sale of property, plant and equipment [refer note (c) below and note 38]	-	1.11
	-	**5.67**

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 interest income on sale consideration receivable from the erstwhile buyer with respect to sale of property situated at Gandhinagar (also, refer note 38).

(c) Represents profit on sale of property, plant and equipment situated at Gandhinagar (also, refer note 38).

29 EARNINGS / (LOSS) PER EQUITY SHARE (EPS)

	31 March 2020	31 March 2019
The components of basic and diluted earnings / (loss) per share are as follows:		
(a) Net (loss) / profit attributable to equity shareholders		
Net loss before exceptional items (₹ in Crores)	(1.63)	(4.39)
Net (loss) / profit after exceptional items (₹ in Crores)	(1.63)	1.28
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	29,738,548	29,201,313
Add : Effect of dilutive potential equity shares arising from outstanding stock options *	328,211	156,841
Considered for diluted EPS	30,066,759	29,358,154
(c) (Loss) / earnings per equity share		
Loss per share of ₹10 each before exceptional items :		
Basic (in ₹)	(0.55)	(1.50)
Diluted (in ₹)	(0.55)	(1.50)
(Loss) / earnings per share of ₹10 each after exceptional items :		
Basic (in ₹)	(0.55)	0.44
Diluted (in ₹)	(0.55)	0.44

* As at 31 March 2020, 619,262 (31 March 2019 : 626,262) potential equity shares outstanding as share option under the ESOP Scheme 2015 (refer note 31), are considered for calculation of diluted EPS.

The effect of 619,262 and 626,262 potential equity shares outstanding as at 31 March 2020 and 31 March 2019 respectively is anti-dilutive and thus these shares are not considered in determining diluted (loss) / earnings per share.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

30 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 2020	31 March 2019
Contribution to provident fund	0.92	0.95

Above amount has been included in the line item "Contribution to provident and other funds" in note 24.

(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 employee 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 the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Current service cost	0.58	0.72
Interest expense	0.46	0.48
Employee benefit expense recognised in profit and loss	**1.04**	**1.20**
Actuarial (gain) / loss charged to Other Comprehensive Income (OCI)		
Actuarial (gain) / loss due to demographic assumptions	(0.00)	-
Actuarial (gain) due to experience adjustment	(0.05)	(0.29)
Actuarial loss / (gain) due to change in financial assumptions	0.56	(0.54)
Net employee benefits expense / (income) recognised in OCI	**0.51**	**(0.83)**

Amount recognised in the balance sheet in respect of gratuity liability (defined benefit plan) is as follows:
Benefit liability

₹ in Crores

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation (net)	6.45	5.91
Net liability recognised in balance sheet	**6.45**	**5.91**

Changes in the present value of the defined benefit obligation are as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Opening defined benefit obligation (net)	5.91	6.35
Current service cost	0.58	0.72
Interest cost	0.46	0.48
Benefits paid	(1.01)	(0.81)
Remeasurement loss / (gain)	0.51	(0.83)
Closing defined benefit obligation (net)	**6.45**	**5.91**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Bifurcation of defined benefit obligation:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Current	0.17	0.21
Non-current	6.28	5.70
	6.45	**5.91**

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 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- /+ 1%)	0.63	(0.52)	0.59	(0.51)
Salary Growth Rate (- / + 1%)	(0.46)	0.53	(0.45)	0.50
Attrition Rate	0.00	0.02	(0.07)	0.06
(- /+ 50% of attrition rates provided in principal assumption table)				
Mortality Rate (- /+ 10%)	0.01	0.02	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 2020	31 March 2019
Discount rate (% per annum)	6.65%	7.70%
Salary escalation rate (% per annum)	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08) (modified) Ultimate
Attrition rate, based on age:		
Up to 26 years	5.00%	5.00%
27 - 34 years	12.00%	12.00%
35 - 44 years	5.00%	5.00%
Above 44 years	1.00%	1.00%

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Amounts for the current and previous four periods are as follows: ₹ in Crores

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Gratuity					
Defined benefit obligation	6.45	5.91	6.35	4.81	4.71
Plan assets	-	-	-	-	-
Deficit	6.45	5.91	6.35	4.81	4.71
Experience adjustments on plan liabilities	-	-	-	(0.05)	0.22
Experience adjustments on plan assets	-	-	-	-	-
Actuarial loss / (gain) due to change in assumptions	0.51	(0.83)	0.90	0.40	0.05

The Company expects to contribute ₹ Nil to gratuity in the next year (31 March 2019: ₹ Nil).

Maturity profile of Defined Benefit Obligation: ₹ in Crores

Particulars	31 March 2020	31 March 2019
One year	0.18	0.22
Two to five years	2.06	1.43
Six years and above	10.54	12.08

(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 at 31 December 2016 is entitled to be en-cashed only during separation from the Company based on the basic salary as at 31 December 2016.

31 EMPLOYEES STOCK OPTION PLAN

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, 320,248 and 170,799 stock options on 14 May 2015, 19 May 2016 and 15 June 2018 respectively. 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 the end of vesting period	2 years from the end of vesting period	2 years from the end of 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 Securities and Exchange Board of India (SEBI) guidelines in force, at the time of such grants.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

The details of activity under the ESOP scheme 2015 are summarised below:

Particulars	31 March 2020		31 March 2019	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	626,262	74.58	471,120	63.00
Granted during the year	-	-	170,799	107.00
Cancelled during the year	-	-	15,657	80.00
Exercised during the year	7,000	80.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	619,262	74.51	626,262	74.58
Exercisable at the end of the year	187,924	-	44,621	-

* WAEP denotes weighted average exercise price of the option

The following tables summarizes the information about the options as at 31 March 2020 and 31 March 2019 respectively.

Grant	As at 31 March 2020		
	Grant date	No of options outstanding	Weighted Average life*
Series 1	14 May 2015	128,215	1.18
Series 2	19 May 2016	320,248	2.14
Series 3	15 June 2018	170,799	4.22

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

* 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 2020 is ₹ 48.72 (31 March 2019: ₹ 48.54). 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

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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.

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 statement.

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 LLC, USA (formerly known as AGC Networks Inc.)
AGC Networks Philippines, Inc.
AGC Networks & 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)
RevealCX LLC (w.e.f. 3 December 2019)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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
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

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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.
Black Box Network Services Hong Kong Limited

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:
Essar Bulk Terminal (Salaya) Limited
Essar Bulk Terminal Limited
Essar Oil UK Limited
Essar Power Hazira Limited
Essar Shipping Limited
Essar Steel Algoma Inc.
Arcelormittal Nippon Steel India Limited (formerly known as Essar Steel India Limited) (up to 16 December 2019)
The Mobilestore Limited
Essar Power M P Limited
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited) (up to 31 July 2018)
Ibrox Aviation And Trading Private Limited

(v) Key Managerial Personnel:
Mr. Sanjeev Verma, Whole-time Director
Mr. Sujay R Sheth, Independent Director
Mr. Dilip Thakkar, Independent Director
Mrs. Mahua Mukherjee, Executive Director (w.e.f. 5 April 2018)
Mr. Aditya Goswami, Company Secretary
Mr. Naresh Kothari, Non-executive Director
Mr. Deepak Kumar Bansal, Chief Financial Officer and Executive Director (Executive Director w.e.f. 26 September 2019)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(II) Transactions during the year with related parties :

₹ in Crores

Nature of transaction	Subsidiary companies (including step down subsidiaries)		Entities under common control	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Sale of products *				
AGC Networks Pte. Limited	1.26	-	-	-
AGC Networks LLC, USA	0.26	0.29	-	-
AGC Networks LLC, Dubai	0.48	-	-	-
AGC Networks & Cyber Solutions Limited	0.01	0.39	-	-
Black Box Network Services India Private Limited	13.14	-	-	-
Essar Oil UK Limited	-	-	2.19	0.63
Essar Power Hazira Limited	-	-	-	0.78
Essar Shipping Limited	-	-	-	0.53
Essar Bulk Terminal Limited	-	-	-	0.84
Ibrox Aviation And Trading Private Limited	-	-	-	8.60
	15.15	**0.68**	**2.19**	**11.38**
Sale of services *				
AGC Networks Australia Pty Limited	0.51	0.80	-	-
AGC Networks LLC, Dubai	0.07	-	-	-
AGC Networks Philippines, Inc.	0.12	0.13	-	-
AGC Networks LLC, USA	0.62	0.97	-	-
Essar Bulk Terminal (Salaya) Limited	-	-	-	0.01
Essar Bulk Terminal Limited	-	-	0.00	-
Essar Oil UK Limited	-	-	3.86	4.27
Essar Power M P Limited	-	-	0.57	-
Essar Steel Algoma Inc.	-	-	-	2.75
	1.32	**1.90**	**4.43**	**7.03**
Purchase of stock-in-trade				
AGC Networks LLC, USA	0.92	-	-	-
Black Box Network Services India Private Limited	0.07	-	-	-
	0.99	**-**	**-**	**-**
Lease rental income				
Black Box Network Services India Private Limited	0.03	-	-	-
	0.03	**-**	**-**	**-**
Expenses reimbursement recoveries				
AGC Networks Australia Pty Limited	0.50	1.64	-	-
AGC Networks Pte. Limited	18.71	10.78	-	-
AGC Networks Philippines, Inc.	0.10	0.10	-	-
AGC Networks LLC, USA	1.10	1.13	-	-
AGC Networks LLC, Dubai	0.29	0.59	-	-
AGC Networks & Cyber Solutions Limited	0.23	0.29	-	-
TMW Fintech Private Limited	-	-	-	1.56
	20.93	**14.53**	**-**	**1.56**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

₹ in Crores

Nature of transaction	Subsidiary companies (including step down subsidiaries)		Entities under common control	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Reimbursement of expenses incurred by				
AGC Networks LLC, USA	0.90	0.73	-	-
AGC Networks LLC, Dubai	0.05	-	-	-
Arcelormittal Nippon Steel India Limited	-	-	0.02	-
TMW Fintech Private Limited	-	-	-	1.56
	0.95	**0.73**	**0.02**	**1.56**
Commission received on corporate guarantee				
AGC Networks Pte. Limited	0.75	0.74	-	-
	0.75	**0.74**	**-**	**-**

*Sale of products and services amounts represent invoices raised during the year and it includes invoices where revenue recognition has been deferred.

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(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 2020	31 March 2019	31 March 2020	31 March 2019
Amount payable by Company **				
AGC Networks Pte. Limited	1.07	1.43	-	-
AGC Networks LLC, Dubai	0.07	-	-	-
Black Box Network Services India Private Limited	0.27	-	-	-
Arcelormittal Nippon Steel India Limited	-	-	0.11	-
TMW Fintech Private Limited	-	-	-	0.39
	1.41	**1.43**	**0.11**	**0.39**
Trade receivables				
AGC Networks Australia Pty Limited	0.13	0.72	-	-
AGC Networks Pte. Limited	1.26	0.61	-	-
AGC Networks Philippines, Inc.	0.12	0.16	-	-
AGC Networks LLC, USA	0.50	5.06	-	-
AGC Networks LLC, Dubai	0.48	0.80	-	-
AGC Networks & Cyber Solutions Limited	-	0.39	-	-
Arcelormittal Nippon Steel India Limited	-	-	0.14	0.17
Essar Shipping Limited	-	-	0.53	0.53
Essar Bulk Terminal Limited	-	-	0.00	-
Essar Steel Algoma Inc.	-	-	-	0.23
Essar Oil UK Limited	-	-	0.91	2.15
Essar Power M P Limited	-	-	0.18	-
Ibrox Aviation And Trading Private Limited	-	-	2.26	2.26
TMW Fintech Private Limited	-	-	-	0.03
	2.49	**7.74**	**4.02**	**5.37**
Advances and other receivables				
AGC Networks Australia Pty Limited	0.11	0.30	-	-
AGC Networks Pte. Limited	6.73	17.11	-	-
AGC Networks Philippines, Inc.	0.44	0.41	-	-
AGC Networks LLC, USA	2.30	2.81	-	-
AGC Networks LLC, Dubai	1.14	0.90	-	-
AGC Networks & Cyber Solutions Limited	0.47	0.39	-	-
The Mobilestore Limited	-	-	0.02	0.02
	11.19	**21.92**	**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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(IV) Key Management Personnel (KMP) compensation:

The following table provides the total amount of transactions that have been entered into with KMP for the relevant financial year:

During the year, Nil (31 March 2019 : 71,166) ESOPs are granted to KMP and Nil (31 March 2019 : 15,657) ESOPs lapsed.

₹ in Crores

Particulars	31 March 2020	31 March 2019
Remuneration *		
Salary and contribution to provident fund	1.29	2.25
Directors' sitting fees	0.27	0.33

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 CAPITAL COMMITMENTS

₹ in Crores

	31 March 2020	31 March 2019
(A) Contingent liabilities		
In respect of disputed demands of matters which are under appeal with		
(a) Income tax authorities	50.54	51.13
(b) Excise, service tax and customs authorities	22.20	23.05
(c) Sales tax authorities	10.98	4.68
(d) Corporate guarantee (refer note 39)	44.88	41.16
(e) Claims against the Company not acknowledged as debt	0.71	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 standalone 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 standalone 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(B) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 0.28 Crores (31 March 2019 : ₹ 0.14 Crores)

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 include: ₹ in Crores

			31 March 2020	31 March 2019
Total outstanding dues of micro enterprises and small enterprises			17.17	6.99
Details of amounts due under the MSMED Act, 2006 are as under:				**₹ in Crores**
1) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	a)	Principal	16.76	6.99
	b)	Interest *	0.41	0.22
	Total		**17.17**	**7.21**
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	5.43	12.42
	b)	Interest	-	-
	Total		**5.43**	**12.42**
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.			0.23	-
4) The amount of interest accrued and remaining unpaid at the end of the year.	a)	Total Interest accrued*	0.41	0.22
	b)	Total Interest unpaid	**0.41**	**0.22**
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.	Includes ₹ 0.22 Crores being interest on dues outstanding to MSMEs as at 31 March 2019 beyond the appointed date. Company has made payment to certain MSMEs during the current year beyond the appointed date. Such payments were made without adding interest specified under MSMED Act, 2006.			

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 standalone 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

36.1 FINANCIAL INSTRUMENTS

a) **Categories of financial instruments**

₹ in Crores

	Carrying value and fair value	
	As at 31 March 2020	As at 31 March 2019
Financial assets (other than non-current investments)		
Measured at amortised cost		
Non-current		
(a) Loans	1.63	1.46
(b) Other financial assets	0.99	1.03
Current		
(a) Trade receivables	77.11	93.92
(b) Cash and cash equivalents	1.09	0.73
(c) Bank balances other than cash and cash equivalents	1.83	2.76
(d) Loans	19.02	23.68
(e) Other financial assets	18.43	24.77
Financial liabilities		
Measured at amortised cost		
Non-current		
(a) Lease liabilities	14.20	-
(b) Other financial liabilities	0.14	0.52
Current		
(a) Borrowings	93.82	98.04
(b) Trade payables	62.69	72.60
(c) Lease liabilities	5.16	-
(d) Other financial liabilities	23.34	25.36

b) **Fair value hierarchy and method 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, bank balances other than 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 deposits and financial guarantee contract calculated based on cash flows discounted using a current lending rate. The lease liability is initially measured at amortized cost at the present value of the future lease payments and are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Accordingly, all these 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 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 (unobservable inputs).

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 minimise 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 2020	As at 31 March 2019
Variable-rate instruments		
Working capital loan	-	7.03
Cash credits	93.82	91.01
Total	**93.82**	**98.04**

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

Particulars	Gain / (loss) on profit before tax	
	31 March 2020	31 March 2019
Interest rate increase by 50 basis points	(0.47)	(0.49)
Interest rate decrease by 50 basis points	0.47	0.49

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 from cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets as well as credit exposures to customers including outstanding receivables.

The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, forward looking macroeconomic information, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The expected credit loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically and there is no single customer contributing more than 10% of outstanding trade receivables.

Outstanding customer receivables are regularly monitored.

Other financial assets

The Company periodically monitors the recoverability and credit risks of its other financials assets. The Company evaluates 12 months expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

Expected credit loss for trade receivables

₹ in Crores

As at 31 March 2020	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables	**31.09**	**5.18**	**9.41**	**85.60**	**2.23**
Less: Trade receivables from group companies	1.63	0.30	1.60	3.94	-
Net trade receivables	**29.46**	**4.88**	**7.81**	**81.66**	**2.23**
Expected loss rates	0.87%	1.63%	3.59%	65.58%	100.00%
Expected credit loss	**0.26**	**0.08**	**0.28**	**53.55**	**2.23**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

₹ in Crores

As at 31 March 2019	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables	**38.03**	**9.42**	**3.41**	**93.85**	**-**
Less: Trade receivables from group companies	2.71	0.75	0.04	10.39	-
Net trade receivables	**35.32**	**8.67**	**3.37**	**83.46**	**-**
Expected loss rates	0.86%	1.62%	3.58%	60.18%	-
Expected credit loss	**0.30**	**0.14**	**0.12**	**50.23**	**-**

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	31 March 2020	31 March 2019
Revenue from top customer	7%	5%
Revenue from top five customers	22%	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.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019:

Maturity profile of financial liabilities

₹ in Crores

As at 31 March 2020	On Demand	Less than one year	One to five years	More than five years	Total
Borrowings	93.82	-	-	-	93.82
Trade payables	-	62.69	-	-	62.69
Lease liabilities	-	5.16	14.15	0.05	19.36
Other financial liabilities	0.97	22.37	0.14	-	23.48
Total	**94.79**	**90.22**	**14.29**	**0.05**	**199.35**

₹ 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	-	72.60	-	-	72.60
Lease liabilities	-	-	-	-	-
Other financial liabilities	0.58	24.78	0.52	-	25.88
Total	**91.59**	**104.41**	**0.52**	**-**	**196.52**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

36.3 FOREIGN CURRENCY RISK

Foreign currency risk is the risk that 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 2020				31 March 2019			
	USD	CAD	GBP	Other	USD	CAD	GBP	Other
Financial assets								
Trade receivables	6.80	-	0.90	-	12.92	0.24	2.09	-
Cash and cash equivalents	0.19	-	-	-	0.03	-	-	-
Receivable from related parties	11.12	-	-	-	20.54	-	-	-
Loans	-	-	-	-	0.61	-	-	-
Exposure to foreign currency risk on financial assets	**18.11**	**-**	**0.90**	**-**	**34.10**	**0.24**	**2.09**	**-**
Financial liabilities								
Trade payables	17.51	-	-	0.09	23.12	-	-	0.10
Other financial liabilities	1.06	-	-	-	0.52	-	-	-
Exposure to foreign currency risk on financial liabilities	**18.57**	**-**	**-**	**0.09**	**23.64**	**-**	**-**	**0.10**
Net exposure to foreign currency risk	**(0.46)**	**-**	**0.90**	**(0.09)**	**10.46**	**0.24**	**2.09**	**(0.10)**

Company has accumulated net exposure to foreign currency risk amounting to ₹ 0.35 Crores (31 March 2019 : ₹ 12.69 Crores).

