
Walker Chandniok & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

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

To the Board of Directors of AGC Networks Limited

Opinion

1. We have audited the accompanying standalone annual financial results ("the Statement") of **AGC Networks Limited** ("the Company") for the year ended **31 March 2021**, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations"), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents standalone financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement* 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 ('the 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters – Impact of COVID-19 on the Statement and non-compliances with laws and regulations

4. We draw your attention to Note 6 to the accompanying Statement, which describes the impact of COVID-19 pandemic on the Company's operations and on accompanying Statement as at reporting date. 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.

AGC Networks Limited
Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

5. We draw attention to Note 5 to the accompanying Statement which describes the delay in remittance of import payments and repatriation of proceeds of export of goods and services, aggregating to Rs. 2.10 Crores and Rs. 4.56 Crores, respectively, outstanding as at 31 March 2021 beyond the timelines stipulated under the Foreign Exchange Management Act, 1999, as amended from time to time. The management has filed necessary applications with the appropriate authority for extension of time period and condonation of such delays. The management is of the view that the fine / penalties, if any, that may be levied, are currently unascertainable but not expected to be material and accordingly, no adjustments have been made to the accompanying Statement in respect of the fines / penalties that may be levied on account of such delays.

Our opinion is not modified in respect of matters reported in paragraphs 4 to 5 above.

Responsibilities of Management and Those Charged with Governance for the Statement

6. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
7. In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

9. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 SAs, specified under section 143(10) of the Act, 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 this Statement.
10. As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, 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.

AGC Networks Limited

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

- 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 in place adequate internal financial controls with reference to financial statements 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 the management.
 - Conclude on the appropriateness of the 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
12. 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.

Other Matter

13. The Statement includes the standalone financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by us.

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

**BHARAT
KOCHU
SHETTY**

Digitally signed by
BHARAT KOCHU SHETTY
Date: 2021.08.02
23:53:56 +05'30'

Bharat Shetty
Partner
Membership No:106815

UDIN:21106815AAAACP6323

Place: Mumbai
Date: 02 August 2021

AGC NETWORKS LIMITED

Registered Office :- Essar House, 11 Keshavrao Khadye Marg, Opp. Race Course,
Mahalaxmi, Mumbai – 400034

**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE
QUARTER AND YEAR ENDED 31 MARCH 2021**

(Rs. in Crores, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31/03/2021 (Refer note 2)	31/12/2020	31/03/2020 (Refer note 2)	31/03/2021	31/03/2020
1	Income					
	(a) Revenue from operations	74.25	61.61	86.62	249.54	309.35
	(b) Other income	4.44	0.44	2.24	8.47	6.26
	Total income	78.69	62.05	88.86	258.01	315.61
2	Expenses					
	(a) Purchase of stock-in-trade	22.43	20.21	15.94	71.19	114.73
	(b) Changes in inventories of work-in-progress and stock-in-trade	1.03	(2.98)	12.06	(1.97)	5.52
	(c) Service charges	28.52	26.67	27.94	104.57	103.92
	(d) Employee benefits expense (net)	8.90	7.12	9.30	32.21	36.43
	(e) Finance costs	3.80	4.16	4.52	17.01	18.50
	(f) Depreciation and amortisation expense	0.94	0.96	1.84	5.39	7.46
	(g) Other expenses	8.80	5.66	5.41	31.47	30.68
	Total expenses	74.42	61.80	77.01	259.87	317.24
3	Profit / (loss) before tax (1-2)	4.27	0.25	11.85	(1.86)	(1.63)
4	Tax expense	-	-	-	-	-
5	Net profit / (loss) for the period / year (3-4)	4.27	0.25	11.85	(1.86)	(1.63)
6	Other Comprehensive Income / (Loss)	0.31	(0.24)	-	0.32	(0.51)
7	Total Comprehensive Income / (Loss) for the period / year (5+6)	4.58	0.01	11.85	(1.54)	(2.14)
8	Paid-up equity share capital (face value of Rs.10 each)	32.53	29.82	29.75	32.53	29.75
9	Other equity				244.11	59.20
10	Earnings / (loss) per share of Rs.10 each :					
	Basic (in Rs.)	1.42*	0.08*	3.98*	(0.62)	(0.55)
	Diluted (in Rs.)	1.40*	0.08*	3.92*	(0.62)#	(0.55)#

* Not annualised

The effect of 424,705 and 619,262 potential equity shares outstanding as at 31 March 2021 and 31 March 2020, respectively, is anti-dilutive and thus these shares are not considered in determining diluted earnings / (loss) per share.

Standalone balance sheet

(Rs. in Crores)

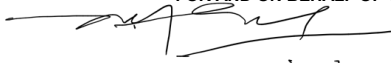
Particulars	Standalone	
	Audited	
	31/03/2021	31/03/2020
ASSETS		
Non-current assets		
Property, plant and equipment	5.68	6.51
Right of use assets	4.88	17.04
Other intangible assets	0.70	0.60
Financial assets		
Investments	194.48	48.72
Loans	2.00	1.63
Other financial assets	0.92	0.99
Tax assets (net)	48.94	71.10
Other non-current assets	4.89	5.92
Total non-current assets	262.49	152.51
Current assets		
Inventories	11.86	10.00
Financial assets		
Trade receivables	66.88	77.11
Cash and cash equivalents	3.69	1.09
Bank balances other than cash and cash equivalents	2.61	1.83
Loans	1.46	19.02
Other financial assets	27.88	18.43
Other current assets	52.65	56.92
Total current assets	167.03	184.40
TOTAL ASSETS	429.52	336.91
EQUITY AND LIABILITIES		
Equity		
Equity share capital	32.53	29.75
Other equity	244.11	59.20
Total equity	276.64	88.95
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	3.08	14.20
Other financial liabilities	-	0.14
Provisions	7.18	6.85
Other non-current liabilities	2.66	9.94
Total non-current liabilities	12.92	31.13
Current liabilities		
Financial liabilities		
Borrowings	16.43	93.82
Trade payables		
Total outstanding dues to micro enterprises and small enterprises	10.74	17.17
Total outstanding dues to creditors other than micro enterprises and small enterprises	50.79	46.14
Lease liabilities	2.05	5.16
Other financial liabilities	31.89	22.72
Other current liabilities	27.40	31.25
Provisions	0.66	0.57
Total current liabilities	139.96	216.83
TOTAL EQUITY AND LIABILITIES	429.52	336.91