The Company had issued corporate guarantee to its wholly owned subsidiary, AGC Networks Pte. Limited amounting to USD 5.95 million (31 March 2019: USD 5.95 million), equivalent to ₹ 44.88 Crores (31 March 2019: ₹ 41.16 Crores). It is contingent in nature and Company do not expect any liability against the same in next five years.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 2020	31 March 2019
USD sensitivity		
INR / USD		
Increase by 5%	(0.02)	0.52
Decrease by 5%	0.02	(0.52)
CAD sensitivity		
INR / CAD		
Increase by 5%	-	0.01
Decrease by 5%	-	(0.01)
GBP sensitivity		
INR / GBP		
Increase by 5%	0.05	0.10
Decrease by 5%	(0.05)	(0.10)
Other sensitivity		
INR / Other		
Increase by 5%	(0.00)	(0.01)
Decrease by 5%	0.00	0.01

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 2020	31 March 2019
Borrowings	93.82	98.04
Other financial liabilities	6.79	11.09
Total debt	**100.61**	**109.13**
Less: Cash and cash equivalents and bank balances other than cash and cash equivalents	2.92	3.49
Net debt #	**97.69**	**105.64**
Total equity	88.95	92.79
Total capital	**88.95**	**92.79**
Gearing ratio (in %)	**110%**	**114%**

Net debt for the above purpose includes borrowings, interest accrued on borrowings and payables for letter of credit net of cash and cash equivalents and bank balances other than cash and cash equivalents.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 previous year ended 31 March 2019, 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 had been transferred to another buyer through a separate sale transaction for a consideration of ₹ 23.51 Crores, and the Company had 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 as at re-assignment date 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 - CORPORATE GUARANTEE

₹ in Crores

Name of subsidiary	31 March 2020	31 March 2019
AGC Networks Pte Limited		
Guarantee given	44.88	41.16

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 15).

The Company had given corporate guarantee of USD 5.95 million (31 March 2019: USD 5.95 million) for the loan availed by AGC Networks Pte. Limited, wholly owned subsidiary and a guarantee commission @ 1.75% (31 March 2019: 1.75%) per annum is charged thereon.

40 DISCLOSURE UNDER SECTION 186(4) OF THE ACT - INTER CORPORATE DEPOSITS

₹ in Crores

Name of the borrower	Principal	Accrued interest	31 March 2020	Principal	Accrued interest	31 March 2019
Essar Services India Private Limited	17.30	5.52	22.82	11.50	1.06	12.56
Imperial Consultants and Securities Limited (Previously known as Essar Infrastructure Services Private Limited)	-	-	-	9.00	0.83	9.83
	17.30	**5.52**	**22.82**	**20.50**	**1.89**	**22.39**

Notes:

1. Rate of interest is 18.00% p.a. (31 March 2019: 18.00% p.a.) on inter corporate deposits.
2. The amount due from Imperial Consultants and Securities Limited has been assigned to Essar Services India Private Limited during the year ended 31 March 2020.
3. These inter corporate deposits are unsecured and have been given for meeting business requirements.
4. No inter corporate deposits have been given during the year ended 31 March 2020.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

41 TRANSITION DISCLOSURE

Ind AS 116 - Leases:

Effective 1 April 2019, the Company adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported as per Ind AS 17 Leases.

On transition, the adoption of the new standard resulted in recognition of ROU asset of ₹ 19.06 Crores and a lease liability of ₹ 20.65 Crores. The cumulative effect of applying the standard, amounting to ₹ 1.59 Crores was debited to retained earnings, net of taxes.

The following is the summary of practical expedients elected on initial application:

1. The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. The Company has applied the exemption not to recognise ROU assets and lease liabilities for leases whose term ends within 12 months from the date of initial application.
3. Excluded the initial direct costs from the measurement of ROU asset at the date of initial application.
4. The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 Leases will continue to be applied to lease contracts entered by the Company or modified by the Company before 1 April 2019.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 14.00% p.a.

The following is a reconciliation of operating lease commitments as at 31 March 2019 (as disclosed in the financial statements of 31 March 2019) to the lease liabilities recognised as at 1 April 2019:

₹ in Crores

Particulars	
Operating lease rental commitment disclosed as at 31 March 2019	16.99
Adjustment on account of adoption of Ind AS 116 *	3.66
Lease liability as at 1 April 2019	20.65

*The difference between the future minimum lease rental commitments towards non-cancellable operating leases disclosed as at 31 March 2019 compared to the lease liability accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedients as per the standard.

42 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

43 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.

44 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Act, a corporate social responsibility (CSR) committee has been formed by the Company.

₹ in Crores

Particulars	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	0.10	-
b) Amount spent during the year on:		
1. Construction / acquisition of any asset	-	-
2. On purposes other than (1) above	0.11	-

45 CHANGES IN REVENUE RECEIVED IN ADVANCE ARE AS FOLLOWS:

₹ in Crores

	31 March 2020	31 March 2019
Balance at the beginning of the year	**42.75**	**32.42**
Net revenue recognised that was included in the balance at the beginning of the year	(30.12)	(27.33)
Net invoicing during the year, excluding amounts recognised as revenue during the year	22.04	37.66
Balance at the end of the year	**34.67**	**42.75**

46 As on 1 April 2019, Company had 5 directors on board. Company has appointed sixth director in the board meeting held on 14 August 2019.

47 As on 1 April 2019, the Company had not appointed at least one of its independent directors as a director on the board of directors of its unlisted material subsidiary entities incorporated outside India. The Company had appointed its independent directors as director on the board of directors of these unlisted material subsidiary entities incorporated outside India during the year ended 31 March 2020.

48 The outstanding balance of trade receivables and trade payables as appearing in standalone balance sheet as at 31 March 2020 include amount receivable aggregating to ₹ 1.37 Crores and amount payable aggregating to ₹ 4.33 Crores respectively from / to the companies situated outside India. These balances are pending for settlement and have resulted in delay in collection / remittance beyond the timeline stipulated under the Foreign Exchange Management Act, 1999. The Company has filed the necessary applications with the appropriate authority for extension of time period / condonation of such delays subsequent to 31 March 2020. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying standalone financial statements do not include any adjustments that may arise due to such delay / default.

Out of the above-mentioned receivables, the Company has filed application with AD Category - I bank ("AD Bank") during the year for extension of time limit for an amount aggregating to ₹ 0.44 Crores. However, approval is pending from AD Bank as at 31 March 2020. Also, Company has remitted foreign payment aggregating to ₹ 1.79 Crores towards imports subsequent to 31 March 2020.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

49 The spread of COVID-19, a pandemic caused by the novel Coronavirus, is having an unprecedented impact on global economy and way of doing business. The Company has responded to the situation swiftly and maintained business operations with the support of their customers, vendors, employees and other stakeholders through the crisis. There has been no significantly adverse impact on the operations for the year ended 31 March 2020. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, inventories, tangible assets, intangible assets, investments and other financial assets and continues to monitor changes in future economic conditions. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements, has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

50 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

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'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, 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 report 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 ('the 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 of the Group, as at 31 March 2020, and their consolidated loss (including other comprehensive income), 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 previous year ended 31 March 2019, the Holding Company had recorded only the differential amount of ₹ 1.11 Crores, as profit on sale of property, plant and equipment, being the difference between the sale consideration of a certain property re-assigned to a new buyer and the outstanding receivable from an earlier sale transaction incorrectly recorded without the transfer of risks and rewards of ownership of such property in the year ended 31 March 2015.

   Had the Holding Company followed the principles of Ind AS 16, Property, Plant and Equipment, 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, 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 while depreciation expense for the year ended 31 March 2019 would have been higher by ₹ 0.02 Crores.

   Our report on the consolidated financial statements for the year ended 31 March 2019 was also qualified in respect of the above matter, and accordingly, our opinion on the accompanying consolidated financial statements for the year ended 31 March 2020 is also qualified with respect to the effects of this matter on the comparability of current and corresponding figures in the accompanying consolidated financial statements.

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 report referred to in paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

EMPHASIS OF MATTER- IMPACT OF COVID 19

5. We draw attention to Note 52 to the accompanying consolidated financial statements, which describes the impact of COVID-19 pandemic on the Group's operations. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the operations of the Group is significantly dependent on the future developments as they evolve. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report 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.

7. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters 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
Adoption of new standard on lease accounting Refer Note 2D(x) to the consolidated financial statements – 'Use of estimate and judgement – Leases' and Note 2E(ix) to the consolidated financial statements – 'Summary of significant accounting policies - Leases'. As described in Note 44 to the consolidated financial statements, during the current year, the Group has adopted Ind AS 116, Leases ('Ind AS 116'), the new standard on lease accounting. On the date of transition i.e. 1 April 2019, the Group has recognized lease liability and Right-of-Use asset on its balance sheet and used the modified retrospective approach method for transition, and consequently comparative financial information was not restated. BBX Inc. (step-down subsidiary of the Holding Company) and its subsidiaries, which are audited by other auditors, have adopted ASC 842, Leases.	Audit procedures performed by us and other auditors on adoption of new standard on lease accounting included, but were not limited to the following: • Obtained an understanding of the management's process for identification of leasing arrangements which are considered to be within the scope of new standard on lease accounting and determination of appropriate accounting treatment. • Evaluated the design and implementation of the processes and internal controls and tested the operating effectiveness of these controls relating to implementation of and determining the impact of transition to the new standard on lease accounting. • Based on the evaluation of the contractual agreements and knowledge of the business, assessed the appropriateness of the leases identified for the components which form part of the Group.

Key audit matter	How our audit addressed the key audit matter
The transition to and implementation of this accounting standard was complex and was an area of focus in our audit as the Group had large number of leases in different geographies and with different contractual terms. The determination of transition impact involved application of significant judgements and estimates including identification of leases, determination of lease term and discount rates for each lease, use of practical expedients, etc. Additionally, the standard mandates detailed disclosures with respect to transition. Considering the materiality of the amounts involved, combined with significant judgements and estimates used and complexities involved in audit of conversion adjustments made by the Holding Company's management for financial information of BBX Inc., this matter has been considered to be a Key Audit Matter.	• Reviewed the overall impact analysis prepared by the management and ensured that the accounting treatment including the transition provisions adopted by the Group are in accordance with the requirements of the new standard on lease accounting. • Tested completeness of the lease data by reconciling the lease commitments as at 01 April 2019 to the data used in calculation of transitional impact. • As on the adoption date, we considered all lease contracts and other auditors have selected samples of lease contracts, and for such cases, assessed the key terms and conditions of each lease with the underlying lease contracts, evaluated computation of lease liabilities and ROU assets, and challenged the key estimates such as discount rates and the lease term. • We verified the conversion adjustments considered by Holding Company's management in respect of the component audited by the other auditors. • Verified the integrity and arithmetical accuracy of the calculations, through recalculation of the adjustments. • Evaluated the adequacy and appropriateness of the accounting policy and disclosures made with respect to lease accounting, including those related to transition.
Measurement and disclosure of tax exposures Refer Note 2D(viii) to the consolidated financial statements – 'Use of estimate and judgement – Provisions', Note 2E(xiv) to the consolidated financial statements – 'Summary of significant accounting policies - Provisions, contingent liabilities and contingent assets' and Note 37(A) to the consolidated financial statements – 'Contingent liabilities'. As at 31 March 2020, the Holding Company has significant uncertain tax positions including matters under dispute with excise, service tax and customs authorities which could have a significant impact on the consolidated financial statements, if the potential exposures were to materialise.	Our audit procedures included, but were not limited to the following: • Obtained an understanding of the management's process for identification of tax matters initiated against the Holding Company, updating the status of the tax assessments, and estimating provision for tax liability. • Evaluated the design and implementation and tested the operating effectiveness of the internal controls over the completeness of records and those related to interpretation of tax laws and its application in estimation of tax liabilities.

Key audit matter	How our audit addressed the key audit matter
The application of Appendix C of Ind AS 12, Income Taxes, for evaluation of uncertain tax positions treatment to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective, and based on professional advice sought from external tax consultants. The measurement of provisions and disclosure of contingent liabilities for the aforesaid tax exposures require a careful evaluation of the facts and consideration of various legal aspects of the matters involved. As the outcome of such assessments is uncertain, the position taken by the management involves significant judgment and estimation and auditing management judgments on whether the tax positions are probable of being sustained in tax assessments involves a high degree of subjectivity, this matter has been considered to be a Key Audit Matter.	• Obtained details of open tax assessments as at 31 March 2020 including demands raised against the Holding Company from the management. • Tested the independence, objectivity and competence of management's internal and external experts who were involved and representing these cases in various authorities. • Involved auditor's experts to evaluate the tax opinions and challenge the reasonableness of the assumptions used in estimating the tax provisions and contingent liabilities and the possible outcomes of the disputes based on knowledge and understanding of the prevalent tax laws and regulations, outcome of previous claims, legal opinion sought by the management and developments in the tax environment, etc. • Evaluated the adequacy and appropriateness of disclosures made by the Group in the consolidated financial statements.
De-recognition of trade receivables and unbilled receivables through securitisation program In addition to the above, the auditors of BBX Inc., subsidiary of the Company, have reported the following key audit matter: As described in Note 50 of the consolidated financial statements, during the current year, Black Box Corporation ('BBC'), step-down subsidiary of the Holding Company, has entered into a non-recourse accounts receivable securitization program (the 'Securitization Program') for the sale of both billed and unbilled receivables (the 'receivables') of certain subsidiaries of BBC in the United States and the United Kingdom, to an unaffiliated third party.	Audit procedures followed by other auditors, included, but were not limited to the following: • Obtained management's analysis of the overall accounting treatment of the securitization transaction in accordance with applicable accounting principles. • Ensured that the accounting treatment adopted by BBC's management is in accordance with the requirements of the relevant accounting standards. • Conducted inquiries with the BBC's third-party specialist involved in the Securitization Program.

Key audit matter	How our audit addressed the key audit matter
The proceeds from the sale of the receivables, which occurs daily under the program and is settled on a monthly basis, comprise a combination of cash and a deferred purchase price ('DPP') receivable from the unaffiliated third party. BBC de-recognizes the receivables and related allowances under the Securitization Program by treating it as a sale of financial assets pursuant to the requirements of the accounting standards applicable in the respective country. BBC has no retained interests in the receivables, other than its right to collection of servicing fees as the master servicer. The fees received is considered as adequate compensation for services rendered, and accordingly, no servicing asset or liability has been recognised. As the de-recognition assessment relating to transfer of financial assets involves significant judgements and estimates, this matter has been considered to be a Key Audit Matter.	• Involved internal subject matter experts in overall assessment of the transaction. • Obtained copies of all relevant agreements entered in conjunction with the Securitization Program and agreed all relevant details within the assessment to the agreements. • Performed procedures to test the accuracy of the Risk & Rewards model and Loss model, which serves as the primary basis for the conclusion that substantially all of the risks and rewards were neither transferred nor retained. • Obtained copies of the true sale opinions with respect to the financial assets sold and performed procedures to verify that the opinions are appropriate. As the principal auditors: • We have audited the conversion adjustments prepared by Holding Company's management in respect of the above transaction. • We have also evaluated the adequacy and appropriateness of the accounting policy and disclosures made in the accompanying consolidated financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

8. The Holding Company's Board of Directors are 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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 of the companies included in the Group, and 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.

10. 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. 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.

13. 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 with reference to financial statements 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; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. 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.

15. 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.

16. 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 MATTERS

17. We did not audit the consolidated financial statements of one subsidiary, whose consolidated financial statements (before eliminating inter-company transactions) reflects total assets of ₹ 1,626.88 Crores and net assets of

₹ 64.77 Crores as at 31 March 2020, total revenues of ₹ 4,087.99 Crores and net cash inflows amounting to ₹ 102.29 Crores for the year ended on that date, as considered in the consolidated financial statements. These consolidated financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial 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 auditors.

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

Our opinion 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 auditors.

18. We did not audit the consolidated financial statements of one subsidiary, whose consolidated financial statements (before eliminating inter-company transactions) reflects total assets of ₹ 66.59 Crores and net assets of ₹ 47.99 Crores as at 31 March 2020, total revenues of ₹ 85.48 Crores and net cash inflows amounting to ₹ 1.98 Crores for the year ended on that date, as considered in the consolidated financial statements. These consolidated financial statements are unaudited and have 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 the aforesaid 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 such unaudited consolidated financial statements. In our opinion and according to the information and explanations given to us by the management, these consolidated financial statements are not material to the Group.

    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 matter with respect to our reliance on the consolidated financial statements certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

19. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditors, referred to in paragraph 17, on separate consolidated financial statements of the subsidiary, we report that the Holding Company 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. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two subsidiary companies covered under the Act, since none of such companies are public companies as defined under section 2(71) of the Act.

20. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors 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 report of the other auditors, except for the effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section 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 section, 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 statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 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 paragraph 3 of the Basis for Qualified Opinion section with respect to the Holding Company;

g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'. Further, in our opinion and to the best of our information and according to the explanations given to us, the provisions of section 143(3)(i) of the Act for reporting on the adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of the subsidiary companies covered under the Act, are not applicable; 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 and based on the consideration of the report of the other auditors on separate consolidated 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 at 31 March 2020, as detailed in Note 37A to the consolidated financial statements;

   ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended 31 March 2020. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies covered under the Act, during the year ended 31 March 2020; 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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 20106815AAAABU2078

Place : Mumbai
Date : 30 June 2020

ANNEXURE I

List of entities included in the consolidated financial statements

a. AGC Networks Australia Pty Ltd

b. AGC Networks Pte. Ltd.

c. AGC Networks LLC and its subsidiaries (consolidated)

d. AGC Networks Philippines, Inc.

e. AGC Networks & Cyber Solutions Limited

f. AGCN Solutions Pte. Limited

g. AGC Networks LLC, Dubai

h. AGC Networks LLC, Abu Dhabi

i. AGC Networks New Zealand Limited

j. BBX Main Inc.

k. BBX Inc. and its subsidiaries (consolidated)

ANNEXURE II 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 2020

Independent Auditor's Report on the internal financial controls with reference to financial statements 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 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is a company covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance note') issued by the ICAI. 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. The audit of internal financial controls with reference to financial statements of the aforementioned subsidiaries, which are companies covered under the Act, and reporting under Section 143(3)(i) of the Act is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is a company covered under the Act, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 20106815AAAABU2078

Place : Mumbai
Date : 30 June 2020

CONSOLIDATED BALANCE SHEET as at 31 March 2020

₹ in Crores

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	62.75	155.99
Right of use assets	4	186.52	-
Goodwill	5	234.24	205.37
Other intangible assets	6	42.60	38.10
Financial assets			
Loans	7	1.93	1.80
Other financial assets	8	53.24	9.25
Tax assets (net)		72.45	63.47
Deferred tax assets (net)	9	20.27	31.98
Other non-current assets	10	77.46	29.24
Total non-current assets		**751.46**	**535.20**
Current assets			
Inventories	11	136.56	150.84
Financial assets			
Trade receivables	12	361.31	861.77
Cash and cash equivalents	13	315.87	205.94
Bank balances other than cash and cash equivalents	13	53.57	56.95
Loans	7	19.37	24.00
Other financial assets	8	385.21	75.43
Other current assets	10	311.87	521.61
Total current assets		**1,583.76**	**1,896.54**
TOTAL ASSETS		**2,335.22**	**2,431.74**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	29.75	29.74
Other equity		(77.57)	(11.07)
Total equity		**(47.82)**	**18.67**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	15.21	586.89
Lease liabilities	16	118.76	2.39
Other financial liabilities	17	-	2.31
Provisions	18	197.41	116.51
Other non-current liabilities	19	63.38	46.86
Total non-current liabilities		**394.76**	**754.96**
Current liabilities			
Financial liabilities			
Borrowings	20	241.80	206.61
Trade payables	21		
Total outstanding dues to micro enterprises and small enterprises		17.17	6.99
Total outstanding dues to creditors other than micro enterprises and small enterprises		529.96	544.41
Lease liabilities	16	78.84	1.93
Other financial liabilities	17	563.34	275.14
Other current liabilities	19	472.30	489.61
Provisions	18	84.87	133.42
Total current liabilities		**1,988.28**	**1,658.11**
TOTAL EQUITY AND LIABILITIES		**2,335.22**	**2,431.74**

Notes 1 to 54 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

₹ in Crores

	Notes	31 March 2020	31 March 2019
Income			
Revenue from operations	22	4,993.92	1,852.74
Other income	23	33.03	6.44
Total income (I)		**5,026.95**	**1,859.18**
Expenses			
Cost of materials and components consumed	24	8.93	3.13
Purchase of stock-in-trade		1,485.39	560.46
Changes in inventories of work-in-progress, stock-in-trade and finished goods	25	11.40	58.54
Service charges		861.86	368.96
Employee benefits expense (net)	26	1,894.51	627.53
Finance costs	27	129.38	44.54
Depreciation and amortisation expense	28	98.96	14.65
Other expenses	29	363.37	187.60
Total expenses (II)		**4,853.80**	**1,865.41**
Profit / (loss) before exceptional items and tax (I - II)		**173.15**	**(6.23)**
Exceptional items - expenses	30	(125.05)	(73.12)
Profit / (loss) before tax		**48.10**	**(79.35)**
Tax expense / (credit)			
Current tax	31	(2.59)	5.97
Deferred tax	31	9.57	(6.55)
Total tax expense / (credit)		**6.98**	**(0.58)**
Net profit / (loss) for the year		**41.12**	**(78.77)**
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans		(79.41)	(0.77)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(20.07)	2.91
Other comprehensive (loss) / income for the year		**(99.48)**	**2.14**
Total comprehensive loss for the year		**(58.36)**	**(76.63)**
Earnings / (loss) per equity share	32		
Earnings / (loss) per share of ₹ 10 each before exceptional items:			
Basic (in ₹)		55.88	(1.93)
Diluted (in ₹)		55.27	(1.93)
Earnings / (loss) per share of ₹10 each after exceptional items:			
Basic (in ₹)		13.83	(26.97)
Diluted (in ₹)		13.68	(26.97)

Notes 1 to 54 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2020

₹ in Crores

	31 March 2020	31 March 2019
Cash flows from operating activities		
Profit / (loss) before tax	**48.10**	**(79.35)**
Adjustments for non-cash transactions and items considered separately:		
Depreciation and amortisation expense	98.96	14.65
Gain on disposal of property, plant and equipment	(25.67)	(1.10)
Other intangible assets written off	5.05	-
(Reversal) / expenses on employee stock option scheme	(0.17)	0.64
(Reversal) / creation of provision for warranties	(1.06)	0.09
Creation / (reversal) of allowances for doubtful debts (net)	9.71	(1.09)
Liabilities / provisions for earlier years no longer required written back	(14.69)	(4.08)
Unrealised foreign exchange gain	(0.82)	(1.55)
Finance costs	129.38	44.54
Interest income on bank deposits	(0.21)	(0.18)
Reversal of provision against obsolete / non-moving inventory	-	(3.65)
Interest income on consideration from sale of Gandhinagar land and building	-	0.91
Interest income on inter corporate deposits	(3.63)	(1.89)
Actuarial loss on defined benefit plans	-	(0.77)
Inventory written off	6.51	-
Securitisation expense	99.94	-
Operating profit / (loss) before working capital changes	**351.40**	**(32.83)**
Changes in working capital :		
Trade receivables	493.52	(650.59)
Inventories	8.99	(116.18)
Loans and other assets	122.57	(495.87)
Trade payables	6.80	423.19
Provisions and other liabilities	56.56	826.55
Cash generated from / (used in) operating activities before taxes	**1,039.84**	**(45.73)**
Income taxes paid	(25.54)	(26.22)
Net cash generated from / (used in) operating activities (A)	**1,014.30**	**(71.95)**
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets (including Gandhinagar land and building)	(22.45)	(30.31)
Proceeds from sale of property, plant and equipment and other intangible assets (including Gandhinagar land and building)	95.78	25.90
Note receivable - securitisation	(285.82)	-
Acquisition of property, plant and equipment on acquisition of subsidiaries (including goodwill)	-	(288.42)
Payment towards acquisition of business (including goodwill)	(0.15)	-
Inter corporate deposit received back / (given)	3.20	(22.39)
Liquidation of / (investment in) margin money and bank deposits	10.20	(41.61)
Interest received on bank deposits	0.33	0.29
Net cash used in investing activities (B)	**(198.91)**	**(356.54)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2020

₹ in Crores

	31 March 2020	31 March 2019
Cash flows from financing activities		
Issue of equity shares	0.01	-
Security premium received on issue of equity shares	0.05	-
(Repayment) / availment of term loan	(408.56)	621.74
Repayment of working capital loan	(7.03)	(12.74)
Availment of cash credits	53.87	46.86
Availment of finance lease facilities	-	3.40
Payment for lease liabilities (net)	(75.34)	-
Payment of unclaimed dividend	(0.16)	(0.03)
Payment of interest	(222.20)	(30.21)
Net cash (used in) / generated from financing activities (C)	**(659.36)**	**629.02**
Net increase in cash and cash equivalents (A + B + C)	**156.03**	**200.53**
Cash and cash equivalents at the beginning of the year	205.94	9.22
Foreign currency adjustments	(46.10)	(3.81)
Cash and cash equivalents at the end of the year (refer note 13)	**315.87**	**205.94**
Components of cash and cash equivalents		
Balances with banks:		
– In current accounts	314.71	205.04
– In deposit accounts	0.73	0.72
Cheques on hand	0.38	0.10
Cash on hand	0.05	0.08
Total cash and cash equivalents	**315.87**	**205.94**

Notes 1 to 54 form an integral part of the consolidated financial statements.

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

Equity share capital

Particulars	Note	Number of shares	₹ in Crores
As at 1 April 2018	14	**28,466,464**	**28.47**
Changes during the year		1,271,185	1.27
As at 31 March 2019	14	**29,737,649**	**29.74**
Changes during the year		7,000	0.01
As at 31 March 2020	14	**29,744,649**	**29.75**

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	Remeasurement of defined benefit obligation	
As at 1 April 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)
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	(0.77)	(0.77)
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
As at 31 March 2019	**38.04**	**45.83**	**100.58**	**(197.71)**	**2.35**	**-**	**1.10**	**(1.27)**	**(11.07)**
Impact on account of adoption of Ind AS 116 Leases (refer note 44)	-	-	-	(8.02)	-	-	-	-	(8.02)
Profit for the year	-	-	-	41.12	-	-	-	-	41.12
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	(79.41)	(79.41)
Exchange differences on remeasurement of defined benefit obligation	-	-	-	-	-	-	(2.89)	-	(2.89)
Reversal of expenses on employee stock option scheme	-	-	-	-	(0.17)	-	-	-	(0.17)
Transferred to securities premium	-	0.02	-	-	(0.02)	-	-	-	-
Issue of share capital on exercise of employee stock option	-	0.05	-	-	-	-	-	-	0.05
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(17.18)	-	(17.18)
As at 31 March 2020	**38.04**	**45.90**	**100.58**	**(164.61)**	**2.16**	**-**	**(18.97)**	**(80.68)**	**(77.57)**

Nature and purpose of reserves:

Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instrument is transferred to capital reserve.

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.

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.

Equity component of compound financial instrument (preference shares)

Fair valuation of preference share capital.

General reserve

This represent appropriation of profit by the Company.

Retained earnings

Retained earnings comprises of current year and prior years undistributed earnings / (loss) after taxes.

Notes 1 to 54 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 the Company 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 Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

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 AGC Networks Limited and 'Group' shall mean 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 2020	% holding as at 31 March 2019
AGC Networks Australia Pty Limited	AGC Networks Limited	Australia	100.00%	100.00%
AGC Networks Pte. Limited	AGC Networks Limited	Singapore	100.00%	100.00%
AGC Networks LLC (formerly known as 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 & Cyber Solutions Limited	AGC Networks Pte. Limited	Kenya	100.00%	100.00%
AGCN Solutions Pte. Limited	AGC Networks Australia Pty Limited	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%
AGC Networks New Zealand Limited	AGC Networks Australia Pty Limited	New Zealand	100.00%	100.00%
BBX Main Inc.	AGC Networks Pte. Limited	USA	100.00%	100.00%
BBX Inc.	BBX Main Inc.	USA	100.00%	100.00%
Black Box Corporation	BBX Inc.	USA	100.00%	100.00%
ACS Communications, Inc.	Black Box Corporation	USA	100.00%	100.00%
ACS Dataline, LP	ACS Communications, Inc.	USA	99.00%	99.00%
ACS Dataline, LP	ACS Investors, LLC	USA	1.00%	1.00%
ACS Investors, LLC	ACS Communications, Inc.	USA	100.00%	100.00%
BB Technologies, Inc.	Black Box Corporation of Pennsylvania	USA	100.00%	100.00%
BBOX Holdings Mexico LLC	Black Box International Holdings B.V.	USA	100.00%	100.00%
BBOX Holdings Puebla LLC	Black Box Corporation	USA	100.00%	100.00%
Black Box Corporation of Pennsylvania	Black Box Corporation	USA	100.00%	100.00%
Black Box Network Services, Inc.– Government Solutions	Black Box Corporation	USA	100.00%	100.00%
Black Box Services Company	Black Box Corporation	USA	100.00%	100.00%
CBS Technologies Corp.	Black Box Corporation	USA	100.00%	100.00%
Delaney Telecom, Inc.	Black Box Corporation	USA	100.00%	100.00%
Norstan Communications, Inc.	Black Box Corporation	USA	100.00%	100.00%
Nu-Vision Technologies, LLC	Norstan Communications, Inc.	USA	100.00%	100.00%
Black Box Network Services Australia Pty Limited	Black Box Corporation of Pennsylvania	Australia	100.00%	100.00%
Black Box GmbH	Black Box Corporation of Pennsylvania	Austria	100.00%	100.00%

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Name of the subsidiary	Name of Parent	Country of incorporation	% holding as at 31 March 2020	% holding as at 31 March 2019
Black Box Network Services NV	Black Box Corporation of Pennsylvania	Belgium	96.62%	96.62%
Black Box Network Services NV	Black Box International Holdings B.V.	Belgium	3.38%	3.38%
Black Box do Brasil Industria e Comercio Ltda.	Black Box Corporation of Pennsylvania	Brazil	100.00%	100.00%
Black Box do Brasil Industria e Comercio Ltda.	Black Box Canada Corporation	Brazil	0.00%	0.00%
Black Box Canada Corporation	Black Box Corporation of Pennsylvania	Canada	100.00%	100.00%
Norstan Canada, Limited / Norstan Canada, Ltée	Norstan Communications, Inc.	Canada	100.00%	100.00%
Black Box Holdings Limited	Black Box Corporation of Pennsylvania	Cayman Islands	100.00%	100.00%
Black Box Chile S.A.	Black Box Corporation	Chile	99.99%	99.99%
Black Box Chile S.A.	Black Box Corporation of Pennsylvania	Chile	0.01%	0.01%
Black Box E-Commerce (Shanghai) Co., Limited	Black Box Corporation of Pennsylvania	China	100.00%	100.00%
Black Box A/S	Black Box Corporation of Pennsylvania	Denmark	100.00%	100.00%
Black Box Network Services (UK) Limited	Black Box Corporation	England	35.50%	35.50%
Black Box Network Services (UK) Limited	Black Box Corporation of Pennsylvania	England	64.50%	64.50%
Black Box Finland OY	Black Box Corporation	Finland	100.00%	100.00%
Black Box France	Black Box Corporation of Pennsylvania	France	100.00%	100.00%
Black Box Deutschland GmbH	Black Box International Holdings B.V.	Germany	100.00%	100.00%
Black Box Network Services India Private Limited	Black Box Corporation of Pennsylvania	India	99.99%	99.99%
Black Box Network Services India Private Limited	Black Box Corporation	India	0.01%	0.01%
Black Box Network Services (Dublin) Limited	Black Box Corporation	Ireland	100.00%	100.00%
Black Box Software Development Services Limited	Black Box International Holdings B.V.	Ireland	100.00%	100.00%
Black Box Network Services S.r.l.	Black Box Corporation of Pennsylvania	Italy	100.00%	100.00%

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Name of the subsidiary	Name of Parent	Country of incorporation	% holding as at 31 March 2020	% holding as at 31 March 2019
Black Box Network Services Co., Limited	Black Box Corporation of Pennsylvania	Japan	100.00%	100.00%
Black Box Network Services Korea Limited	Black Box Corporation of Pennsylvania	Korea	100.00%	100.00%
Black Box Network Services SDN. BHD.	Black Box Corporation	Malaysia	100.00%	100.00%
Black Box de Mexico, S. de R.L. de C.V.	Black Box Corporation	Mexico	4.56%	4.56%
Black Box de Mexico, S. de R.L. de C.V.	BBOX Holdings Mexico LLC	Mexico	84.85%	84.85%
Black Box de Mexico, S. de R.L. de C.V.	BBOX Holdings Puebla LLC	Mexico	10.58%	10.58%
Black Box de Mexico, S. de R.L. de C.V.	Black Box International Holdings B.V.	Mexico	0.01%	0.01%
Black Box International B.V.	Black Box International Holdings B.V.	Netherlands	100.00%	100.00%
Black Box International Holdings B.V.	Black Box Corporation of Pennsylvania	Netherlands	100.00%	100.00%
Black Box Network Services New Zealand Limited	Black Box Corporation of Pennsylvania	New Zealand	100.00%	100.00%
Black Box Norge AS	Black Box Corporation	Norway	100.00%	100.00%
Black Box P.R. Corp.	Black Box Corporation of Pennsylvania	Puerto Rico	100.00%	100.00%
Black Box Network Services Singapore Pte. Limited	Black Box Corporation	Singapore	100.00%	100.00%
Black Box Comunicaciones, S.A.	Black Box Corporation of Pennsylvania	Spain	100.00%	100.00%
Black Box Network Services AB	Black Box Corporation	Sweden	100.00%	100.00%
Black Box Network Services AG	Black Box Corporation of Pennsylvania	Switzerland	100.00%	100.00%
Black Box Network Services Corporation	Black Box Corporation	Taiwan	100.00%	100.00%
Servicios Black Box S.A. de C.V.	Black Box de Mexico, S. de R.L. de C.V.	USA	99.99%	99.99%
Servicios Black Box S.A. de C.V.	Black Box Corporation of Pennsylvania	USA	0.01%	0.01%
Black Box Network Services Hong Kong Limited	Black Box Holdings Limited	Hong Kong	100.00%	Not applicable
COPC Holdings Inc.	AGC Networks LLC, USA (formerly known as AGC Networks Inc.)	USA	65.00%	65.00%
COPC Holdings Inc.	AGC Networks Pte. Limited	USA	35.00%	35.00%
COPC Inc.	COPC Holdings Inc.	USA	100.00%	100.00%
COPC International Inc.	COPC Holdings Inc.	USA	100.00%	100.00%

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Name of the subsidiary	Name of Parent	Country of incorporation	% holding as at 31 March 2020	% holding as at 31 March 2019
COPC Asia Pacific Inc.	COPC International Inc.	USA	100.00%	100.00%
COPC International Holdings LLC	COPC International Inc.	USA	100.00%	100.00%
COPC India Private Limited	COPC International Inc.	India	99.99%	99.99%
COPC India Private Limited	COPC International Holdings LLC	India	0.01%	0.01%
COPC Consultants (Beijing) Co. Limited	COPC International Inc.	China	100.00%	100.00%
RevealCX LLC	COPC Holdings Inc.	USA	100.00%	Not applicable

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) Deferred tax: 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.

(iii) 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.

(iv) **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 options 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.

(v) **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.

(vi) **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.