Notes

- 1) These standalone financial results 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 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 2) Figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the current and previous financial year which have been subjected to limited review by the statutory auditors.
- 3) The standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31 July 2021 and 02 August 2021, respectively. These standalone financial results have been prepared on the basis of audited standalone financial statements for the year ended 31 March 2021.
- 4) As on 1 April 2020, the Company had not appointed at least one independent woman director on the board. Company had appointed independent woman director in the board meeting held on 10 September 2020.
- 5) The outstanding balance of trade payables and other financial assets as appearing in the balance sheet as at 31 March 2021 includes amount payable aggregating to Rs. 2.10 Crores and amount receivable aggregating to Rs. 4.56 Crores, respectively, to / from the companies situated outside India. These balances are pending for settlement and have resulted in delay in remittance / collection beyond the timeline stipulated under the Foreign Exchange Management Act, 1999. The Company has filed necessary application with AD Category – I bank ("AD Bank") for extension of time limit on payables aggregating to Rs. 1.16 Crores during the financial year and on payables aggregating to Rs. 0.94 Crores subsequent to 31 March 2021. Similarly, the Company has filed application with AD Bank for extension of time limit for the aforementioned receivables aggregating to Rs. 4.56 Crores subsequent to 31 March 2021. For all the cases, approval is pending from AD Bank.

Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable but not expected to be material and accordingly, the accompanying standalone financial results do not include any adjustments that may arise due to such delays.
- 6) COVID-19 pandemic has impacted most economies and businesses globally, including India. The nation-wide lockdown in first half of financial year 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. However, the extent to which the COVID-19 pandemic, including the current second wave that has significantly increased the number of cases in India, impact the standalone financial results, will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and action to contain its spread or mitigate its impact. The Company has considered the possible effects on the carrying amounts of trade receivables, inventories, property, plant and equipment, other intangible assets, tax assets, investments and other financial assets and continues to monitor changes in 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 results.
- 7) The Company had filed claim before National Company Law Tribunal ("NCLT") Mumbai, by way of reply to Monitoring Agency representing EPC Constructions India Limited ("EPCCIL") for recovery of Rs. 6.51 Crores (excluding taxes) along with interest of Rs. 1.49 Crores towards IT Infrastructure and IT services provided during the Corporate Insolvency Resolution Process ("CIRP") period of EPCCIL. Out of the aforementioned amount, Rs. 1 Crore (excluding taxes) had been received by the Company on 19 September 2020 pursuant to the order of the National Company Law Appellate Tribunal ("NCLAT") dated 30 July 2020 in Company Appeal (AT) (Insolvency) No. 660 of 2020. Proceedings i.e. IA 1013/2020 in CP No. 1832/2017 are pending and sub judice before NCLT Mumbai, for recovery of balance amount of Rs. 5.51 Crores (excluding taxes) plus interest of Rs. 1.49 Crores from Monitoring Agency representing EPCCIL.
- 8) The paid-up equity share capital stands increased to Rs. 32.53 Crores (32,528,830 equity shares of Rs.10 each) upon allotment of 110,076, 5,000, 35,227 and 35,227 equity shares of Rs.10 each pursuant to ESOP Scheme 2015 during the quarter ended 31 March 2021, 31 December 2020, 30 September 2020 and 30 June 2020, respectively, and upon allotment of 2,598,651 equity shares of Rs. 10 each pursuant to conversion of convertible warrants issued on preferential basis into equity shares during the quarter ended 31 March 2021.
- 9) Pursuant to shareholders approval obtained in the Extraordinary General Meeting held on 11 December 2020, the Company has allotted on preferential basis, 3,333,334 convertible warrants of Rs. 10 each at a premium of Rs. 665 per warrant to Essar Telecom Limited and Onir Metalics Limited on 8 January 2021. As at 31 March 2021, the Company has received money aggregating to Rs. 187.81 Crores against convertible warrants. Out of total 3,333,334 convertible warrants 2,598,651 warrants have been converted into equity shares. Each warrant is convertible into 1 equity share of Rs. 10 each of the Company within 18 months from the date of allotment subject to payment of balance subscription amount. Subsequent to 31 March 2021, Onir Metalics Limited has merged with Essar Steel Metal Trading Limited.
- 10) The Company has invested Rs. 160.26 Crores in AGC Networks Pte. Limited, Singapore, step-down subsidiary of the Company through Overseas Direct Investment route during February and March 2021.
- 11) The Company has sold all the shares held in AGC Networks Australia Pty Ltd., wholly-owned subsidiary of the Company to Black Box Corporation of Pennsylvania, step-down subsidiary of the Company for a total purchase consideration of Rs. 16.34 Crores. The effective date is 1 January 2021.
- 12) Previous period / year figures have been re-grouped and reclassified, wherever necessary, to conform to those of the current period.