(vii) **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 sell and the value in use. In assessing value in use, the estimated future cash flows 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.

(viii) **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 plans 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.

(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.

(x) **Leases:** Ind AS 116 Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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 translations

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 loss 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. 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 2020

b. **Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is subsequently measured at FVOCI 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, or

b. Held primarily for the purpose of trading, or

c. Expected to be realised within twelve months after the reporting period, or

d. Cash or cash equivalents 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, or

b. Held primarily for the purpose of trading, or

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 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 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
Vehicles	4 years
Computers and servers	3 to 4 years
Electrical installations	5 years

* Leasehold improvements are depreciated over the above referred lives or over the period of the lease, whichever is lower.

Depreciation on addition to PPE or on disposal of PPE is calculated pro-rata from the month of such addition or up to the month of such disposal as the case may be.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(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 accumulated impairment losses.

(vii) Business combinations

(i) The Group accounts for each business combination by applying the acquisition 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 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 power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

(iii) The Group 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.

(iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree and equity interests issued by the Group. 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 Group 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 Group 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) The Group as a lessee

The Group's lease asset class consists of leases for buildings, computers and servers, plant and equipment, office equipment and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets 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 (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

(ii) The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

(x) Impairment of assets

a. Non-financial assets:

Intangible assets, ROU assets and PPE 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 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all trade receivables that do not constitute a financing component. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the lifetime credit losses 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 plans

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 plans

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 loss 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 remeasurement of net defined benefit liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or loss 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 benefits 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 / 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 of performance incentives.

(xii) Share based payments

The Company determines the compensation cost based on the fair value method using Black-Scholes-Merton formula 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 payment 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 the “other assets”.

(xiv) Provisions, contingent liabilities and contingent assets

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.

Contingent asset is not recognised in the consolidated financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

(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 costs 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 in which 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.

(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 “revenue received in advance”.

The Group collects goods and services tax (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 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 “revenue received in advance”.
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 revenue

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 temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as at the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred 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 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Deferred 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 utilized. Deferred tax liabilities are recognised for all taxable temporary differences.

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) 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.

(xxi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(xxii) Equity shares

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(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 (Standards issued but not effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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	Vehicles	Total
Gross carrying amount										
As at 1 April 2018	0.64	-	0.58	24.88	43.39	1.39	6.55	25.71	0.13	103.27
Additions	-	-	22.69	1.18	4.21	0.15	0.47	0.43	0.63	29.76
Acquisitions through business combination (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
As at 31 March 2019	**4.92**	**17.65**	**80.86**	**26.19**	**62.95**	**1.13**	**8.53**	**26.96**	**12.64**	**241.83**
Additions	0.58	-	-	3.34	12.29	0.04	1.18	0.68	0.32	18.43
Acquisitions through business combination (refer note 41)	-	-	-	0.26	0.72	-	-	-	-	0.98
Disposals**	0.12	17.78	81.59	0.33	1.46	-	-	2.65	1.00	104.93
Exchange differences	0.46	0.50	2.27	0.91	6.08	-	1.47	0.39	1.08	13.16
As at 31 March 2020	**5.84**	**0.37**	**1.54**	**30.37**	**80.58**	**1.17**	**11.18**	**25.38**	**13.04**	**169.47**
Accumulated depreciation										
As at 1 April 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
As at 31 March 2019	**0.70**	**-**	**1.08**	**15.39**	**38.46**	**0.90**	**7.62**	**21.06**	**0.63**	**85.84**
Charge for the year	0.93	-	1.41	2.41	9.31	0.05	1.39	0.44	2.25	18.19
Disposals**	0.10	-	2.42	0.03	0.38	-	-	0.20	0.09	3.22
Exchange differences	0.11	-	0.03	0.21	3.81	-	1.23	0.32	0.20	5.91
As at 31 March 2020	**1.64**	**-**	**0.10**	**17.98**	**51.20**	**0.95**	**10.24**	**21.62**	**2.99**	**106.72**
Net carrying amount										
As at 31 March 2019	**4.22**	**17.65**	**79.78**	**10.80**	**24.49**	**0.23**	**0.91**	**5.90**	**12.01**	**155.99**
As at 31 March 2020	**4.20**	**0.37**	**1.44**	**12.39**	**29.38**	**0.22**	**0.94**	**3.76**	**10.05**	**62.75**

Notes:

1 Buildings includes those constructed on leasehold land.

2 For capital commitments, refer note 37 (B).

* refer note 30 (c) and note 42

**Net carrying amount of assets procured under finance lease as at 31 March 2019 of ₹ 4.35 Crores reclassified to ROU assets on 1 April 2019 on account of transition to Ind AS 116 (refer note 44).

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

4 RIGHT OF USE ASSETS*

₹ in Crores

	Buildings	Computers and servers	Plant and equipment	Office equipment	Vehicles	Total
Gross carrying amount						
As at 1 April 2019	112.58	-	6.18	7.46	6.64	132.86
Additions	102.59	2.23	2.87	6.09	2.42	116.20
Exchange differences	11.68	0.08	0.66	0.89	0.68	13.99
As at 31 March 2020	**226.85**	**2.31**	**9.71**	**14.44**	**9.74**	**263.05**
Accumulated depreciation						
Charge for the year	63.42	0.54	3.12	3.45	3.56	74.09
Exchange differences	2.05	0.02	0.11	0.13	0.13	2.44
As at 31 March 2020	**65.47**	**0.56**	**3.23**	**3.58**	**3.69**	**76.53**
Net carrying amount						
As at 31 March 2020	**161.38**	**1.75**	**6.48**	**10.86**	**6.05**	**186.52**

*Refer note 44

5 GOODWILL

₹ in Crores

Gross carrying amount	
As at 1 April 2018	103.35
Acquisitions through business combination (refer note 41)	116.27
Exchange differences	6.54
As at 31 March 2019	**226.16**
Acquisitions through business combination (refer note 41)	10.52
Exchange differences	20.25
As at 31 March 2020	**256.93**
Accumulated amortisation	
As at 1 April 2018	19.59
Exchange differences	1.20
As at 31 March 2019	**20.79**
Exchange differences	1.90
As at 31 March 2020	**22.69**
Net carrying amount	
As at 31 March 2019	**205.37**
As at 31 March 2020	**234.24**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

6 OTHER INTANGIBLE ASSETS

₹ in Crores

	Trademark	Computer software*	Total
Gross carrying amount			
As at 1 April 2018	-	19.93	19.93
Additions	-	0.55	0.55
Acquisitions through business combination (refer note 41)	21.66	12.30	33.96
Disposals	-	0.02	0.02
Exchange differences	-	0.48	0.48
As at 31 March 2019	**21.66**	**33.24**	**54.90**
Additions	-	5.09	5.09
Acquisitions through business combination (refer note 41)	-	7.34	7.34
Disposals	-	6.04	6.04
Exchange differences	1.95	3.13	5.08
As at 31 March 2020	**23.61**	**42.76**	**66.37**
Accumulated amortisation			
As at 1 April 2018	**-**	13.19	13.19
Charge for the year	-	3.50	3.50
Exchange differences	-	0.11	0.11
As at 31 March 2019	**-**	**16.80**	**16.80**
Charge for the year	-	6.68	6.68
Disposals	-	1.36	1.36
Exchange differences	-	1.65	1.65
As at 31 March 2020	**-**	**23.77**	**23.77**
Net carrying amount			
As at 31 March 2019	**21.66**	**16.44**	**38.10**
As at 31 March 2020	**23.61**	**18.99**	**42.60**

*Refer note 30 (d)

7 LOANS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Unsecured, considered good				
Deposits	1.93	1.80	1.75	3.22
Inter corporate deposit (refer note 43)	-	-	17.30	20.50
Others	-	-	0.32	0.28
	1.93	**1.80**	**19.37**	**24.00**

Refer note 39 for information on credit risk and market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

8 OTHER FINANCIAL ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Unsecured, considered good				
Margin money deposits with banks*	2.26	1.84	-	-
Receivable against sale of property, plant and equipment (refer note 42)	-	-	1.46	1.46
Receivable from related parties	-	-	0.02	0.02
Interest accrued on inter corporate deposit (refer note 43)	-	-	5.52	1.89
Interest accrued on margin money deposits	0.05	0.02	0.05	0.20
Unbilled revenue	-	-	13.95	8.94
Receivable against securitisation of trade receivables	-	-	285.82	-
Others	50.93	7.39	78.39	62.92
	53.24	**9.25**	**385.21**	**75.43**

Refer note 39 for information on credit risk and market risk.

* As lien against bank guarantees issued amounting to ₹ 71.47 Crores (31 March 2019 : ₹ 56.75 Crores).

9 DEFERRED TAX ASSETS (NET)

₹ in Crores

	31 March 2020	31 March 2019
Deferred tax asset arising on account of		
On timing difference between book depreciation and depreciation as per local tax rules	0.20	0.90
Brought forward loss	18.73	23.92
Inventory allowance	-	0.54
Allowance for expected credit loss	0.20	1.33
Provision for employee benefits expense	0.24	5.49
Others (net)	0.90	(0.20)
	20.27	**31.98**

10 OTHER ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Advances other than capital advances				
Advance to vendors	-	-	7.46	10.40
Prepaid expenses	57.91	13.27	117.35	103.79
Balances with statutory / government authorities	5.89	13.68	35.83	24.40
Unamortised cost for maintenance contracts	2.56	-	133.80	100.29
Other receivables	11.10	2.29	17.43	282.73
	77.46	**29.24**	**311.87**	**521.61**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

11 INVENTORIES

₹ in Crores

	31 March 2020	31 March 2019
Materials and components (refer note 24)	7.81	10.03
Work-in-progress (refer note 25)	0.03	0.50
Stock-in-trade (includes in transit ₹ 0.59 Crores)	119.47	128.25
(31 March 2019 : ₹ 0.39 Crores) (refer note 25)		
Finished goods (refer note 25)	7.81	9.96
Stores and spares	1.44	2.10
	136.56	**150.84**

Note:

Write down of inventories amounted to ₹ 6.51 Crores (31 March 2019: ₹ Nil). Further, reversal of write down of inventories amounted to ₹ Nil (31 March 2019: ₹ 3.65 Crores) [refer note 30 (a) and 30 (i)].

12 TRADE RECEIVABLES

₹ in Crores

	31 March 2020	31 March 2019
Unsecured		
Considered good	454.59	986.99
Less: Allowance for expected credit loss	(93.28)	(125.22)
Credit impaired	40.25	-
Less: Allowance for expected credit loss	(40.25)	-
	361.31	**861.77**
Includes due from related parties [refer note 36 (III)]	4.02	5.37

Notes:

1. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms.
2. Refer note 39 for information on credit risk and market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

13 CASH AND CASH EQUIVALENTS AND BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

	31 March 2020	31 March 2019
Cash and cash equivalents		
Balances with banks:		
– Current accounts	314.71	205.04
– Deposit accounts	0.73	0.72
Cheques on hand	0.38	0.10
Cash on hand	0.05	0.08
	315.87	**205.94**
Bank balances other than cash and cash equivalents		
Margin money deposits with maturity of more than 3 months and less than 12 months*	2.12	2.66
Deposits for letter of credit	43.91	40.29
Balance in escrow account**	-	6.92
Restricted cash balance***	7.54	6.92
Unclaimed dividend account**** [refer note (a) below]	-	0.16
	53.57	**56.95**

* As lien against bank guarantees issued amounting to ₹ 71.47 Crores (31 March 2019 : ₹ 56.75 Crores).

** Represents earmarked balance in respect of settlement of sale of business segment of BBX Inc. and its subsidiaries.

*** Represents earmarked balance as collateral for credit card program of BBX Inc. and its subsidiaries.

**** Represents earmarked balance in respect of unpaid dividend.

Note (a) - Unclaimed dividend account

₹ in Crores

Financial year	31 March 2020	31 March 2019
2011-12	-	0.16
	-	**0.16**

There are no repatriation restrictions with regard to cash and cash equivalents and bank balances other than cash and cash equivalents of the Company as at the end of the reporting period and prior periods.

Refer note 39 for information on credit risk and market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

14 EQUITY SHARE CAPITAL

₹ in Crores

	31 March 2020	31 March 2019
Authorised share capital		
45,000,000 (31 March 2019: 45,000,000) equity shares of ₹10 each	45.00	45.00
5,000,000 (31 March 2019: 5,000,000) Non-cumulative Non-convertible redeemable preference shares of ₹ 100 each	50.00	50.00
5,000,000 (31 March 2019: 5,000,000) Compulsory convertible preference shares of ₹ 100 each	50.00	50.00
Issued, subscribed and fully paid-up share capital		
29,744,649 (31 March 2019 : 29,737,649) equity shares of ₹ 10 each	29.75	29.74
Total issued, subscribed and fully paid-up share capital	**29.75**	**29.74**

Notes:

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2020		31 March 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	29,737,649	29.74	28,466,464	28.47
Conversion of CCPS to equity shares	-	-	1,271,185	1.27
Shares issued on exercise of employee stock option plan (refer note 34)	7,000	0.01	-	-
Outstanding at the end of the year	**29,744,649**	**29.75**	**29,737,649**	**29.74**

1% Non-cumulative Non-convertible redeemable preference shares ('NCRPS')

	31 March 2020		31 March 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	-	-	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	**-**	**-**	**-**	**-**

0.01% Compulsory convertible preference shares ('CCPS')

	31 March 2020		31 March 2019	
	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 where-in authorised preference share capital was re-classified to ₹ 100 Crores comprising of 5,000,000 Non-cumulative Non-convertible redeemable preference shares of ₹ 100 each and 5,000,000 Compulsory convertible preference shares of ₹ 100 each.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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.

(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 ensuring 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 2020, ETL is holding 14,082,055 (31 March 2019 : 13,884,143) equity shares of ₹ 10 each fully paid-up amounting ₹ 14.08 Crores (31 March 2019 : ₹ 13.88 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 2020.

(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 2020		31 March 2019	
	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	14,082,055	47.34%	13,884,143	46.69%
- Onir Metallics Limited	6,472,897	21.76%	4,300,000	14.46%
- Export-Import Bank of India	-	-	1,958,606	6.59%
- Silverleaf Oak Advisors LLP	-	-	1,500,000	5.04%

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.

(g) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan of the Company, refer note 34.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

15 NON-CURRENT BORROWINGS

₹ in Crores

	31 March 2020	31 March 2019
Secured		
Term loans from banks [refer footnote (a) and (b)]	4.88	17.85
Term loans from others [refer footnote (c) and (d)]	10.33	390.58
Unsecured		
Term loan from others [refer footnote (e)]	-	178.46
	15.21	**586.89**

Footnotes:

(a) For AGC Networks Pte. Limited, outstanding term loan of ₹15.87 Crores equivalent to USD 2.11 million (31 March 2019: ₹ 20.47 Crores equivalent to USD 2.96 million) from First Abu Dhabi Bank comprises of long-term portion of ₹ 4.88 Crores equivalent to USD 0.65 million (31 March 2019: ₹ 12.80 Crores equivalent to USD 1.85 million) and current portion of ₹ 10.99 Crores equivalent to USD 1.46 million (31 March 2019: ₹ 7.67 Crores equivalent to USD 1.11 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 repayment schedule, loan is repayable in 14 quarterly installments starting from 15 May 2018 viz. 1st installment of ₹ 0.60 Crores equivalent to USD 0.08 million, 2nd installment of ₹ 0.75 Crores equivalent to USD 0.10 million, eight installments of ₹ 2.11 Crores equivalent to USD 0.28 million each and four installments of ₹ 2.41 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 2019: 6.00% p.a.).

Further, the Central Bank of the United Arab Emirates has introduced the AED 100 billion Targeted Economic Support Scheme, which came into effect on 15 March 2020. It enables banks to provide temporary relief to their corporate and retail clients that are affected by the COVID-19 pandemic by deferring loan repayments and extending existing facilities maturity date up to 15 September 2020. The company has applied for the aforementioned moratorium for the term loan with First Abu Dhabi Bank.

(b) For AGC Networks LLC, USA (formerly known as AGC Networks Inc.), two outstanding term loans aggregating to ₹ 5.54 Crores equivalent to USD 0.73 million (31 March 2019: ₹ 7.74 Crores equivalent to USD 1.12 million) from Bank of Texas comprises of long-term portion of ₹ Nil (31 March 2019 : ₹ 5.05 Crores equivalent to USD 0.73 million) and current portion of ₹ 5.54 Crores equivalent to USD 0.73 million (31 March 2019: ₹ 2.69 Crores equivalent to USD 0.39 million). The loans are secured by first charge on the entire assets of the company (present and future) including trade receivables and inventory. The effective rate of interest is 5.30% p.a. (31 March 2019: 5.30% p.a.) and 5.51% p.a. (31 March 2019: 5.51% p.a.) respectively.

Under the initial repayment schedule, the above mentioned loans were repayable in 36 monthly installments of USD 0.01 million and USD 0.03 million starting from 28 September 2018 and 2 February 2019 respectively. Last installment was due on 28 August 2021 and 2 January 2022 respectively. However, the loans are fully repaid subsequently in April 2020.

(c) For Black Box Network Services India Private Limited, term loan of ₹ 20.25 Crores obtained from Srei Equipment Finance Limited ("SREI") has been carried in the books pursuant to business combination during the current year (refer note 41). The outstanding term loan comprises of long-term portion of ₹ 10.33 Crores and current portion of ₹ 9.92 Crores. The loan is secured by all moveable fixed and current assets and promissory notes provided by the company. The facility is to be repaid in two equal installments in March 2021 and December 2021. The interest rate is 12.00% p.a. linked to SREI Bench Rate ("SBR").

The current portion of the loan is disclosed under note 20 "Current borrowings".

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(d) For Black Box Corporation and its subsidiaries in the United States, the United Kingdom and the Netherlands, outstanding term loans amounting to ₹ Nil (31 March 2019: ₹ 390.58 Crores equivalent to USD 56.47 million) from others were 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.

As per the original repayment schedule, the company was required to make quarterly principal re-payment starting from 30 September 2019 at 1.25% of the aggregate commitments of USD 97.50 million, which increases to 2.50% from 30 September 2020. Last installment is due on 7 January 2022.

Term loans carried an interest rate of interest rate of LIBOR plus applicable margin. The applicable margin was 5.50% p.a. (31 March 2019: 5.50% p.a.). The effective interest rate was 8.12% to 14.80% p.a. (31 March 2019: 8.12% to 14.80% p.a.).

The term loan were fully repaid during the current year.

(e) For AGC Network Pte. Limited, outstanding term loan of ₹ 188.84 Crores equivalent to USD 25.05 million (31 March 2019: ₹ 178.46 Crores equivalent to USD 25.80 million) from Essar Telecom Limited, Mauritius comprises of long-term portion of ₹ Nil (31 March 2019: ₹ 178.46 Crores equivalent to USD 25.80 million) and current portion of ₹ 188.84 Crores equivalent to USD 25.05 million (31 March 2019: ₹ Nil) carrying an interest rate of 5.25% p.a. (31 March 2019: 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 17 "Other financial liabilities".

16 LEASE LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Lease liabilities	118.76	2.39	78.84	1.93
	118.76	**2.39**	**78.84**	**1.93**

Notes:

(a) Refer note 27 for interest on lease liabilities.

(b) The total cash outflow for leases during the year is ₹ 90.83 Crores (including interest).

(c) Refer note 44

(d) The details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis are as follows:

₹ in Crores

	31 March 2020	31 March 2019
Within one year	84.63	55.62
Later than one year and not later than five years	143.55	90.21
Later than five years	2.08	0.60

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

17 OTHER FINANCIAL LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Employee related payables	-	-	92.45	72.07
Payables for expenses	-	-	236.55	168.79
Unclaimed dividend [refer note (a)]	-	-	-	0.16
Interest accrued on borrowings	-	2.31	17.49	8.06
Current maturities of long-term debt (refer note 15)	-	-	205.37	10.36
Payables for letter of credit	-	-	5.82	10.51
Other payables [refer note (b)]	-	-	5.66	5.19
	-	**2.31**	**563.34**	**275.14**

(a) There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as at 31 March 2020 and 31 March 2019. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

(b) It includes ₹ 5.66 Crores equivalent to USD 0.75 million (31 March 2019: ₹ 5.19 Crores equivalent to USD 0.75 million) payable to Global Quality Assurance Limited towards acquisition of COPC Holdings Inc. (refer note 41).

18 PROVISIONS

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits				
Provision for gratuity [refer note 33 (I)(b)]	7.90	6.88	0.24	0.21
Provision for compensated absences [refer note 33 (I)(c)]	6.03	3.67	31.21	34.00
Provision for pension [refer note 33 (II)]	173.66	95.33	-	-
	187.59	**105.88**	**31.45**	**34.21**
Other provisions				
Provision for warranties [refer note (a)]	-	-	0.37	1.40
Provision for restructuring [refer note (b)]	-	-	25.99	49.45
Provision for tax (net of advance taxes of ₹ Nil)	-	-	27.06	43.05
Provision for ex-patriates	-	-	-	5.31
Provision for others	9.82	10.63	-	-
	9.82	**10.63**	**53.42**	**99.21**
	197.41	**116.51**	**84.87**	**133.42**

(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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 2020	31 March 2019
At the beginning of the year	1.40	1.31
Recognised during the year	0.37	1.40
Unused amounts reversed	(1.40)	(1.31)
At the end of the year	**0.37**	**1.40**

b) **Provision for restructuring**

During the financial year ended 31 March 2016, BBX Inc. and its subsidiaries ("BBX") 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 BBX, due to the liquidity concerns of BBX 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 2020	31 March 2019
At the beginning of the year	49.45	-
Acquisitions through business combination (refer note 41)	-	49.24
Recognised during the year	0.97	31.58
Payment made during the year	(27.89)	(31.37)
Exchange differences	3.46	-
At the end of the year	**25.99**	**49.45**

19 OTHER LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue received in advance (refer note 47)	63.17	44.11	404.89	391.89
Advances from customers	-	-	16.63	10.78
Statutory dues payable	-	-	48.23	85.46
Other payables	0.21	2.75	2.55	1.48
	63.38	**46.86**	**472.30**	**489.61**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

20 CURRENT BORROWINGS

₹ in Crores

	31 March 2020	31 March 2019
Secured		
Working capital loan from bank [refer footnote (a)]	-	7.03
Term loans from others [refer footnotes (b), (c) and (e)]	146.87	54.10
Loans repayable on demand		
Cash credits from banks [refer footnotes (d) and (f)]	93.82	97.95
Cash credits from others [refer footnote (e)]	-	46.86
Unsecured		
Working capital loan from other [refer footnote (g)]	1.11	0.67
	241.80	**206.61**

Cash flow changes in liabilities arising from financial activities:

₹ in Crores

Particulars	Borrowings			
	Non-current (refer note 15)	Current	Current maturities of long-term debt (refer note 17)	Total
As at 1 April 2018	19.76	118.39	4.81	142.96
Cash flows (net)	567.13	88.22	5.55	660.90
As at 31 March 2019	**586.89**	**206.61**	**10.36**	**803.86**
Cash flows (net)	(571.68)	35.19	195.01	(341.48)
As at 31 March 2020	**15.21**	**241.80**	**205.37**	**462.38**

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.

As per the original repayment schedule, loan was repayable in fourteen quarterly installments starting from 9 February 2016 viz six installments of ₹ 2.25 Crores each, four installments of ₹ 3.38 Crores each and four installments 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 2019: 10.25% p.a.) plus spread 1.5% p.a. Hence effective rate is 11.75% p.a. (31 March 2019: 11.75% p.a.). The loan was fully repaid on 5 July 2019.

(b) For BBX Main Inc., there is outstanding term loan of ₹ 22.62 Crores equivalent to USD 3.00 million (31 March 2019: ₹ 25.00 Crores equivalent to USD 3.60 million) availed from Splice Capital LLC (including loan of Weber Family Trust assigned to Splice Capital LLC during the current year). This loan carries a rate of interest of 10.00% p.a. to 18.00% p.a. (31 March 2019: 18.00% p.a.) and it was initially repayable by July 2019. The loan term has been revised and is now repayable by July 2020. It is secured against equity of the company and AGC Networks LLC, USA (formerly known as AGC Networks Inc.).

Additionally, there is outstanding term loan of ₹ 3.77 Crores equivalent to USD 0.50 million (31 March 2019: 3.04 Crores equivalent to USD 0.50 million) availed from Galaxy Wave Holdings Limited. The loan carries a rate of interest of 15.00% p.a. (31 March 2019: 15.00% p.a.) and it was initially repayable by July 2019. The loan term has been revised and is now repayable by June 2020. Security shall be mutually agreed between the parties.

Further, during the year, BBX Main Inc. has fully repaid the loan outstanding as at 31 March 2019 amounting to ₹ 10.00 Crores equivalent to USD 1.40 million availed from Lamara Heartwell Revocable Trust. This loan carried a rate of interest of 18.00% p.a. (31 March 2019: 18.00% p.a.).

(c) For Black Box Corporation ('BBC'), term loan has been availed during the current year amounting to ₹113.08 Crores equivalent to USD 15.00 million from Greensill Capital (UK) Limited ("Greensill"). Greensill has sub-participation rights in the tranche subscribed by BBC in the securitisation program with the special purpose vehicle and a corporate guarantee has been given by AGC Networks Pte Limited. This term loan is repayable in four equal tranches with expirations in March 2020, June 2020, September 2020 and December 2020. The interest rate on the term loan is LIBOR + approximately 8.00% p.a. Upon the expiration and repayment of each tranche, BBC has an option to enter into four separate one-year tranche of ₹ 28.27 Crores equivalent to USD 3.75 million such that the final tranche would expire in December 2021. BBC executed first option in March 2020. Accordingly, the loan outstanding as at 31 March 2020 is ₹ 110.56 Crores equivalent to USD 14.67 million.

(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 2019: 13.00% to 15.00% p.a.).

Further, in view of COVID-19 pandemic, the Reserve Bank of India has, vide Circular No. RBI/2019-20/186 dated 27 March 2020, inter-alia, permitted the lending institutions to defer recovery of interest in respect of working capital facility during the period from 1 March 2020 to 31 May 2020. The Company has applied for the aforementioned moratorium for all the cash credit facilities.

(e) For Black Box Corporation and its subsidiaries in the United States, the United Kingdom and the Netherlands, outstanding term loans and cash credits amounting to ₹ Nil (31 March 2019: ₹ 62.92 Crores equivalent to USD 9.10 million) from others were 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.

Term loans and cash credit facilities carried an interest rate of LIBOR plus applicable margin. The applicable margin was 5.50% p.a. (31 March 2019: 5.50% p.a.). The effective interest rate was 8.12% to 14.80% p.a. (31 March 2019: 8.12% to 14.80% p.a.).

The loans were repayable on demand. The term loans and cash credit facilities were fully repaid during the current year.

(f) For AGC Networks LLC, USA (formerly known as AGC Networks Inc.) cash credit from Bank of Texas was secured by first charge on the entire assets of the company (present and future) including trade receivable and inventory.

Cash credit carried an effective interest rate of 3.00% p.a. (31 March 2019: 5.25% p.a.).

Cash credit facility was fully repaid during the current year.

(g) For AGC Networks LLC, USA (formerly known as AGC Networks Inc.), premium financing service has been availed from AFCO Credit Corporation. The amount outstanding as at 31 March 2020 is ₹ 1.11 Crores equivalent to USD 0.15 million (31 March 2019 : ₹ 0.67 Crores equivalent to USD 0.10 million). The effective interest rate is 5.09% to 5.24% p.a. (31 March 2019: 5.09% p.a.).

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Note:

During the year ended 31 March 2020, the Company has defaulted in repayment of working capital loan to Yes Bank amounting to ₹ 2.55 Crores which was due on 9 May 2019. The repayment has subsequently been made after the due date on 5 July 2019 for the above-mentioned default.

During the year ended 31 March 2019, the Company had defaulted in repayment of working capital loan to Yes Bank amounting to ₹ 3.38 Crores, ₹ 4.50 Crores and ₹ 4.50 Crores which was due on 9 May 2018, 8 November 2018 and 9 February 2019 respectively. The repayment has subsequently been made after the due date on 22 May 2018, 31 January 2019 and 9 April 2019 for the above-mentioned defaults.

21 TRADE PAYABLES

₹ in Crores

	31 March 2020	31 March 2019
Dues to micro enterprises and small enterprises (refer note 38)	17.17	6.99
Dues to creditors other than micro enterprises and small enterprises	529.96	544.41
	547.13	**551.40**

Note:

Trade payables are generally non-interest bearing and are normally settled in line with respective industry norms.

22 REVENUE FROM OPERATIONS

₹ in Crores

	31 March 2020	31 March 2019
Revenue from operations		
Sale of products (refer footnote of note 25)		
Finished goods	52.15	13.83
Stock-in-trade	1,859.16	822.28
Sale of services [refer note (a) below]	3,066.69	1,012.55
	4,978.00	**1,848.66**
Other operating revenue		
Liabilities / provisions for earlier years no longer required written back [refer note (b) below]	15.92	4.08
	4,993.92	**1,852.74**

Notes:

(a) Details of sale of services

₹ in Crores

	31 March 2020	31 March 2019
- Maintenance services	1,039.39	886.84
- Implementation services	1,941.82	106.55
- Training and consulting services	85.48	19.16
	3,066.69	**1,012.55**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(b) Details of liabilities / provisions for earlier years no longer required written back

₹ in Crores

	31 March 2020	31 March 2019
- pertaining to provision for expenses	0.17	1.26
- pertaining to employee stock option expense	0.17	-
- pertaining to employee related payables	2.18	-
- pertaining to trade payables	11.96	2.26
- pertaining to goods receipt / invoice receipt balances	0.15	0.32
- pertaining to advance from customers	0.23	0.25
- pertaining to inventory	-	0.00
- pertaining to provision for warranties	1.06	-
	15.92	**4.08**

23 OTHER INCOME

₹ in Crores

	31 March 2020	31 March 2019
Interest income on		
Bank deposits	0.21	0.18
Income tax refund	0.98	2.85
Inter corporate deposits (refer note 43)	3.63	1.89
Others	1.71	0.28
Reversal of allowance for expected credit loss (net)	-	1.15
Gain on disposal of property, plant and equipment (net)	25.67	-
Miscellaneous income	0.83	0.09
	33.03	**6.44**

24 COST OF MATERIALS AND COMPONENTS CONSUMED

₹ in Crores

	31 March 2020	31 March 2019
Inventory at the beginning of the year	10.03	0.14
Add: Purchases made during the year (net)	5.49	1.01
Add: Acquisitions through business combination (refer note 41)	1.22	12.01
	16.74	**13.16**
Less: Inventory at the end of the year	7.81	10.03
	8.93	**3.13**

Details of material and components consumed

₹ in Crores

	31 March 2020	31 March 2019
Static converters	0.09	0.02
Cabinet	2.82	1.05
Peripherals	6.02	2.01
Others	-	0.05
	8.93	**3.13**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

25 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

₹ in Crores

	31 March 2020	31 March 2019
Inventories at the end of the year		
Stock-in-trade	119.47	128.25
Work-in-progress	0.03	0.50
Finished goods	7.81	9.96
	127.31	**138.71**
Acquisitions through business combination (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	128.25	27.58
Work-in-progress	0.50	0.45
Finished goods	9.96	-
	138.71	**28.03**
	11.40	**58.54**

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.

26 EMPLOYEE BENEFITS EXPENSE (NET)

₹ in Crores

	31 March 2020	31 March 2019
Salaries and wages*	1,882.48	614.13
Contribution to provident and other funds [refer note 33 (I)(a)]*	1.08	3.45
Staff welfare expenses	10.95	9.31
Share based payment to employees (refer note 34)	-	0.64
	1,894.51	**627.53**

* Includes amount paid to key managerial personnel amounting to ₹ 12.85 Crores (31 March 2019: ₹ 7.11 Crores) [refer note 36 (IV)].

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

27 FINANCE COSTS

₹ in Crores

	31 March 2020	31 March 2019
Interest on borrowings	74.84	39.36
Guarantee commission	0.23	0.22
Interest on lease liabilities	16.06	-
Other borrowing costs	38.25	4.96
	129.38	**44.54**

28 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (refer note 3)	18.19	11.15
Depreciation of right of use assets (refer note 4)	74.09	-
Amortisation of other intangible assets (refer note 6)	6.68	3.50
	98.96	**14.65**

29 OTHER EXPENSES

₹ in Crores

	31 March 2020	31 March 2019
Consumption of stores and spares	1.23	1.35
Power and water charges	10.46	3.36
Rent [refer note (a) below]	4.29	28.09
Rates and taxes	9.60	3.69
Insurance	34.42	10.76
Repairs and maintenance - others	15.47	6.71
Travelling and conveyance	100.01	34.30
Communication expenses	31.84	10.11
Legal and professional fees	87.35	34.32
Advertisement and sales promotion	38.66	13.04
Outward freight, clearing and forwarding charges	10.21	11.86
Commission on sales	0.17	0.15
Directors' sitting fees [refer note 36 (IV)]	0.27	0.33
Corporate social responsibility expenditure (refer note 46)	0.11	-
Auditor's remuneration [refer note (b) below]	1.22	0.71
Net loss on foreign currency transaction and translation	0.95	2.24
Allowance for expected credit loss	9.71	-
Loss on disposal of property, plant and equipment (net)	-	0.01
Miscellaneous expenses	7.40	26.57
	363.37	**187.60**

Notes:

(a) Amounts recognised for short term leases, leases of low value assets and income from subleasing

₹ in Crores

	31 March 2020	31 March 2019
Rent relating to short term leases	2.72	-
Rent relating to leases of low value assets	0.06	-
Income from subleasing of right of use assets	0.07	-

(b) Auditor's remuneration

₹ in Crores

	31 March 2020	31 March 2019
As auditors:		
Audit fee and limited review fees (including consolidation)	1.10	0.60
In other capacities:		
Other services (certification fees)	0.02	0.02
Reimbursement of expenses	0.10	0.09
	1.22	**0.71**

30 EXCEPTIONAL ITEMS - (EXPENSES) / INCOME

₹ in Crores

	31 March 2020	31 March 2019
Reversal of provision against obsolete / non-moving inventory [refer note (a) below]	-	3.65
Interest income against sale of property, plant and equipment [refer note (b) below]	-	0.91
Profit on sale of property, plant and equipment [refer note (c) below]	-	1.11
Other intangible assets written off [refer note (d) below]	(5.05)	-
Severance expenses [refer note (e) below]	(1.09)	(32.06)
Acquisition cost [refer note (f) below]	(1.77)	(34.42)
Foreclosure of leases [refer note (g) below]	(8.53)	(2.02)
Provision for policy change in employee vacation [refer note (h) below]	-	(10.29)
Inventory written off [refer note (i) below]	(6.51)	-
Securitisation costs [refer note (j) below]	(99.94)	-
Non-routine consulting and IT costs [refer note (k) below]	(2.16)	-
	(125.05)	**(73.12)**

Notes:

(a) Represents reversal of inventory provisions made in earlier years to reflect lower of cost and net realisable value. The Company had entered into an agreement with a buyer for sale of these inventories.

(b) Represents interest income on sale consideration receivable from the erstwhile buyer with respect to sale of property situated at Gandhinagar (refer note 42).

(c) Represents profit on sale of property, plant and equipment situated at Gandhinagar (refer note 42).

(d) Represents other intangible assets written off related to BBX Inc.

(e) Represents net severance cost of BBX Inc. towards rationalisation of manpower to enhance operational efficiencies.

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(f) Represents acquisition related cost of BBX Inc. which includes valuation fees, advisory fees, legal and professional fees and consulting fees.
(g) Represents early closure of leases related to BBX Inc.
(h) Represents provision for policy change in employee vacation related to BBX Inc.
(i) Represents inventory written off related to BBX Inc.
(j) Represents incidental charges incurred for securitising trade receivables related to BBX Inc.
(k) Represents non-routine consulting and IT costs related to BBX Inc.