FOR AND ON BEHALF OF THE BOARD



Place Dallas, Texas, The United States of America
Date 02 August 2021
CIN L32200MH1986PLC040652

SANJIV VERMA
WHOLE-TIME DIRECTOR
DIN 06871685

AGC Networks Limited
Standalone cash flow statement for the year ended 31 March 2021

	(Rs. in Crores)	
	Year ended Audited	
	31/03/2021	31/03/2020
Cash flows from operating activities		
Loss before tax	(1.86)	(1.63)
Adjustments for non-cash transactions and items considered separately:		
Depreciation and amortisation expense	5.39	7.46
Gain on sale of investment in subsidiary	(1.85)	-
Gain on remeasurement of lease	(0.59)	-
Reversal of provision for warranties	(0.09)	(0.01)
Allowance for expected credit loss (net)	9.16	5.62
Liabilities / provisions for earlier years no longer required written back	(3.64)	(0.68)
Unrealised foreign exchange loss (net)	1.33	0.37
Finance costs	17.01	18.50
Interest income on bank deposits	(0.23)	(0.21)
Expenses on / (reversal of) on share based payments	0.31	(0.17)
Interest income on inter corporate deposits	(1.67)	(3.63)
Operating profit before working capital changes	23.27	25.62
Changes in working capital :		
Trade receivables	(0.96)	11.68
Inventories	(1.86)	6.18
Loans and other assets	(11.44)	9.10
Trade payables	0.06	(9.78)
Provisions and other liabilities	2.01	(10.26)
Cash generated from operating activities before taxes	11.08	32.54
Income taxes refund / (paid)	22.16	(8.97)
Net cash generated from operating activities (A)	33.24	23.57
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(0.38)	(0.28)
Proceeds from sale of property, plant and equipment and other intangible assets	1.46	0.06
Inter corporate deposit received back	17.30	3.20
Interest received on inter corporate deposits	7.19	-
Interest received on bank deposits	0.14	0.33
Investment made in subsidiary	(160.26)	-
Proceeds from sale of investment in subsidiary	16.35	-
(Investment in) / liquidation of margin money deposits and bank deposits	(0.90)	0.46
Net cash (used in) / generated from investing activities (B)	(119.10)	3.77
Cash flows from financing activities		
Issue of equity shares	2.14	0.01
Money received against share warrants	73.38	-
Securities premium received on issue of equity shares / conversion of warrants	113.40	0.05
Repayment of working capital loan	-	(7.03)
(Repayment) / availment of cash credits	(77.39)	2.81
Payment of lease liabilities (net)	(7.00)	(7.55)
Payment of unclaimed dividend	-	(0.16)
Payment of interest	(16.08)	(15.12)
Net cash generated from / (used in) financing activities (C)	88.45	(26.99)
Net increase in cash and cash equivalents (A + B + C)	2.59	0.35
Cash and cash equivalents at the beginning of the year	1.09	0.73
Unrealised gain on foreign currency cash and cash equivalents	0.01	0.01
Cash and cash equivalents at the end of the year	3.69	1.09

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

To the Board of Directors of AGC Networks Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of **AGC Networks Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended **31 March 2021**, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
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 other auditors on audited consolidated financial statements of a subsidiary, as referred to in paragraph 15 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents consolidated financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the 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 obtained by us and that obtained by the other auditors in terms of their report referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

AGC Networks Limited

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

Emphasis of Matters – Impact of COVID-19 on the Statement, non-compliance with laws and regulations and restatements made in comparative financial information

4. We draw your attention to Note 12 to the accompanying Statement, which describes the impact of COVID-19 pandemic on the Group's operations and on accompanying Statement as at reporting date. 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.
5. We draw attention to Note 11 to the accompanying Statement which describes the delay in remittance of import payments and repatriation of proceeds of export of goods and services, aggregating to Rs. 7.41 Crores and Rs. 4.80 Crores, respectively by the Holding Company, outstanding as at 31 March 2021, beyond the timelines stipulated under the Foreign Exchange Management Act, 1999, as amended from time to time. The Holding Company's management has filed necessary applications with the appropriate authority for extension of time period and condonation of such delays. The management is of the view that the fine / penalties, if any, that may be levied, are currently unascertainable but not expected to be material and accordingly, no adjustments have been made to the accompanying Statement in respect of the fines / penalties that may be levied on account of such delays.
6. We draw attention to Note 23 to the accompanying Statement which describes the restatements made in the comparative financial information presented for the quarter ended 31 December 2020, for the quarter and year ended 31 March 2020 and as at 31 March 2020, relating to the subsidiary, BBX Inc. ('the subsidiary') in accordance with Indian Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors, for correction of certain material prior period errors, as further described in the aforesaid note. The aforesaid matter has also been reported as an emphasis of matter by the auditors of the subsidiary vide their audit report dated 29 July 2021, issued on the consolidated financial results of the subsidiary for the year ended 31 March 2021 and 31 March 2020 and quarter ended 31 March 2021.

Our opinion is not modified in respect of matters reported in paragraphs 4 to 6 above.

Responsibilities of Management and Those Charged with Governance for the Statement

7. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, 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 consolidated financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These consolidated financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

AGC Networks Limited

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

8. In preparing the Statement, 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 respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 SAs, specified under section 143(10) of the Act, 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 this Statement.
11. As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, 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 the 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, 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.

AGC Networks Limited

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

12. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

15. We did not audit the consolidated annual financial results of one subsidiary included in the Statement, whose financial information (before eliminating inter-company transactions) reflects total assets of Rs. 2,080.83 Crores as at 31 March 2021, total revenues of Rs. 4,233.92 Crores, total net profit after tax of Rs. 75.75 Crores, total comprehensive income of Rs. 180.09 Crores, and cash flows (net) of Rs. 33.63 Crores for the year ended on that date, as considered in the Statement. These consolidated annual financial results have been audited by other auditors whose audit report has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the audit report of such other auditors, and the procedures performed by us as stated in paragraph 14 above.