31 TAX EXPENSES / (CREDITS)

(a) Income tax expense in the statement of profit and loss consists of:

₹ in Crores

	31 March 2020	31 March 2019
Current income tax	(2.59)	5.97
Deferred tax	9.57	(6.55)
	6.98	**(0.58)**

(b) Deferred tax assets in relation to:

₹ in Crores

	31 March 2020	31 March 2019
Brought forward losses	7.02	(24.99)
Others	2.55	18.44
	9.57	**(6.55)**

32 EARNINGS / (LOSS) PER EQUITY SHARE (EPS)

	31 March 2020	31 March 2019
The components of basic and diluted earnings / (loss) per share are as follows:		
(a) Net profit / (loss) attributable to equity shareholders		
Net profit / (loss) before exceptional items (₹ in Crores)	166.17	(5.65)
Net profit / (loss) after exceptional items (₹ in Crores)	41.12	(78.77)
(b) Weighted average number of outstanding equity shares		
Considered for basic EPS	29,738,548	29,201,313
Add : Effect of dilutive potential equity shares arising from outstanding stock options*	328,211	156,841
Considered for diluted EPS	30,066,759	29,358,154
(c) Earnings / (loss) per equity share		
Earnings / (loss) per share of ₹10 each before exceptional items :		
Basic (in ₹)	55.88	(1.93)
Diluted (in ₹)	55.27	(1.93)
Earnings / (loss) per share of ₹ 10 each after exceptional items :		
Basic (in ₹)	13.83	(26.97)
Diluted (in ₹)	13.68	(26.97)

* As at 31 March 2020, 619,262 (31 March 2019 : 626,262) potential equity shares outstanding as share option under the ESOP Scheme 2015 (refer note 34), 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

33 EMPLOYEE BENEFITS PLAN

(I) Disclosure in respect of AGC Networks Limited

(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 2020	31 March 2019
Contribution to provident fund	0.92	0.95

Above amount has been included in the line item “Contribution to provident and other funds” in note 26.

(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 employee 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 the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Current service cost	0.58	0.72
Interest expense	0.46	0.48
Employee benefit expense recognised in profit and loss	**1.04**	**1.20**
Actuarial (gain) / loss recognised in Other Comprehensive Income (OCI)		
Actuarial (gain) / loss due to demographic assumptions	(0.00)	-
Actuarial gain due to experience adjustment	(0.05)	(0.29)
Actuarial loss / (gain) due to change in financial assumptions	0.56	(0.54)
Net employee benefits expense / (income) recognised in OCI	**0.51**	**(0.83)**

Amount recognised in the balance sheet in respect of gratuity liability (defined benefit plan) is as follows:
Benefit liability

₹ in Crores

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation (net)	6.45	5.91
Net liability recognised in balance sheet	**6.45**	**5.91**

Changes in the present value of the defined benefit obligation are as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Opening defined benefit obligation (net)	5.91	6.35
Current service cost	0.58	0.72
Interest cost	0.46	0.48
Benefits paid	(1.01)	(0.81)
Remeasurement loss / (gain)	0.51	(0.83)
Closing defined benefit obligation (net)	**6.45**	**5.91**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Bifurcation of defined benefit obligation (net):

₹ in Crores

Particulars	31 March 2020	31 March 2019
Current	0.17	0.21
Non-current	6.28	5.70
	6.45	**5.91**

The provision for gratuity for the subsidiaries (including step-downsubsidiaries) is created as per the local laws of respective countries:

₹ in Crores

Name of the subsidiary	31 March 2020		31 March 2019	
	Impact in statement of profit and loss	Impact in balance sheet	Impact in statement of profit and loss	Impact in balance sheet
AGC Networks LLC, Dubai	0.03	1.03	0.56	1.18
BBX Inc. and its subsidiaries (consolidated)	0.35	0.66	-	-
	0.38	**1.69**	**0.56**	**1.18**

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 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- /+ 1%)	0.63	(0.52)	0.59	(0.51)
Salary Growth Rate (- / + 1%)	(0.46)	0.53	(0.45)	0.50
Attrition Rate	0.00	0.02	(0.07)	0.06
(- /+ 50% of attrition rates provided in principal assumption table)				
Mortality Rate (- /+ 10%)	0.01	0.02	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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Following are the principal assumptions used as at the balance sheet date:

Particulars	31 March 2020	31 March 2019
Discount rate (% per annum)	6.65%	7.70%
Salary escalation rate (% per annum)	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08) (modified) Ultimate
Attrition rate, based on age:		
Up to 26 years	5.00%	5.00%
27 - 34 years	12.00%	12.00%
35 - 44 years	5.00%	5.00%
Above 44 years	1.00%	1.00%

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 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Gratuity					
Defined benefit obligation	6.45	5.91	6.35	4.81	4.71
Plan assets	-	-	-	-	-
Deficit	6.45	5.91	6.35	4.81	4.71
Experience adjustments on plan liabilities	-	-	-	(0.05)	0.22
Experience adjustments on plan assets	-	-	-	-	-
Actuarial loss / (gain) due to change in assumptions	0.51	(0.83)	0.90	0.40	0.05

The Company expects to contribute ₹ Nil to gratuity in the next year (31 March 2019: ₹ Nil).

Maturity profile of Defined Benefit Obligation: ₹ in Crores

Particulars	31 March 2020	31 March 2019
One year	0.18	0.22
Two to five years	2.06	1.43
Six years and above	10.54	12.08

(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 at 31 December 2016 is entitled to be en-cashed only during separation from the Company based on the basic salary as at 31 December 2016.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(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 i.e. Pension, for its employees where benefits have been "frozen" whereby, starting on 26 August 2006, no new employees were admitted, and, starting on 1 January 2008, those employees currently in the plan will not earn additional benefits based on service.

The following tables summarises the components of employee benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet for the pension plan.

Amount recognised in the statement of profit and loss in respect of pension cost (defined benefit plan) is as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Net interest (income) / expense	(5.90)	0.90
Employee benefits (income) / expense recognised in profit and loss	**(5.90)**	**0.90**
Actuarial (gain) / loss recognised in OCI		
Actuarial gain due to experience adjustment	(1.63)	(2.10)
Actuarial loss due to demographic assumptions	1.06	-
Actuarial loss due to change in financial assumptions	37.96	21.43
Return on plan assets	41.51	(18.43)
Net employee benefits expense recognised in OCI	**78.90**	**0.90**

Amount recognised in the balance sheet in respect of pension liability (defined benefit obligation) is as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation	432.00	359.18
Fair value of plan assets	258.34	263.85
Net liability recognised in the balance sheet	**173.66**	**95.33**

Changes in the present value of the defined benefit obligation are as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Opening defined benefit obligation	359.18	338.53
Interest cost	13.77	3.12
Remeasurement loss	37.39	19.33
Benefits paid	(12.04)	(1.80)
Exchange differences	33.70	-
Closing defined benefit obligation	**432.00**	**359.18**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

Changes in the fair value of plan assets are as follows:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Opening fair value of plan assets	263.85	242.10
Interest income	19.67	2.22
Contribution by employer	5.71	2.90
Return on plan assets	(41.51)	18.43
Benefits paid	(12.04)	(1.80)
Exchange differences	22.66	-
Closing fair value of plan assets	**258.34**	**263.85**

Major categories of plan assets (as a % of total plan assets):

₹ in Crores

Particulars	31 March 2020	31 March 2019
Bank balance	1.93%	2.00%
Other Investments	98.07%	98.00%
Total	**100.00%**	**100.00%**

Bifurcation of defined benefit obligation (net):

₹ in Crores

Particulars	31 March 2020	31 March 2019
Current	-	-
Non-current	173.66	95.33

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount 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 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- /+ 0.5%)	33.30	(29.89)	27.54	(24.74)
Mortality Rate (- /+ 10%)	11.52	(10.49)	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.

Following are the principal assumptions used as at the balance sheet date:

Particulars	31 March 2020	31 March 2019
Discount rate (% per annum)	2.95%	3.64%
Salary escalation rate (% per annum)	0.00%	0.00%
Pension growth rate (% per annum)	0.00%	0.00%
Mortality rate	Pri-2012 Blue Collar Mortality tables for males and females with improvements under MP-2019	RP-2014 Blue Collar Mortality tables for males and females adjusted to 2006 with improvement Under MP-2018
Attrition rate, based on age:		
15 years	43.00%	43.00%
20 years	35.00%	35.00%
25 years	27.00%	27.00%
30 years	21.00%	21.00%
35 years	18.00%	18.00%
40 years	16.00%	16.00%
45 years	15.00%	15.00%
50 years	12.00%	12.00%
55 years	0.00%	0.00%
60 years	0.00%	0.00%
65 years	0.00%	0.00%

Maturity profile of Defined Benefit Obligation:

₹ in Crores

Particulars	31 March 2020	31 March 2019
One year	14.99	13.06
Two to five years	71.85	63.70
Six years and above	118.69	106.76

34 EMPLOYEES STOCK OPTION PLAN OF THE 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, 320,248 and 170,799 stock options on 14 May 2015, 19 May 2016 and 15 June 2018 respectively. 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:

:

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 the end of vesting period	2 years from the end of vesting period	2 years from the end of 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 Securities and Exchange Board of India (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 2020		31 March 2019	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	626,262	74.58	471,120	63.00
Granted during the year	-	-	170,799	107.00
Cancelled during the year	-	-	15,657	80.00
Exercised during the year	7,000	80.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	619,262	74.51	626,262	74.58
Exercisable at the end of the year	187,924	-	44,621	-

* WAEP denotes weighted average exercise price of the option

The following tables summarizes the information about the options as at 31 March 2020 and 31 March 2019 respectively.

Grant	As at 31 March 2020		
	Grant date	No. of options outstanding	Weighted Average life*
Series 1	14 May 2015	128,215	1.18
Series 2	19 May 2016	320,248	2.14
Series 3	15 June 2018	170,799	4.22

Grant	As at 31 March 2019		
	Grant date	No of options outstanding	Weighted Average life*
Series 1	14 May 2015	1,35,215	2.13
Series 2	19 May 2016	3,20,248	3.14
Series 3	15 June 2018	1,70,799	5.22

* 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 2020 is ₹ 48.72 (31 March 2019: ₹ 48.54). 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

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.

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(a) Information about reportable business segments:

₹ in Crores

Particulars	31 March 2020				31 March 2019			
	SI	TPS	Others	Total	SI	TPS	Others	Total
Segment revenue	4,067.06	820.81	106.05	**4,993.92**	1,606.39	227.19	19.16	**1,852.74**
Segment results	172.84	77.41	19.25	**269.50**	33.03	(1.28)	0.12	**31.87**
Other income				33.03				6.44
Finance costs				129.38				44.54
Profit / (loss) before exceptional items and tax				**173.15**				**(6.23)**
Exceptional items - expenses				125.05				73.12
Profit / (loss) before tax				**48.10**				**(79.35)**
Tax expense / (credit)				6.98				(0.58)
Net profit / (loss) for the year				**41.12**				**(78.77)**
Depreciation and amortisation expenses				98.96				14.65

(b) Revenue from external customers:

₹ in Crores

Particulars	31 March 2020	31 March 2019
India	315.44	309.03
America	3,770.61	1,148.82
Rest of the world	945.61	406.66
Total	**5,031.66**	**1,864.51**
Less : Inter-segment	(37.74)	(11.77)
Revenue from operations	**4,993.92**	**1,852.74**

America comprises of North America, Canada and Mexico.

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 significant acquisitions in January 2019, the Board has reviewed the segmental presentation of financial information, it was required to assess performance and allocate resources. The Board 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) Revenue of ₹ 852.44 Crores equivalent to USD 117.21 million is derived from a single external customer, Bank of America and it constitutes more than 10% of the Group's revenue. This revenue is attributable to System Integration segment.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

36 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)

Related party with whom transactions have taken place

(iii) Entities under common control:

Aegis Philippines Inc.
Essar Bulk Terminal (Salaya) Limited
Essar Bulk Terminal Limited
Essar Oil UK Limited
Essar Power Hazira Limited
Essar Shipping Limited
Essar Steel Algoma Inc.
Arcelormittal Nippon Steel India Limited (formerly known as Essar Steel India Limited) (up to 16 December 2019)
The Mobilestore Limited
Essar Power M P Limited
TMW Fintech Private Limited (formerly known as The Mobilewallet Private Limited) (up to 31 July 2018)
Ibrox Aviation and Trading Private Limited
PT Manoor Bultan Lestari Indonesia
Essar Projects Middle East FZE

(iv) Key Managerial Personnel:

Mr. Sanjeev Verma, Whole-time Director
Mr. Sujay R Sheth, Independent Director
Mr. Dilip Thakkar, Independent Director
Mrs. Mahua Mukherjee, Executive Director (w.e.f. 5 April 2018)
Mr. Aditya Goswami, Company Secretary
Mr. Naresh Kothari, Non-executive Director
Mr. Deepak Kumar Bansal, Chief Financial Officer and Executive Director (Executive Director w.e.f. 26 September 2019)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(II) Transactions during the year with related parties :

₹ in Crores

Nature of transaction	31 March 2020	31 March 2019
Sale of products *		
Essar Bulk Terminal Limited	-	0.84
Essar Oil UK Limited	2.19	0.63
Essar Power Hazira Limited	-	0.78
Essar Shipping Limited	-	0.53
Ibrox Aviation And Trading Private Limited	-	8.60
PT Manoor Bultan Lestari Indonesia	-	9.21
	2.19	**20.59**
Sale of services *		
Essar Bulk Terminal (Salaya) Limited	-	0.01
Essar Bulk Terminal Limited	0.00	-
Essar Oil UK Limited	3.86	4.27
Essar Power M P Limited	0.57	-
Essar Steel Algoma Inc.	-	2.75
	4.43	**7.03**
Expenses reimbursement recoveries		
TMW Fintech Private Limited	-	1.56
	-	**1.56**
Reimbursement of expenses incurred by		
TMW Fintech Private Limited	-	1.56
Arcelormittal Nippon Steel India Limited	0.02	-
	0.02	**1.56**
Adjustment on assignment of sundry receivables		
PT Manoor Bultan Lestari Indonesia	-	9.21
Essar Projects Middle East FZE	-	15.61
	-	**24.82**
Loan taken		
Essar Telecom Limited	-	178.46
	-	**178.46**
Loan repaid		
Essar Telecom Limited	5.45	-
	5.45	**-**

*Sale of products and services amounts represent invoices raised during the year and it includes invoices where revenue recognition has been deferred.

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

(III) Amount due to / from related parties (as at year-end)

₹ in Crores

Nature of balances	31 March 2020	31 March 2019
Amount payable by Group**		
Aegis Philippines Inc.	0.06	0.06
Arcelormittal Nippon Steel India Limited	0.11	-
TMW Fintech Private Limited	-	0.39
	0.17	**0.45**
Trade receivables		
Arcelormittal Nippon Steel India Limited	0.14	0.17
Essar Shipping Limited	0.53	0.53
Essar Bulk Terminal Limited	0.00	-
Essar Steel Algoma Inc.	-	0.23
Essar Power M P Limited	0.18	-
Essar Oil UK Limited	0.91	2.15
Ibrox Aviation and Trading Private Limited	2.26	2.26
TMW Fintech Private Limited	-	0.03
	4.02	**5.37**
Borrowings		
Essar Telecom Limited	188.84	178.46
	188.84	**178.46**
Advances and other receivables		
The Mobilestore 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 KMP for the relevant financial year:

During the year, Nil (31 March 2019 : 71,166) ESOPs are granted to KMP and Nil (31 March 2019 : 15,657) ESOPs lapsed.

₹ in Crores

Particulars	31 March 2020	31 March 2019
Remuneration		
Salary and contribution to provident fund	12.85	7.11
Directors' sitting fees	0.27	0.33
Payable as at year end	2.12	-

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

37 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(A) Contingent liabilities

₹ in Crores

Particulars	31 March 2020	31 March 2019
In respect of disputed demands in respect of matters under appeal with		
(a) Income tax authorities *	50.54	51.13
(b) Excise, service tax and customs authorities *	22.20	23.05
(c) Sales tax authorities *	10.98	4.68
(d) Claims against the Group not acknowledged as debt	9.47	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.

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 consolidated 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) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 0.34 Crores (31 March 2019: ₹ 1.24 Crores).

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

38 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

₹ in Crores

Trade payables include:	31 March 2020	31 March 2019
Total outstanding dues of micro enterprises and small enterprises	17.17	6.99

Details of amounts due under the MSMED Act, 2006 are as under:

₹ in Crores

Particulars		31 March 2020	31 March 2019
1) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	a) Principal	16.76	6.99
	b) Interest *	0.41	0.22
	Total	**17.17**	**7.21**
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	5.43	12.42
	b) Interest	-	-
	Total	**5.43**	**12.42**
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.		0.23	-
4) The amount of interest accrued and remaining unpaid at the end of the year.	a) Total Interest accrued*	0.41	0.22
	b) Total Interest unpaid	**0.41**	**0.22**
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.	Includes ₹ 0.22 Crores being interest on dues outstanding to MSMEs as at 31 March 2019 beyond the appointed date. Company has made payment to certain MSMEs during the current year beyond the appointed date. Such payments were made without adding interest specified under MSMED Act, 2006.		

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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

39.1 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

₹ in Crores

Particulars	Carrying value and fair value	
	As at 31 March 2020	As at 31 March 2019
Financial assets		
Measured at amortised cost		
Non-current		
(a) Loans	1.93	1.80
(b) Other financial assets	53.24	9.25
Current		
(a) Trade receivables	361.31	861.77
(b) Cash and cash equivalents	315.87	205.94
(c) Bank balances other than cash and cash equivalents	53.57	56.95
(d) Loans	19.37	24.00
(e) Other financial assets	385.21	75.43
Financial liabilities		
Measured at amortised cost		
Non-current		
(a) Borrowings	15.21	586.89
(b) Lease liabilities	118.76	2.39
(c) Other financial liabilities	-	2.31
Current		
(a) Borrowings	241.80	206.61
(b) Trade payables	547.13	551.40
(c) Lease liabilities	78.84	1.93
(d) Other financial liabilities	563.34	275.14

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, bank balances other than 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

The fair values for deposits were calculated based on cash flows discounted using a current lending rate. The lease liability is initially measured at amortized cost at the present value of the future lease payments and are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Accordingly, all these 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 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 (unobservable inputs).

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 minimize 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, 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 2020	As at 31 March 2019
Fixed-rate instruments		
Term loan	236.64	640.99
Working capital loan	1.11	0.67
Total	**237.75**	**641.66**
Variable-rate instruments		
Working capital loan	-	7.03
Cash credits	93.82	144.81
Term loan	130.81	-
Total	**224.63**	**151.84**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Crores

Particulars	Gain / (loss) on profit before tax	
	31 March 2020	31 March 2019
Interest rate increase by 50 basis points	(1.12)	(0.76)
Interest rate decrease by 50 basis points	1.12	0.76

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 from cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets as well as credit exposures to customers including outstanding receivables.