Further, this subsidiary is located outside India, whose consolidated annual results have been prepared in accordance with accounting principles generally accepted in its country of incorporation, and which have been audited by other auditors under International Standards on Auditing (ISA). The Holding Company's management has converted the consolidated financial results of this subsidiary from accounting principles generally accepted in its country of incorporation to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of this subsidiary, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

16. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subjected to limited review by us.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**BHARAT
KOCHU
SHETTY**

Digitally signed by
BHARAT KOCHU SHETTY
Date: 2021.08.02
23:58:21 +05'30'

Bharat Shetty

Partner

Membership No:106815

UDIN:21106815AAAACQ2740

Place: Mumbai

Date: 02 August 2021

AGC Networks Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1

List of entities included in the Statement

- a. AGC Networks Australia Pty Ltd (up to 31 December 2020)
- b. AGC Networks Pte. Ltd.
- c. AGC Networks Philippines, Inc.
- d. AGC Networks & Cyber Solutions Limited
- e. AGCN Solutions Pte. Limited (up to 31 December 2020)
- f. AGC Networks LLC, Dubai
- g. AGC Networks LLC, Abu Dhabi
- h. AGC Networks New Zealand Limited (up to 30 October 2020)
- i. BBX Main Inc.
- j. BBX Inc. and its subsidiaries (consolidated)

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AGC NETWORKS LIMITED

Registered Office :- Essar House, 11 Keshavrao Khadye Marg, Opp. Race Course,
Mahalaxmi, Mumbai – 400034

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

(Rs. in Crores, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended	
		Unaudited			Audited	
		31/03/2021 (Refer note 2)	31/12/2020	31/03/2020 (Refer note 2)	31/03/2021	31/03/2020
		Restated	Restated		Restated	
1	Income					
	(a) Revenue from operations	1,221.20	1,241.07	1,249.37	4,674.02	4,993.92
	(b) Other income	2.35	0.74	2.37	11.13	7.41
	Total income	1,223.55	1,241.81	1,251.74	4,685.15	5,001.33
2	Expenses					
	(a) Cost of materials and components consumed	1.23	1.03	1.36	5.36	8.93
	(b) Purchase of stock-in-trade	418.20	378.45	352.86	1,550.78	1,485.39
	(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	(16.89)	9.81	4.59	(15.15)	11.40
	(d) Service charges	141.81	178.88	213.84	601.09	896.26
	(e) Employee benefits expense (net)	490.29	489.83	479.07	1,825.38	1,894.51
	(f) Finance costs	23.76	22.01	31.02	97.91	131.72
	(g) Depreciation and amortisation expense	28.88	19.37	20.45	95.56	91.69
	(h) Other expenses	93.23	86.82	98.94	354.84	369.02
	Total expenses	1,180.51	1,186.20	1,202.13	4,515.77	4,888.92
3	Profit before exceptional items and tax (1-2)	43.04	55.61	49.61	169.38	112.41
4	Loss on fair value of financial liability	23.71	10.34	28.59	41.70	36.95
5	Amortisation of debt issuance cost	-	-	-	-	23.39
6	Exceptional items - expenses (refer note 4)	9.82	3.18	12.89	31.69	125.05
7	Profit / (loss) before tax (3-4-5-6)	9.51	42.09	8.13	95.99	(72.98)
8	Tax expense / (credit)					
	- Current tax	5.96	5.63	(12.14)	16.25	(2.59)
	- Deferred tax	2.11	(0.34)	9.57	1.65	9.57
9	Net profit / (loss) for the period / year (7-8)	1.44	36.80	10.70	78.09	(79.96)
10	Other Comprehensive Income / (Loss)	74.16	17.10	(103.35)	115.50	(106.70)
11	Total Comprehensive Income / (Loss) for the period / year (9+10)	75.60	53.90	(92.65)	193.59	(186.66)
12	Paid-up equity share capital (face value of Rs.10 each)	32.53	29.82	29.75	32.53	29.75
13	Other equity				174.17	(205.87)
14	Earnings per share of Rs.10 each before exceptional items:					
	Basic (in Rs.)	3.76*	13.42*	7.93*	36.62	15.16
	Diluted (in Rs.)	3.59*	12.57*	7.62*	34.43	14.63
	Earnings / (loss) per share of Rs.10 each after exceptional items :					
	Basic (in Rs.)	0.48*	12.35*	3.60*	26.05	(26.89)
	Diluted (in Rs.)	0.48*#	11.57*	3.56*	24.49	(26.89)#

* Not annualised

Note

Tax impact on exceptional items has not been considered for the purpose of reporting earnings / (loss) per share.

The effect of 424,705 and 619,262 potential equity shares outstanding as at 31 March 2021 and 31 March 2020, respectively, is anti-dilutive and thus these shares are not considered in determining diluted earnings / (loss) per share.

Particulars	(Rs. in Crores)	
	Consolidated	
	Audited	
	31/03/2021	31/03/2020
	Restated	
ASSETS		
Non-current assets		
Property, plant and equipment	164.15	164.37
Right of use assets	145.65	115.53
Goodwill	269.18	234.24
Other intangible assets	43.27	42.60
Financial assets		
Loans	3.87	1.93
Other financial assets	24.03	23.08
Tax assets (net)	48.66	72.45
Deferred tax assets (net)	18.54	20.27
Other non-current assets	31.37	84.17
Total non-current assets	748.72	758.64
Current assets		
Inventories	148.75	136.56
Financial assets		
Trade receivables	239.76	361.31
Cash and cash equivalents	357.04	315.87
Bank balances other than cash and cash equivalents	53.25	53.57
Loans	1.46	19.37
Other financial assets	531.31	385.21
Other current assets	222.82	275.03
Total current assets	1,554.39	1,546.92
TOTAL ASSETS	2,303.11	2,305.56
EQUITY AND LIABILITIES		
Equity		
Equity share capital	32.53	29.75
Other equity	174.17	(205.87)
Total equity	206.70	(176.12)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	119.39	15.21
Lease liabilities	94.18	65.36
Other financial liabilities	86.57	157.42
Provisions	85.29	197.41
Other non-current liabilities	24.75	63.38
Total non-current liabilities	410.18	498.78
Current liabilities		
Financial liabilities		
Borrowings	16.43	241.80
Trade payables		
Total outstanding dues to micro enterprises and small enterprises	10.74	17.17
Total outstanding dues to creditors other than micro enterprises and small enterprises	504.87	530.58
Lease liabilities	57.77	67.77
Other financial liabilities	413.71	569.21
Other current liabilities	563.57	471.51
Provisions	119.14	84.86
Total current liabilities	1,686.23	1,982.90
TOTAL EQUITY AND LIABILITIES	2,303.11	2,305.56