The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, forward looking macroeconomic information, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The expected credit loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Outstanding customer receivables are regularly monitored.

Other financial assets

The Group periodically monitors the recoverability and credit risks of its other financials assets. The Group evaluates 12 months expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Group considers life time expected credit losses for the purpose of impairment provisioning.

Expected credit loss for trade receivables

₹ in Crores

As at 31 March 2020	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables*	**233.54**	**32.12**	**24.17**	**180.77**	**40.25**
Less: Trade receivables from group companies	3.07	0.43	1.72	11.27	-
Net trade receivables	**230.47**	**31.69**	**22.45**	**169.50**	**40.25**
Expected loss rates	0.24%	1.31%	2.41%	54.14%	100.00%
Expected credit loss	**0.55**	**0.42**	**0.54**	**91.77**	**40.25**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

₹ in Crores

As at 31 March 2019	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables*	**634.89**	**66.28**	**43.04**	**259.75**	**-**
Less: Trade receivables from group companies	4.17	0.96	0.16	19.56	-
Net trade receivables	**630.72**	**65.32**	**42.88**	**240.19**	**-**
Expected loss rates	0.08%	0.29%	0.37%	51.78%	-
Expected credit loss	**0.50**	**0.19**	**0.16**	**124.37**	**-**

*amounts are before intra-company elimination.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

₹ in Crores

Particulars	31 March 2020	31 March 2019
Revenue from top customer	17%	9%
Revenue from top five customers	24%	17%

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 2020 and 31 March 2019:

Maturity profile of financial liabilities:

₹ in Crores

As at 31 March 2020	On Demand	Less than one year	One to five years	More than five years	Total
Borrowings	93.82	147.98	15.21	-	257.01
Trade payables	-	547.13	-	-	547.13
Lease liabilities	-	78.84	117.33	1.43	197.60
Other financial liabilities	1.01	562.33	-	-	563.34
Total	**94.83**	**1,336.28**	**132.54**	**1.43**	**1,565.08**

₹ in Crores

As at 31 March 2019	On Demand	Less than one year	One to five years	More than five years	Total
Borrowings	144.81	61.80	586.89	-	793.50
Trade payables	-	551.40	-	-	551.40
Lease liabilities	-	1.93	2.39	-	4.32
Other financial liabilities	0.63	274.51	2.31	-	277.45
Total	**145.44**	**889.64**	**591.59**	**-**	**1,626.67**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

39.3 Foreign currency risk

Foreign currency risk is the risk that the 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, it primarily deals in United States Dollars (USD). The Group has mainly foreign currency trade payables and other receivable 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 a 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 2020								31 March 2019							
	USD	AED	SAR	CAD	GBP	CNY	SGD	Others	USD	AED	SAR	CAD	GBP	CNY	SGD	Others
Financial assets																
Trade receivables	18.62	21.27	0.19	1.66	8.62	2.39	0.08	9.13	15.10	21.88	0.57	0.24	5.93	2.65	1.47	1.46
Cash and cash equivalents and bank balances other than cash and cash equivalents	4.17	1.18	-	-	2.05	4.91	0.92	2.66	4.20	1.46	-	-	0.45	6.56	0.50	5.54
Loans	-	-	-	-	-	-	-	-	0.61	-	-	-	-	-	-	-
Exposure to foreign currency risk on financial assets	**22.79**	**22.45**	**0.19**	**1.66**	**10.67**	**7.30**	**1.00**	**11.79**	**19.91**	**23.34**	**0.57**	**0.24**	**6.38**	**9.21**	**1.97**	**7.00**
Financial liabilities																
Borrowings	-	-	-	-	-	-	-	-	-	3.18	-	-	-	-	-	-
Trade payables	82.75	2.70	3.60	1.72	6.84	0.05	0.86	26.17	29.49	3.14	1.99	-	2.15	0.09	0.42	0.60
Other financial liabilities	1.06	-	-	0.00	1.60	1.65	0.42	0.68	0.52	-	-	-	1.25	2.00	0.64	1.06
Exposure to foreign currency risk on financial liabilities	**83.81**	**2.70**	**3.60**	**1.72**	**8.44**	**1.70**	**1.28**	**26.85**	**30.01**	**6.32**	**1.99**	**-**	**3.40**	**2.09**	**1.06**	**1.66**
Net exposure to foreign currency risk	**(61.02)**	**19.75**	**(3.41)**	**(0.06)**	**2.23**	**5.60**	**(0.28)**	**(15.06)**	**(10.10)**	**17.02**	**(1.42)**	**0.24**	**2.98**	**7.12**	**0.91**	**5.34**

Group has accumulated net exposure to foreign currency risk amounting to ₹ (52.25) Crores (31 March 2019 : ₹ 22.09 Crores).

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 profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

₹ in Crores

Particulars	Impact on statement of profit and loss for the year ended 31 March 2020	Impact on statement of profit and loss for the year ended 31 March 2019
USD sensitivity		
INR / USD		
Increase by 5%	(3.05)	(0.51)
Decrease by 5%	3.05	0.51
AED sensitivity		
INR / AED		
Increase by 5%	0.99	0.85
Decrease by 5%	(0.99)	(0.85)
SAR sensitivity		
INR / SAR		
Increase by 5%	(0.17)	(0.07)
Decrease by 5%	0.17	0.07
CAD sensitivity		
INR / CAD		
Increase by 5%	(0.00)	0.01
Decrease by 5%	0.00	(0.01)
GBP sensitivity		
INR / GBP		
Increase by 5%	0.11	0.15
Decrease by 5%	(0.11)	(0.15)
CNY sensitivity		
INR / CNY		
Increase by 5%	0.28	0.36
Decrease by 5%	(0.28)	(0.36)
SGD sensitivity		
INR / SGD		
Increase by 5%	(0.01)	0.05
Decrease by 5%	0.01	(0.05)
Others sensitivity		
INR / Other		
Increase by 5%	(0.75)	0.27
Decrease by 5%	0.75	(0.27)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

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 2020	31 March 2019
Borrowings	257.01	793.50
Other financial liabilities	228.68	31.24
Total debt	**485.69**	**824.74**
Less: Cash and cash equivalents and bank balances other than cash and cash equivalents	369.44	262.89
Net debt #	**116.25**	**561.85**
Total equity	(47.82)	18.67
Total capital	**(47.82)**	**18.67**
Gearing ratio (in %)	**-243%**	**3009%**

Net debt for the above purpose includes borrowings, interest accrued on borrowings and payables for letter of credit net of cash and cash equivalents and bank balances other than cash and cash equivalents.

41 BUSINESS COMBINATIONS

Internet of Things (IoT) and Sxtreo business

During the year ended 31 March 2020, Black Box Network Services India Private Limited, step-down subsidiary of the Company, has entered into a slump sale agreement to acquire Internet of Things (IoT) and Sxtreo business for a purchase consideration of ₹ 0.15 Crores. The acquisition was effective from 1 February 2020.

Black Box Corporation, USA

During the year ended 31 March 2019, 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 Singapore through its US subsidiaries.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

COPC Holdings Inc., USA

During the year ended 31 March 2019, AGC Singapore and AGC Networks LLC, USA (formerly known as 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.

The details of financial information are as provided below:

₹ in Crores

Particulars	31 March 2020	31 March 2019	
	SxTreo business division	Black Box Corporation	COPC Holdings Inc.
Assets			
Property, plant and equipment	0.98	138.16	0.03
Other intangible assets	7.34	33.96	-
Trade receivable	0.82	672.20	10.66
Inventories	1.22	181.23	-
Cash and cash equivalents	0.00	249.18	18.59
Deferred tax assets	-	18.38	6.53
Other assets (including financial assets)	0.85	511.77	6.56
Total assets	**11.21**	**1,804.88**	**42.37**
Liabilities			
Borrowings	20.25	543.15	-
Trade payables	0.15	333.31	1.80
Tax liabilities	-	5.29	1.39
Other payables (including financial liabilities and provisions)	0.80	851.36	20.54
Provisions	0.38	49.24	-
Total liabilities	**21.58**	**1,782.35**	**23.73**
Fair value of net assets acquired	**(10.37)**	**22.53**	**18.64**
Purchase consideration	0.15	119.40	38.04
Goodwill on acquisition	**10.52**	**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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

During the previous year ended 31 March 2019, 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 had been transferred to another buyer through a separate sale transaction for a consideration of ₹ 23.51 Crores, and the Company had 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 as at re-assignment date from the erstwhile buyer is not required to be refunded by the Company. The entire transaction stands completed.

43. DISCLOSURE UNDER SECTION 186(4) OF THE ACT - INTER CORPORATE DEPOSITS

₹ in Crores

Name of the borrower	Principal	Accrued interest	31 March 2020	Principal	Accrued interest	31 March 2019
Essar Services India Private Limited	17.30	5.52	22.82	11.50	1.06	12.56
Imperial Consultants and Securities Limited (Previously known as Essar Infrastructure Services Private Limited)	-	-	-	9.00	0.83	9.83
	17.30	**5.52**	**22.82**	**20.50**	**1.89**	**22.39**

Notes:

1. Rate of interest is 18.00% p.a. (31 March 2019: 18.00% p.a.) on inter corporate deposits.
2. The amount due from Imperial Consultants and Securities Limited has been assigned to Essar Services India Private Limited during the year ended 31 March 2020.
3. These inter corporate deposits are unsecured and have been given for meeting business requirements.
4. No inter corporate deposits have been given during the year ended 31 March 2020.

44. TRANSITION DISCLOSURE

Ind AS 116 Leases:

Effective 1 April 2019, the Group adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported as per Ind AS 17 Leases.

On transition, the adoption of the new standard resulted in following:

1. Recognition of ROU asset (after adjusting prepaid lease rent) of ₹ 132.86 Crores and a lease liability of ₹ 143.00 Crores. The cumulative effect of applying the standard amounting to ₹ 8.02 Crores was debited to retained earnings, net of taxes.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

2. The net carrying amount of assets procured under the finance lease of ₹ 4.35 Crores have been reclassified from PPE to ROU assets.

3. As at 1 April 2019, the obligation under finance lease of ₹ 4.32 Crores (non-current portion of ₹ 2.39 Crores and current portion of ₹ 1.93 Crores) have been reclassified to lease liabilities.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognise ROU assets and lease liabilities for leases whose term ends within 12 months and leases of low value assets from the date of initial application.
3. Excluded the initial direct costs from the measurement of ROU asset at the date of initial application.
4. The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 Leases will continue to be applied to lease contracts entered by the Group or modified by the Group before 1 April 2019.

   The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is in the range of 4.35% to 17.00% p.a.

The following is a reconciliation of operating lease commitments as at 31 March 2019 (as disclosed in the financial statements of 31 March 2019) to the lease liabilities recognised as at 1 April 2019:

₹ in Crores

Particulars	
Operating lease rental commitment disclosed as at 31 March 2019	146.43
Adjustment on account of adoption of Ind AS 116 *	(3.43)
Lease liability as at 1 April 2019	143.00

*The difference between the future minimum lease rental commitments towards non-cancellable operating leases disclosed as at 31 March 2019 compared to the lease liability accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116, finance lease obligation and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedients as per the standard.

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.

₹ in Crores

Particulars		31 March 2020	31 March 2019
a)	Gross amount required to be spent by the Company during the year	0.10	-
b)	Amount spent during the year on:		
1.	Construction / acquisition of any asset	-	-
2.	On purposes other than (1) above	0.11	-

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2020

47 CHANGES IN REVENUE RECEIVED IN ADVANCE ARE AS FOLLOWS:

₹ in Crores

	31 March 2020	31 March 2019
Balance at the beginning of the year	**436.00**	**125.16**
Net revenue recognised that was included in the balance at the beginning of the year	(391.89)	(113.50)
Net invoicing during the year, excluding amounts recognised as revenue during the year	423.95	424.34
Balance at the end of the year	**468.06**	**436.00**

48 As on 1 April 2019, the Company had 5 directors on board. The Company has appointed sixth director in the board meeting held on 14 August 2019.

49 As on 1 April 2019, the Company had not appointed at least one of its independent directors as a director on the board of directors of its unlisted material subsidiary entities incorporated outside India. The Company had appointed its independent directors as director on the board of directors of these unlisted material subsidiary entities incorporated outside India during the year ended 31 March 2020.

50 TRADE RECEIVABLES SECURITISATION

On 27 December 2019, Black Box Corporation, step-down subsidiary of the Company, has entered into a non-recourse accounts receivable securitisation program for the sale of both billed and unbilled receivables originated by Black Box Corporation's subsidiaries in the United States and the United Kingdom to an unaffiliated third party. The securitisation program allows availability up to $90 million to Black Box Corporation. Additionally, Black Box Corporation entered into $15 million term loan facility that is secured by one of the tranches in the securitisation program. The proceeds from the sale of receivables and term loan were used to pay off all outstanding loans from the former lenders. The Securitisation program expires on 27 December 2022.

51 ENTITY RESTRUCTURING

AGC Singapore, subsidiary of the Company has contributed its 35% interest in COPC Holdings Inc. ("COPC"), step-down subsidiary of the Company to AGC USA step-down subsidiary of the Company. As a result of which, COPC becomes a wholly-owned subsidiary of AGC USA, effective on 31 March 2020 as of 11:59:59 p.m. Subsequently, AGC USA is converted into Limited Liability Company pursuant to the Limited Liability Company Act of State of Delaware and name of the company is changed to AGC Networks LLC effective on 31 March 2020 as of 11:59:59 p.m.

A stock purchase agreement is executed between AGC Singapore, Norstan Communication Inc. ("Norstan"), step-down subsidiary of the Company and Black Box Corporation, step-down subsidiary of the Company, where-in AGC Singapore has sold 100% holding of AGC USA to Norstan effective on 31 March 2020 as of 11.59:59 p.m. On 1 April 2020, AGC USA transferred its ownership interest in COPC to Norstan, and Norstan transferred its ownership interest in COPC to Black Box Corporation. As a result of which, AGC USA and COPC become step-down subsidiaries of Black Box Corporation.

52 The spread of COVID-19, a pandemic caused by the novel Coronavirus, is having an unprecedented impact on global economy and way of doing business. The Group has responded to the situation swiftly and maintained business operations with the support of their customers, vendors, employees and other stakeholders through the crisis. There has been no significantly adverse impact on the operations for the year ended 31 March 2020. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying

amounts of trade receivables, inventories, tangible assets, intangible assets, investments and other financial assets and continues to monitor changes in future economic conditions. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial statement, has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of these consolidated financial statement.

53 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

BUSINESS COMBINATIONS:

a) On 31 May 2020, Black Box Holdings Limited, step-down subsidiary of the Company, has entered into a share sale agreement to acquire 100% holding of Fujisoft Technology LLC (Dubai), Fujisoft Security Solutions LLC (Dubai) and Fuji Soft Technology LLC (Abu Dhabi) for a total consideration of AED 9,866,353 with 50% of the consideration payable at the completion of acquisition and the balance as deferred consideration. Out of the deferred consideration, 25% is payable after 9 months and the remaining 25% after 18 months from the completion of acquisition. The said acquisition is anticipated to be completed within 6 months.

b) On 10 June 2020, Black Box Networks Services Australia Pty Ltd, step-down subsidiary of the Company, has entered into a share sale agreement with Agile Group Limited ("seller") to acquire 100% holding in Pyrios Pty Limited, Australia for a total consideration of USD 800,000. The said acquisition is anticipated to be completed within 6 months.

c) On 10 June 2020, Black Box Networks Services New Zealand Ltd, step-down subsidiary of the Company, has entered into a share sale agreement with Agile Group Limited ("seller") to acquire 100% holding in Pyrios Limited, New Zealand for a total purchase consideration of USD 1,950,000 with USD 700,000 of the consideration payable on the completion of acquisition and the balance as deferred consideration. Out of the deferred consideration, USD 750,000 is payable after 6 months and USD 500,000 after 18 months from the completion of acquisition. The said acquisition is anticipated to be completed within 6 months.