Notes:

- These consolidated financial results 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 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- Figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the current and previous financial year which have been subjected to limited review by the statutory auditors.
- The consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31 July 2021 and 02 August 2021, respectively. These consolidated financial results have been prepared on the basis of audited consolidated financial statements for the year ended 31 March 2021.
- Exceptional items:**

Particulars	Quarter ended			Year ended	
	Unaudited			Audited	
	31/03/2021 (Refer note 2)	31/12/2020	31/03/2020 (Refer note 2)	31/03/2021	31/03/2020
	-	Restated	Restated	-	Restated
Other intangible assets written off [refer note (a)]	-	-	-	-	5.05
(Reversal) / provision of severance expenses [refer note (b)]	(1.31)	0.37	3.81	8.61	1.09
Acquisition cost [refer note (c)]	-	0.28	0.09	3.06	1.77
Foreclosure of leases [refer note (d)]	2.51	2.53	4.16	10.40	8.53
Provision for policy change in employee vacation [refer note (e)]	-	-	13.20	-	-
Inventory written off [refer note (f)]	-	-	3.32	-	6.51
Bad debt adjustment [refer note (g)]	-	-	(3.78)	-	-
Securitisation costs [refer note (h)]	-	-	(7.91)	-	99.94
Non-routine consulting and IT costs [refer note (i)]	-	-	-	-	2.16
Estimated cost for legal settlement [refer note (j)]	6.20	-	-	6.20	-
Prepayment charges on loan repayment [refer note (k)]	2.42	-	-	2.42	-
COVID-19 expenses [refer note (l)]	-	-	-	1.00	-
	9.82	3.18	12.89	31.69	125.05

(a) Represents other intangible assets written off related to BBX Inc. ("BBX")

(b) Represents net severance cost of BBX Inc. towards rationalisation of manpower to enhance operational efficiencies.

(c) Represents acquisition related cost of BBX Inc. which includes valuation fees, advisory fees, legal and professional fees and consulting fees.

(d) Represents early closure of leases related to BBX Inc.

(e) Represents provision for policy change in employee vacation related to BBX Inc.

(f) Represents inventory written off related to BBX Inc.

(g) Represents bad debt adjustment related to BBX Inc.

(h) Represents incidental charges incurred for securitising trade receivables related to BBX Inc.

(i) Represents non-routine consulting and IT costs related to BBX Inc.

(j) Represents estimated cost for legal settlement related to BBX Inc.

(k) Represents prepayment charges to prematurely exit borrowing facilities with Greensill related to BBX Inc.

(l) Represents expenses incurred on COVID-19 safety measures which includes purchase of masks, gloves, sterilisation equipment and other safety products for employees of BBX Inc.

- The statement of consolidated financial results is prepared in accordance with the requirements of Ind AS 110 – 'Consolidated Financial Statements' specified under section 133 of the Act.
- The paid-up equity share capital stands increased to Rs. 32.53 Crores (32,528,830 equity shares of Rs.10 each) upon allotment of 110,076, 5,000, 35,227 and 35,227 equity shares of Rs.10 each pursuant to ESOP Scheme 2015 during the quarter ended 31 March 2021, 31 December 2020, 30 September 2020 and 30 June 2020, respectively, and upon allotment of 2,598,651 equity shares of Rs. 10 each pursuant to conversion of convertible warrants issued on preferential basis into equity shares during the quarter ended 31 March 2021.
- Pursuant to shareholders' approval obtained in the Extraordinary General Meeting held on 11 December 2020, AGC Networks Limited (the "Holding Company") has allotted on preferential basis, 3,333,334 convertible warrants of Rs. 10 each at a premium of Rs. 665 per warrant to Essar Telecom Limited and Onir Metalics Limited on 8 January 2021. As at 31 March 2021, the Holding Company has received money aggregating to Rs. 187.81 Crores against convertible warrants. Out of total 3,333,334 convertible warrants, 2,598,651 warrants have been converted into equity shares. Each warrant is convertible into 1 equity share of Rs. 10 each of the Holding Company within 18 months from the date of allotment subject to payment of balance subscription amount. Subsequent to 31 March 2021, Onir Metalics Limited has merged with Essar Steel Metal Trading Limited.
- AGC Networks Pte. Limited ("AGC Singapore"), wholly-owned subsidiary of the Holding Company had contributed its 35% interest in COPC Holdings Inc. ("COPC"), step-down subsidiary of the Holding Company to AGC Networks Inc. ("AGC USA"), step-down subsidiary of the Holding Company. As a result of which, COPC became a wholly-owned subsidiary of AGC USA, effective on 31 March 2020 as of 11:59:59 p.m. Subsequently, AGC USA was converted into Limited Liability Company pursuant to the Limited Liability Company Act of State of Delaware and name of the company was changed to AGC Networks LLC effective on 31 March 2020 as of 11:59:59 p.m.
- A stock purchase agreement was executed between AGC Singapore, Norstan Communication Inc. ("Norstan"), step-down subsidiary of the Holding Company and Black Box Corporation ("BBC"), step-down subsidiary of the Holding Company, where-in AGC Singapore had 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 BBC. As a result of which, AGC USA and COPC become step-down subsidiaries of BBC.
- As on 1 April 2020, the Holding Company had not appointed at least one independent woman director on the board. The Holding Company had appointed independent woman director in the board meeting held on 10 September 2020.
- The outstanding balance of trade payables, trade receivables and other financial assets as appearing in the balance sheet as at 31 March 2021 includes amount payable aggregating to Rs. 7.41 Crores and amount receivable aggregating to Rs. 0.24 Crores and Rs. 4.56 Crores, respectively, from / to the companies situated outside India. These balances are pending for settlement and have resulted in delay in remittance / collection beyond the timeline stipulated under the Foreign Exchange Management Act, 1999. Further, the Holding Company has filed application with AD Category – I bank ('AD Bank') for extension of time limit for the above-mentioned payables during the year aggregating to Rs. 4.61 Crores and subsequent to 31 March 2021 aggregating to Rs. 2.80 Crores. Similarly, the Holding Company has filed application with AD Bank for extension of time limit for the above-mentioned receivables subsequent to 31 March 2021 aggregating to Rs. 4.80 Crores. For these cases, approval is pending from AD Bank.

Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable but not expected to be material and accordingly, the accompanying consolidated financial statements / results do not include any adjustments that may arise due to such delays.

- 12) 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. Majority of the countries across the world had announced a series of lock-down measures starting in January 2020 which have been extended from time to time. With the change in global circumstances, governments have issued directives which indicate calibrated and gradual or complete withdrawal of lockdown and partial or complete resumption of economic activity depending on the severity of the disruption caused in respective countries. However, the extent to which the COVID-19 pandemic, including the "second wave" that has significantly increased the number of cases in certain countries, impact the consolidated financial results, will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and action to contain its spread or mitigate its impact. The Group has considered the possible effects on the carrying amounts of trade receivables, inventories, property, plant and equipment, intangible assets, tax assets (including deferred tax assets), investments and other financial assets and continues to monitor changes in 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 results.
- 13) On 31 May 2020, Black Box Holdings Limited ("BBHL"), step-down subsidiary of the Holding Company, had entered into a share purchase 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. This acquisition was completed on 31 August 2020 with the effective date being 1 July 2020.
- 14) On 10 June 2020, Black Box Networks Services Australia Pty Ltd., step-down subsidiary of the Holding Company, had entered into a share purchase agreement with Agile Group Limited to acquire 100% holding in Pyrios Pty Limited, Australia for a total consideration of USD 800,000. This acquisition was completed on 13 August 2020 with the effective date being 1 July 2020.
- 15) On 10 June 2020, Black Box Networks Services New Zealand Ltd, step-down subsidiary of the Holding Company, had entered into a share purchase agreement with Agile Group Limited 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. This acquisition was completed on 13 August 2020 with the effective date being 1 July 2020.
- 16) Black Box Network Services Singapore Pte Limited, step-down subsidiary of the Holding Company, had entered into an Asset Purchase Agreement on 18 September 2020 to acquire certain assets of Mobiquest Solutions Pte Limited for a purchase consideration of USD 400,000. The acquisition was effective from 1 October 2020.
- 17) AGC Networks New Zealand Limited, step-down subsidiary of the Holding Company, incorporated on 1 November 2018 under the New Zealand Companies Act, 1993 stands dissolved w.e.f. 30 October 2020.
- 18) BBHL has entered into a share purchase agreement with Z Services Holding Ltd., a BVI business company incorporated in the British Virgin Islands ("seller") on 11 March 2021, to acquire 76% of shares of Z Services HQ DMCC ("Target Company"), limited liability company incorporated under laws of Dubai Multi Commodities Centre ("DMCC"), for a total consideration of USD 3,940,000, payable on closing of transaction/acquisition. The acquisition is effective from 1 April 2021.
- 19) The Holding Company had filed claim before National Company Law Tribunal ("NCLT") Mumbai, by way of reply to Monitoring Agency representing EPC Constructions India Limited ("EPCCIL") for recovery of Rs. 6.51 Crores (excluding taxes) along with interest of Rs. 1.49 Crores towards IT Infrastructure and IT services provided during the Corporate Insolvency Resolution Process ("CIRP") period of EPCCIL. Out of the aforementioned amount, Rs. 1 Crore (excluding taxes) had been received by the Holding Company on 19 September 2020 pursuant to the order of the National Company Law Appellate Tribunal ("NCLAT") dated 30 July 2020 in Company Appeal (AT) (Insolvency) No. 660 of 2020. Proceedings i.e. IA 1013/2020 in CP No. 1832/2017 are pending and subjudice before NCLT Mumbai, for recovery of balance amount of Rs. 5.51 Crores (excluding taxes) plus interest of Rs. 1.49 Crores from Monitoring Agency representing EPCCIL.
- 20) The Holding Company has invested Rs. 160.26 Crores in AGC Networks Pte. Limited, Singapore, step-down subsidiary of the Holding Company through Overseas Direct Investment route during February and March 2021.
- 21) The Holding Company has sold all the shares held in AGC Networks Australia Pty Ltd., wholly-owned subsidiary of the Holding Company to Black Box Corporation of Pennsylvania, step-down subsidiary of the Holding Company for a total purchase consideration of Rs. 16.34 Crores. The effective date is 1 January 2021.
- 22) Previous periods / year figures have been re-grouped and reclassified, wherever necessary, to conform to those of the current period.

23) Restatement on account of prior period error or omission

1 Warrants

- a) During the financial year 2018-19, BBX, step-down subsidiary of Holding Company, had entered into a credit agreement with Pathlight Capital Fund LLP (the 'lender') to avail credit facility amounting to Rs. 692.57 Crores (USD 97.50 Million) for BBC. Further, as an inducement and towards partial consideration for entering into the credit agreement, warrants were issued to the lender, which had a right to purchase common stock of BBC, having par value of USD 0.01 per share. BBC had not accounted for these warrants in the relevant period and accordingly accounting impact was not considered in the consolidated financial results of that period.
- b) The Holding Company was required to account financial liability at fair value of warrants with corresponding debit to debt issuance cost. These warrants should be subsequently measured at fair value through profit or loss at each reporting date in accordance with Ind AS 109, 'Financial Instruments'. Further, debt issuance cost should be amortised over the period of loan.

2 Unamortised cost of maintenance contracts

- a) During the financial year 2020-21, BBX has identified excess unamortised cost for maintenance contracts in one subsidiary which is pertaining to financial year 2019-20. The error pertaining to the past period has now been recorded by restating the respective reporting period.