54 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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 30 June 2020

For and on behalf of the Board of Directors of AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place : Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place : Dallas, Texas, USA

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	Equity share capital	Other equity	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Revenue from operations	Profit / (loss) before tax	Tax expenses / (credits)	Profit / (loss) after tax	Total comprehensive income / (loss) for the year	Proposed Dividend	% of shareholding	Country
1	AGC Networks Australia Pty Ltd.	Same	AUD	49.98	14.50	1.50	43.88	27.88	-	45.85	3.87	1.08	2.79	1.20	-	100%	Australia
2	AGC Networks Pte. Limited	Same	USD	75.39	34.22	(18.89)	341.32	325.99	-	79.76	(15.42)	(0.00)	(15.42)	(19.96)	-	100%	Singapore
3	AGC Networks LLC, USA	Same	USD	75.39	60.82	37.59	303.76	205.36	-	322.08	22.51	0.15	22.36	28.46	-	100%	USA
4	AGC Networks Philippines, Inc.	Same	PHP	1.48	1.26	(0.06)	10.05	8.85	-	11.19	(2.89)	0.13	(3.02)	(2.70)	-	100%	Philippines
5	AGC Networks & Cyber Solutions Limited	Same	USD	75.39	0.01	(9.16)	5.04	14.19	-	10.59	(1.13)	-	(1.13)	(1.83)	-	100%	Singapore
6	AGCN Solutions Pte. Limited	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	Singapore
7	AGC Networks LLC, Dubai	Same	USD	75.39	0.26	24.33	49.76	25.17	-	58.80	15.83	-	15.83	17.54	-	100%	Dubai
8	AGC Networks LLC, Abu Dhabi	Same	USD	75.39	-	(0.65)	0.20	0.85	-	-	(0.31)	-	(0.31)	(0.36)	-	100%	Dubai
9	AGC Networks New Zealand Limited	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	New Zealand
10	Black Box Corporation -DE	Same	USD	75.39	146.02	(204.51)	(26.03)	32.46	-	-	(150.52)	(5.77)	(145.12)	(133.22)	-	100%	USA
11	ACS Communications, Inc.	Same	USD	75.39	-	118.93	503.78	384.85	-	1,029.23	(6.95)	-	(6.97)	(6.26)	-	100%	USA
12	ACS Dataline, LP	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	USA
13	ACS Investors, LLC	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	USA
14	BB Technologies, Inc.	Same	USD	75.39	-	(0.45)	23.29	23.75	-	-	(0.42)	-	(0.42)	(0.39)	-	100%	USA
15	BBOX Holdings Mexico LLC	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	Mexico
16	BBOX Holdings Puebla LLC	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	Mexico
17	Black Box A/S	Same	USD	75.39	8.46	(2.91)	5.55	-	-	5.38	(3.45)	(0.86)	(2.58)	(2.52)	-	100%	Denmark
18	Black Box Canada Corporation	Same	USD	75.39	20.90	(0.10)	20.81	-	-	16.09	0.36	0.14	0.22	(0.83)	-	100%	Canada
19	Black Box Chile S.A.	Same	USD	75.39	20.04	1.22	21.94	0.69	-	-	4.82	0.71	4.11	(0.53)	-	100%	Chile
20	Black Box Comunicaciones, S.A.	Same	USD	75.39	22.90	0.34	23.23	-	-	18.35	1.75	0.40	1.36	1.14	-	100%	Spain
21	Black Box Corporation of Pennsylvania	Same	USD	75.39	-	31.57	320.84	289.27	-	390.40	22.93	-	23.00	21.15	-	100%	USA
22	Black Box de Mexico, S. de R.L. de C.V.	Same	USD	75.39	0.25	0.63	5.46	4.58	-	11.54	1.00	0.29	0.71	0.66	-	100%	Mexico
23	Black Box Deutschland GmbH	Same	USD	75.39	24.29	7.18	36.98	5.52	-	50.89	4.83	1.27	3.55	3.16	-	100%	Germany
24	Black Box do Brasil Industria e Comercio Ltda.	Same	USD	75.39	0.39	(5.00)	31.84	36.45	-	60.66	(4.81)	(1.57)	(3.23)	(2.97)	-	100%	Brazil
25	Black Box E-Commerce (Shanghai) Co., Ltd.	Same	USD	75.39	0.01	(2.12)	1.69	3.79	-	0.92	(1.97)	(0.49)	(1.48)	(0.87)	-	100%	CHINA
26	Black Box Finland OY	Same	USD	75.39	17.76	(1.20)	16.56	-	-	14.57	1.14	0.29	0.85	0.75	-	100%	Finland
27	Black Box France	Same	USD	75.39	57.56	1.14	58.70	-	-	41.78	1.78	0.60	1.18	1.06	-	100%	France

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	Equity share capital	Other equity	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Revenue from operations	Profit / (loss) before tax	Tax expenses / (credits)	Profit / (loss) after tax	Total comprehensive income / (loss) for the year	Proposed Dividend	% of sharehold-ing	Country
28	Black Box Gmbh	Same	USD	75.39	2.88	0.75	3.63	-	-	3.69	1.61	0.38	1.22	1.14	-	100%	Austria
29	Black Box Holdings Ltd.	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	Cayman Islds
30	Black Box International B.V.	Same	USD	75.39	34.86	40.54	115.92	40.53	-	79.27	18.70	4.71	13.96	12.67	-	100%	Netherlands
31	Black Box International Holdings B.V.	Same	USD	75.39	26.64	1.75	140.76	112.38	-	0.46	0.75	0.64	0.09	(0.04)	-	100%	Netherlands
32	Black Box Network Services (Dublin) Limited	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	Ireland
33	Black Box Network Services (UK) Limited	Same	USD	75.39	70.04	(4.51)	178.45	112.92	-	125.66	1.45	0.62	0.82	(4.09)	-	100%	UK
34	Black Box Network Services AB	Same	USD	75.39	48.85	2.13	50.98	-	-	45.33	9.08	2.64	6.42	4.97	-	100%	Sweden
35	Black Box Network Services AG	Same	USD	75.39	8.92	3.12	12.04	-	-	11.93	1.73	0.23	1.50	1.77	-	100%	Switzerland
36	Black Box Network Services Australia Pty Ltd	Same	USD	75.39	17.65	(1.09)	16.56	-	-	14.81	1.20	0.40	0.80	(1.57)	-	100%	Australia
37	Black Box Network Services Co., Ltd.	Same	USD	75.39	25.43	6.22	40.38	8.74	-	56.32	5.61	1.91	3.68	4.60	-	100%	Japan
38	Black Box Network Services Corporation	Same	USD	75.39	1.36	0.05	6.66	5.25	-	8.52	1.34	0.12	1.22	1.01	-	100%	Taiwan
39	Black Box Network Services, Inc. – Government Solutions	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	USA
40	Black Box Network Services India Private Limited	Same	USD	75.39	0.21	(11.87)	16.76	28.41	-	2.64	(2.35)	(0.83)	(1.51)	(1.38)	-	100%	India
41	Black Box Network Services Korea Limited	Same	USD	75.39	1.63	0.12	1.75	-	-	0.66	0.26	0.05	0.21	0.06	-	100%	Korea
42	Black Box Network Services New Zealand Limited	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	New Zealand
43	Black Box Network Services NV	Same	USD	75.39	9.68	(3.18)	10.57	4.07	-	24.08	(3.05)	(1.09)	(1.95)	4.06	-	100%	Belgium
44	Black Box Network Services S.r.l.	Same	USD	75.39	10.39	(0.35)	19.86	9.82	-	18.45	1.00	0.34	0.66	0.57	-	100%	Italy
45	Black Box Network Services SDN. BHD.	Same	USD	75.39	4.03	0.34	4.37	-	-	1.01	0.45	0.08	0.38	(0.01)	-	100%	Malaysia
46	Black Box Network Services Singapore Pte Ltd	Same	USD	75.39	22.96	(0.99)	34.31	12.33	-	42.09	(1.82)	(0.31)	(1.52)	(2.34)	-	100%	Singapore
47	Black Box Norge AS	Same	USD	75.39	24.79	(2.46)	22.33	-	-	38.13	5.95	1.63	4.30	(0.38)	-	100%	Norway
48	Black Box P.R. Corp.	Same	USD	75.39	8.97	(8.97)	-	-	-	-	-	-	-	-	-	100%	Puerto Rico
49	Black Box Services Company	Same	USD	75.39	-	(29.86)	342.15	372.01	-	-	39.64	-	39.77	49.74	-	100%	USA

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	Equity share capital	Other equity	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Revenue from operations	Profit / (loss) before tax	Tax expenses / (credits)	Profit / (loss) after tax	Total comprehensive income / (loss) for the year	Proposed Dividend	% of sharehold-ing	Country
50	Black Box Software Development Services Limited	Same	USD	75.39	-	(16.69)	57.68	74.37	-	-	(13.63)	(1.66)	(11.98)	(11.00)	-	100%	Ireland
51	CBS Technologies Corp.	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	USA
52	Delaney Telecom, Inc.	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	USA
53	Norstan Canada, Ltd. / Norstan Canada, Ltée	Same	USD	75.39	88.12	(10.89)	77.23	-	-	37.73	(4.97)	(1.09)	(3.87)	(9.65)	-	100%	Canada
54	Norstan Communications, Inc.	Same	USD	75.39	-	124.24	659.30	535.06	-	1,937.39	89.39	-	89.67	4.83	-	100%	USA
55	Nu-Vision Technologies, LLC	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	USA
56	Black Box Network Services Hong Kong Limited	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	Hong Kong
57	BBX Inc.	Same	USD	75.39	217.39	(14.63)	203.05	0.29	-	-	-	-	-	-	-	100%	USA
58	BBX Main Inc.	Same	USD	75.39	-	(28.75)	217.40	246.15	-	20.57	(3.27)	-	(3.27)	(23.54)	-	100%	USA
59	COPC Holdings Inc.	Same	USD	75.39	0.00	(32.84)	(29.74)	3.10	-	0.01	(1.12)	1.40	(2.46)	(2.46)	-	100%	USA
60	COPC Inc.	Same	USD	75.39	24.74	(14.33)	13.29	2.87	-	26.15	(0.27)	0.01	(0.28)	(0.28)	-	100%	USA
61	COPC International Inc.	Same	USD	75.39	-	58.10	64.89	6.80	-	34.18	10.51	0.58	9.86	13.71	-	100%	USA
62	COPC India Private Limited	Same	USD	75.39	-	(0.48)	(0.40)	0.08	-	3.06	(0.09)	(0.19)	0.10	0.10	-	100%	USA
63	COPC Asia Pacific Inc.	Same	USD	75.39	-	(10.96)	(8.59)	2.37	-	9.21	(2.67)	-	(2.65)	(2.65)	-	100%	USA
64	COPC International Holdings LLC	Same	USD	75.39	-	-	-	-	-	-	-	-	-	-	-	100%	USA
65	COPC Consultants (Beijing) Co. Limited	Same	USD	75.39	0.00	8.08	11.48	3.41	-	12.20	1.30	0.05	1.24	1.24	-	100%	USA
66	RevealCX LLC	Same	USD	75.39	-	0.04	(0.01)	(0.05)	-	0.66	0.03	-	0.03	0.06	-	100%	USA
					1,079.20	**31.99**	**4,081.73**	**2,970.56**	**-**	**4,722.31**	**49.73**	**6.98**	**42.75**	**(56.21)**	**-**		

Note:

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 2020.

For and on behalf of the Board of Directors of
AGC Networks Limited

SANJEEV VERMA
Whole-time Director
DIN - 06871685
Place: Dallas, Texas, USA

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 30 June 2020

DEEPAK KUMAR BANSAL
Chief Finance Officer and Executive Director
DIN - 07495199
Place: Dallas, Texas, USA

Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary

Particulars	Net Assets i.e. total assets minus total liabilities		Total comprehensive income / (loss) for the year	
	As % of consolidated net assets	₹ in Crores	As % of total comprehensive income / (loss)	₹ in Crores
Parent				
AGC Networks Limited	(186.00)	88.95	3.67	(2.14)
Subsidiaries				
AGC Networks Australia Pty Ltd.	(33.45)	16.00	(2.05)	1.20
AGC Networks Pte. Limited	(32.06)	15.33	34.20	(19.96)
AGC Networks LLC, USA	(205.78)	98.41	(48.77)	28.46
AGC Networks Philippines Inc.	(2.51)	1.20	4.63	(2.70)
AGC Networks & Cyber Solutions Limited	19.14	(9.15)	3.14	(1.83)
AGCN Solutions Pte. Limited	0.00	0.00	0.00	0.00
AGC Networks LLC, Dubai	(51.42)	24.59	(30.06)	17.54
AGC Networks LLC, Abu Dhabi	1.36	(0.65)	0.62	(0.36)
AGC Networks New Zealand Limited	0.00	0.00	0.00	0.00
Black Box Corporation -DE	122.30	(58.49)	228.29	(133.22)
ACS Communications, Inc.	(248.69)	118.93	10.73	(6.26)
ACS Dataline, LP	0.00	0.00	0.00	0.00
ACS Investors, LLC	0.00	0.00	0.00	0.00
BB Technologies, Inc.	0.95	(0.45)	0.66	(0.39)
BBOX Holdings Mexico LLC	0.00	0.00	0.00	0.00
BBOX Holdings Puebla LLC	0.00	0.00	0.00	0.00
Black Box A/S	(11.60)	5.55	4.32	(2.52)
Black Box Canada Corporation	(43.51)	20.81	1.42	(0.83)
Black Box Chile S.A.	(44.45)	21.26	0.91	(0.53)
Black Box Comunicaciones, S.A.	(48.58)	23.23	(1.96)	1.14
Black Box Corporation of Pennsylvania	(66.02)	31.57	(36.25)	21.15
Black Box de Mexico, S. de R.L. de C.V.	(1.83)	0.87	(1.12)	0.66
Black Box Deutschland GmbH	(65.79)	31.47	(5.42)	3.16
Black Box do Brasil Industria e Comercio Ltda.	9.63	(4.61)	5.09	(2.97)
Black Box E-Commerce (Shanghai) Co., Ltd.	4.40	(2.10)	1.50	(0.87)
Black Box Finland OY	(34.63)	16.56	(1.28)	0.75
Black Box France	(122.73)	58.70	(1.82)	1.06
Black Box Gmbh	(7.60)	3.63	(1.95)	1.14
Black Box Holdings Ltd.	0.00	0.00	0.00	0.00
Black Box International B.V.	(157.65)	75.39	(21.71)	12.67
Black Box International Holdings B.V.	(59.35)	28.38	0.08	(0.04)
Black Box Network Services (Dublin) Limited	0.00	0.00	0.00	0.00
Black Box Network Services (UK) Limited	(137.01)	65.53	7.01	(4.09)
Black Box Network Services AB	(106.61)	50.98	(8.51)	4.97
Black Box Network Services AG	(25.17)	12.04	(3.03)	1.77
Black Box Network Services Australia Pty Ltd	(34.63)	16.56	2.69	(1.57)

Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary

Particulars	Net Assets i.e. total assets minus total liabilities		Total comprehensive income / (loss) for the year	
	As % of consolidated net assets	₹ in Crores	As % of total comprehensive income / (loss)	₹ in Crores
Black Box Network Services Co., Ltd.	(66.17)	31.65	(7.88)	4.60
Black Box Network Services Corporation	(2.93)	1.40	(1.74)	1.01
Black Box Network Services, Inc. – Government Solutions	0.00	0.00	0.00	0.00
Black Box Network Services India Private Limited	24.37	(11.65)	2.37	(1.38)
Black Box Network Services Korea Limited	(3.66)	1.75	(0.10)	0.06
Black Box Network Services New Zealand Limited	0.00	0.00	0.00	0.00
Black Box Network Services NV	(13.59)	6.50	(6.96)	4.06
Black Box Network Services S.r.l.	(21.00)	10.04	(0.98)	0.57
Black Box Network Services SDN. BHD.	(9.14)	4.37	0.02	(0.01)
Black Box Network Services Singapore Pte Ltd	(45.95)	21.98	4.01	(2.34)
Black Box Norge AS	(46.69)	22.33	0.65	(0.38)
Black Box P.R. Corp.	0.00	0.00	0.00	0.00
Black Box Services Company	62.44	(29.86)	(85.24)	49.74
Black Box Software Development Services Limited	34.90	(16.69)	18.86	(11.00)
CBS Technologies Corp.	0.00	0.00	0.00	0.00
Delaney Telecom, Inc.	0.00	0.00	0.00	0.00
Norstan Canada, Ltd. / Norstan Canada, Ltée	(161.49)	77.23	16.53	(9.65)
Norstan Communications, Inc.	(259.77)	124.24	(8.28)	4.83
Nu-Vision Technologies, LLC	0.00	0.00	0.00	0.00
Black Box Network Services Hong Kong Limited	0.00	0.00	0.00	0.00
BBX Inc.	(423.96)	202.76	0.00	0.00
BBX Main Inc.	60.11	(28.75)	40.34	(23.54)
COPC Holdings Inc.	68.67	(32.84)	4.22	(2.46)
COPC Inc.	(21.77)	10.41	0.48	(0.28)
COPC International Inc.	(121.48)	58.10	(23.49)	13.71
COPC India Private Limited	1.00	(0.48)	(0.17)	0.10
COPC Asia Pacific Inc.	22.91	(10.96)	4.55	(2.65)
COPC International Holdings LLC	0.00	0.00	0.00	0.00
COPC Consultants (Beijing) Co. Limited	(16.87)	8.07	(2.12)	1.24
RevealCX LLC	(0.06)	0.03	(0.10)	0.06
Sub Total	**(2,509.41)**	**1,200.12**	**100.00**	**(58.36)**
Add / (Less) : Effect of Inter Company elimination / adjustment	2,609.41	(1,247.94)	0.00	0.00
Total	**100.00**	**(47.82)**	**100.00**	**(58.36)**

FINANCIAL HIGHLIGHTS - CONSOLIDATED

₹ in Crores

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Fixed assets and investment	**339.6**	399.5	113.6	110.9	108.8	89.7	119.8	129.2	115.8	102.6
Net assets (excluding fixed assets and borrowings)	**75.0**	423.1	114.7	132.1	113.2	156.2	189.7	495.6	328.3	146.3
Total capital employed	**(47.8)**	18.7	90.1	69.9	61.5	101.6	74.0	305.6	322.5	262.7
Shareholders' funds										
I. Equity share capital	**29.7**	29.7	28.5	28.5	28.5	43.5	28.5	28.5	14.2	14.2
II. Other equity	**(77.6)**	(11.1)	61.6	41.4	33.0	58.2	45.5	277.1	308.3	248.5
Total	**(47.8)**	18.7	90.1	69.9	61.5	101.7	74.0	305.6	322.5	262.7
Revenue from operations	**4,993.9**	1,852.7	733.5	780.2	882.8	892.0	775.8	1,061.2	997.6	325.5
Other income	**33.0**	6.4	4.9	3.6	5.5	6.3	19.6	51.5	12.9	3.1
Profit / (loss) before tax	**48.1**	(79.4)	19.1	12.7	(22.4)	17.7	(274.1)	(9.9)	86.3	19.2
Tax expense / (credit)										
I. Current tax	**(2.6)**	6.0	5.2	3.1	4.7	3.5	0.3	7.0	21.7	7.6
II. Deferred tax	**9.6**	(6.6)	(1.1)	(0.8)	7.6	(0.6)	(2.7)	5.0	1.1	(1.6)
Net profit / (loss) for the year	**41.1**	(78.8)	14.9	10.3	(34.6)	14.8	(271.6)	(21.9)	63.5	13.2
Total comprehensive (loss) / income for the year	**(58.4)**	(76.6)	14.7	8.3	-	-	-	-	-	-
Dividend(%)	**-**	-	-		-	-	-	-	150.0	22.5
Debt Equity ratio	**(9.7)**	43.1	1.5	2.5	2.4	1.4	3.2	1.0	0.4	-
Earning per share (₹)	**13.8**	(27.0)	5.2	2.9	(12.2)	5.2	(95.4)	(7.7)	22.3	9.2
Cash earning per share (₹)	**47.1**	(21.6)	8.1	5.9	(9.0)	11.7	(81.2)	(2.0)	52.8	11.9
Book value per share (₹)	**(16.1)**	6.3	31.6	24.5	24.0	35.7	48.5	107.2	226.6	184.6

NOTES

AGC

Accelerating Business

BLACK BOX

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