3 Sale and leaseback

- a) During the financial year 2019-20, BBC executed an arrangement of sale and leaseback with Pitts Properties Inc. ('PPI') where BBC ('seller / lessee') agreed to sell and lease back its land and building with PPI ('purchaser/ buyer/ lessor'). The transaction was recorded in the books in the relevant period. PPI is an unrelated party.
- b) During the same financial year 2019-20, AGC USA had provided financial guarantee to the lender of PPI on behalf of PPI. BBC had also provided springing guarantee to the lender of PPI which became effective on premature repayment by BBC to Pathlight in December 2019. It is constructed that PPI raised the money from its lender against the financial guarantee given by AGC USA apart from the security of land and building to pay BBC towards sales consideration. Accordingly, the initial sale and lease back transaction became invalid in line with Ind AS 115, 'Revenue from Contracts with Customers' and Ind AS 116, 'Leases'. This has resulted into unwinding of sale and lease back transaction on the initial date of recognition. Land and building are re-recognized in the books and depreciation is charged as if the sale never took place. Financial liability is recognized in the books for the amount equivalent to the consideration already received from PPI in respective periods.
- c) Further, AGC USA and BBC had not accounted for the financial guarantee in accordance with Ind AS 109, 'Financial Instruments' at the time of issuing the guarantee to lenders of PPI. Accordingly, guarantee is recorded at fair value on initial recognition, and fair value is determined by comparing effective interest rate implied by the cash flow analysis with BBC's incremental borrowing rate.

These consolidated financial results include the effect of restatement in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' for correction of certain material prior period error for the aforementioned matters. The consolidated financial statements of BBX prepared for the purpose of consolidation as at and for the year ended 31 March 2021, contain restatement of certain comparative figures resulting from correction of certain prior period errors relating to quarter and year ended 31 March 2020.

The following table summarize the impact on the consolidated financial results:

Particulars	Quarter ended						Year ended			(Rs. in Crores)
	31/12/2020	31/12/2020	31/12/2020	31/03/2020	31/03/2020	31/03/2020	31/03/2020	31/03/2020	31/03/2020	
	Before restatement	Adjustment	Restated figures	Before restatement	Adjustment	Restated figures	Before restatement	Adjustment	Restated figures	
Other income	0.73	0.01	0.74	2.36	0.01	2.37	33.03	(25.62)	7.41	
Service charges	178.88	-	178.88	213.84	-	213.84	861.86	34.40	896.26	
Finance costs	20.73	1.28	22.01	29.68	1.34	31.02	129.38	2.34	131.72	
Depreciation and amortisation expense	21.49	(2.12)	19.37	22.54	(2.09)	20.45	98.96	(7.27)	91.69	
Other expenses	86.87	(0.06)	86.81	96.25	2.69	98.94	363.37	5.65	369.02	
Profit before exceptional items and tax	54.71	0.91	55.62	51.54	(1.93)	49.61	173.15	(60.74)	112.41	
Loss on fair value of financial liability	-	10.34	10.34	-	28.59	28.59	-	36.95	36.95	
Amortisation of debt issuance cost	-	-	-	-	-	-	-	23.39	23.39	
Exceptional items - expenses	3.18	-	3.18	12.89	-	12.89	125.05	-	125.05	
Profit before tax	51.53	(9.43)	42.10	38.65	(30.52)	8.13	48.10	(121.08)	(72.98)	
Tax expense / (credit)	5.29	-	5.29	(2.57)	-	(2.57)	6.98	-	6.98	
Net profit / (loss) for the period / year	46.24	(9.43)	36.81	41.22	(30.52)	10.70	41.12	(121.08)	(79.96)	
Other Comprehensive Income / (Loss)	16.26	0.84	17.10	(99.20)	(4.16)	(103.36)	(99.48)	(7.22)	(106.70)	
Total Comprehensive Income / (Loss) for the period / year	62.50	(8.59)	53.91	(57.98)	(34.68)	(92.66)	(58.36)	(128.30)	(186.66)	

The following table summarize the aggregate effect of material adjustments made in the results for the quarter ended 31 March 2021 pertaining to quarter ended 30 June 2020 and 30 September 2020 pursuant to correction of error mentioned earlier :


Particulars	(Rs. in Crores)					
	Quarter ended					
	30/09/2020	30/09/2020	30/09/2020	30/06/2020	30/06/2020	30/06/2020
	Before restatement	Adjustment	Restated figures	Before restatement	Adjustment	Restated figures
Other income	7.07	0.01	7.08	0.94	0.02	0.96
Finance costs	28.87	1.33	30.20	20.62	1.39	22.01
Depreciation and amortisation expense	26.62	(2.14)	24.48	25.01	(2.18)	22.83
Other expenses	89.24	(0.06)	89.18	85.59	(0.06)	85.53
Profit before exceptional items and tax	55.77	0.88	56.65	13.22	0.87	14.09
Loss / (gain) on fair value of financial liability	-	7.88	7.88	-	(0.23)	(0.23)
Exceptional items - expenses	12.84	-	12.84	5.85	-	5.85
Profit before tax	42.93	(7.00)	35.93	7.37	1.10	8.47
Tax expense	1.50	-	1.50	3.04	-	3.04
Net profit for the period / year	41.43	(7.00)	34.43	4.33	1.10	5.43
Other Comprehensive Income	9.03	1.91	10.94	13.19	0.10	13.29
Total Comprehensive Income for the period / year	50.46	(5.09)	45.37	17.52	1.20	18.72

Particulars	(Rs. in Crores)		
	31/03/2020	31/03/2020	31/03/2020
	Before restatement	Adjustment	Restated figures
Assets			
Non-current assets			
Property, plant and equipment	62.75	101.62	164.37
Right of use assets	186.52	(70.99)	115.53
<u>Financial assets</u>			
Other financial assets	53.24	(30.16)	23.08
Other non-current assets	77.46	6.71	84.17
Current assets			
Other current assets	311.08	(36.05)	275.03
Equity			
Other equity	(77.57)	(128.30)	(205.87)
Liabilities			
Non-current liabilities			
<u>Financial liabilities</u>			
Lease liabilities	118.76	(53.40)	65.36
Other financial liabilities	-	157.42	157.42
Current liabilities			
<u>Financial liabilities</u>			
Lease liabilities	78.84	(11.07)	67.77
Other financial liabilities	562.72	6.49	569.21

24) On 30 June 2021, BBC has entered into a contract to premature the warrant agreement with Pathlight Capital Fund LLP, executed in pursuance of credit agreement referred to in Note 23.1 above, by buying back the warrants for a value of Rs. 89.71 Crores (equivalent to US\$ 12.25 Million).

FOR AND ON BEHALF OF THE BOARD

Place: Dallas, Texas, The United States of America
Date : 02 August 2021
CIN : L32200MH1986PLC040652


SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN: 06871685

AGC NETWORKS LIMITED

Registered Office :- Essar House, 11 Keshavrao Khadye Marg, Opp. Race Course,
Mahalaxmi, Mumbai – 400034

STATEMENT OF AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

Segment information

(Rs. in Crores)

Particulars	Quarter ended			Year ended	
	Unaudited			Audited	
	31/03/2021 (Refer note 2)	31/12/2020	31/03/2020 (Refer note 2)	31/03/2021	31/03/2020
	Restated		Restated		Restated
Segment revenue					
System integration	1,012.63	1,022.75	1,037.24	3,878.66	4,067.06
Technology product solutions	185.24	197.83	191.01	728.85	820.81
Others	23.33	20.49	21.12	66.51	106.05
Revenue from operations	1,221.20	1,241.07	1,249.37	4,674.02	4,993.92
Segment results					
System integration	45.65	74.95	47.76	217.09	132.41
Technology product solutions	12.49	(1.70)	29.27	31.83	85.06
Others	6.31	3.63	1.23	7.24	19.25
Total of segment results	64.45	76.88	78.26	256.16	236.72
Other income	2.35	0.74	2.37	11.13	7.41
Finance costs	23.76	22.01	31.02	97.91	131.72
Profit before exceptional items and tax	43.04	55.61	49.61	169.38	112.41
Loss on fair value of financial liability	23.71	10.34	28.59	41.70	36.95
Amortisation of debt issuance cost	-	-	-	-	23.39
Exceptional items - expenses (refer note 4)	9.82	3.18	12.89	31.69	125.05
Profit / (loss) before tax	9.51	42.09	8.13	95.99	(72.98)
Tax expense / (credit)	8.07	5.29	(2.57)	17.90	6.98
Net profit / (loss) for the period / year	1.44	36.80	10.70	78.09	(79.96)
Depreciation and amortisation expense	28.88	19.37	20.45	95.56	91.69

Notes on segment information :

- The Board considers a business activity focused reporting format to be more meaningful from a management forecasting perspective.
- 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.

AGC Networks Limited
Consolidated cash flow statement for the year ended 31 March 2021

	Rs. in Crores	
	Year ended	
	31/03/2021	31/03/2020
		Restated
Cash flows from operating activities		
Profit / (loss) before tax	95.99	(72.98)
Adjustments for non-cash transactions and items considered separately:		
Depreciation and amortisation expense	95.56	91.69
Gain on disposal of property, plant and equipment and other intangible assets	(4.78)	-
Other intangible assets written off	-	5.05
Gain on remeasurement of lease	(0.59)	-
Expenses on / (reversal of) on share based payments	0.31	(0.17)
Reversal of provision for warranties	(0.09)	(1.06)
Unamortised cost for maintenance contracts written off	-	34.40
Loss on fair value of financial liability	41.70	36.95
Allowance for expected credit loss (net)	31.61	9.71
Liabilities / provisions for earlier years no longer required written back	(33.00)	(14.69)
Unrealised foreign exchange loss / (gain) (net)	3.38	(0.82)
Finance costs	97.91	131.72
Interest income on bank deposits	(0.23)	(0.21)
Interest income on inter corporate deposits	(1.67)	(3.63)
Inventory written off	-	6.51
Securitisation expense	-	99.94
Amortisation of debt issuance cost	-	23.39
Prepayment charges on loan repayment	2.42	-
Operating profit before working capital changes	328.52	345.80
Changes in working capital :		
Trade receivables	119.70	493.52
Inventories	(6.41)	8.99
Loans and other assets	63.62	148.30
Trade payables	(52.67)	7.42
Provisions and other liabilities	(89.23)	158.71
Cash generated from operating activities before taxes	363.53	1,162.74
Income taxes refund / (paid)	48.71	(25.54)
Net cash generated from operating activities (A)	412.24	1,137.20
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(29.85)	(126.30)
Proceeds from sale of property, plant and equipment and other intangible assets	11.55	70.11
Note receivable - securitisation	(98.53)	(285.82)
Payment towards acquisition of business (including goodwill)	(40.42)	(0.15)
Inter corporate deposit received back	17.30	3.20
Liquidation of margin money deposits and bank deposits	1.64	10.20
Interest received on inter corporate deposits	7.19	-
Interest received on bank deposits	0.14	0.33
Net cash used in investing activities (B)	(130.98)	(328.43)
Cash flows from financing activities		
Issue of equity shares	2.14	0.01
Money received against share warrants	73.38	-
Securities premium received on issue of equity shares / conversion of warrants	113.40	0.05
Repayment of term loans	(207.68)	(408.56)
Repayment of working capital loan	(1.11)	(7.03)
(Repayment) / availing of cash credits	(77.39)	53.87
Payment for lease liabilities (net)	(85.10)	(71.40)
Payment of unclaimed dividend	-	(0.16)
Payment of interest	(105.40)	(211.95)
Net cash used in financing activities (C)	(287.76)	(645.17)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(6.50)	163.60
Cash and cash equivalents at the beginning of the year	315.87	205.94
Foreign currency adjustments and translations	47.67	(53.67)
Cash and cash equivalents at the end of the year	357.04	315.87