
Walker Chandiok & Co LLP

11th floor, Tower II,
One International Center,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor’s Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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

1. We have reviewed the accompanying statement of unaudited consolidated 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'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2020 and the consolidated year to date results for the period 1 April 2020 to 30 September 2020, 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), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR / CFD / CMD1 / 44 / 2019 dated 29 March 2019 issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

AGC Networks Limited

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

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review report of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 10 to the accompanying Statement, which describes the impact of COVID-19 pandemic on the Group's operations and accompanying Statement as at the 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. Our conclusion is not modified in respect of this matter.
6. We did not review the interim consolidated financial results of one subsidiary included in the Statement, whose financial information (before inter-company eliminations) reflects total assets of Rs. 2,016.99 Crores as at 30 September 2020, and total revenues of Rs. 1,086.63 Crores and Rs. 1,981.81 Crores, total net profit after tax of Rs. 38.76 Crores and Rs. 48.21 Crores, total comprehensive income of Rs. 42.89 Crores and Rs. 47.40 Crores, for the quarter and six-months period ended on 30 September 2020, respectively, and cash flows (net) of Rs. 83.65 Crores for the six-months period ended 30 September 2020, as considered in the Statement. These interim consolidated financial results have been reviewed by other auditors whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the review report of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, this subsidiary is located outside India, whose interim consolidated financial results have been prepared in accordance with accounting principles generally accepted in their respective country and which have been reviewed by other auditors under International Standard on Review Engagements (ISRE) applicable in their respective country. The Holding Company's management has converted the consolidated financial results of this subsidiary from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of this subsidiary is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion 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.

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

BHARAT
KOCHU SHETTY

Digitally signed by
BHARAT KOCHU SHETTY
Date: 2020.11.11
22:01:00 +05'30'

Bharat Shetty
Partner
Membership No:106815

UDIN:20106815AAAFH2684

Place: Mumbai
Date: 11 November 2020

AGC Networks Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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
- b. AGC Networks Pte. Ltd.
- c. AGC Networks Philippines, Inc.
- d. AGC Networks & Cyber Solutions Limited
- e. AGCN Solutions Pte. Limited
- f. AGC Networks LLC, Dubai
- g. AGC Networks LLC, Abu Dhabi
- h. AGC Networks New Zealand Limited
- i. BBX Main Inc.
- j. BBX Inc. and its subsidiaries (consolidated)

This space has been intentionally left blank.

AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

(Rs. in Crores, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	31/03/2020
1	Income						
	(a) Revenue from operations	1,217.89	993.86	1,258.53	2,211.75	2,487.00	4,993.92
	(b) Other income	7.07	0.94	27.04	8.01	29.62	33.03
	Total income	1,224.96	994.80	1,285.57	2,219.76	2,516.62	5,026.95
2	Expenses						
	(a) Cost of materials and components consumed	1.47	1.63	(1.51)	3.10	4.88	8.93
	(b) Purchase of stock-in-trade	426.46	327.67	377.64	754.13	762.45	1,485.39
	(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods	3.00	(11.07)	13.32	(8.07)	2.86	11.40
	(d) Service charges	148.26	132.14	227.01	280.40	442.17	861.86
	(e) Employee benefits expense (net)	445.27	399.99	456.84	845.26	905.94	1,894.51
	(f) Finance costs	28.87	20.62	35.74	49.49	66.72	129.38
	(g) Depreciation and amortisation expense	26.62	25.01	27.55	51.63	51.91	98.96
	(h) Other expenses	89.24	85.59	98.04	174.83	208.56	363.37
	Total expenses	1,169.19	981.58	1,234.63	2,150.77	2,445.49	4,853.80
3	Profit before exceptional items and tax (1-2)	55.77	13.22	50.94	68.99	71.13	173.15
4	Exceptional items - expenses (refer note 3)	12.84	5.85	13.10	18.69	17.76	125.05
5	Profit before tax (3-4)	42.93	7.37	37.84	50.30	53.37	48.10
6	Tax expense / (credit)						
	- Current tax	1.46	3.20	2.34	4.66	4.31	(2.59)
	- Deferred tax	0.04	(0.16)	-	(0.12)	-	9.57
7	Net profit for the period / year (5-6)	41.43	4.33	35.50	45.76	49.06	41.12
8	Other comprehensive income / (loss)	9.03	13.19	(6.31)	22.22	(6.82)	(99.48)
9	Total comprehensive income / (loss) for the period / year (7+8)	50.46	17.52	29.19	67.98	42.24	(58.36)
10	Paid-up equity share capital (face value of Rs.10 each)	29.82	29.78	29.74	29.82	29.74	29.75
11	Other equity						(77.57)
12	Earnings per share of Rs.10 each before exceptional items :						
	Basic (in Rs.)	18.23*	3.42*	16.34*	21.64*	22.47*	55.88
	Diluted (in Rs.)	17.96*	3.37*	16.24*	21.34*	22.33*	55.27
	Earnings per share of Rs.10 each after exceptional items :						
	Basic (in Rs.)	13.92*	1.45*	11.94*	15.37*	16.50*	13.83
	Diluted (in Rs.)	13.71*	1.43*	11.86*	15.15*	16.39*	13.68

* Not annualised

Note

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

Consolidated balance sheet

(Rs. in Crores)

Particulars	Consolidated	
	Unaudited	Audited
	30/09/2020	31/03/2020
ASSETS		
Non-current assets		
Property, plant and equipment	70.15	62.75
Right of use assets	140.00	186.52
Goodwill	266.64	234.24
Other intangible assets	41.07	42.60
Financial assets		
Loans	2.44	1.93
Other financial assets	45.41	53.24
Tax assets (net)	65.32	72.45
Deferred tax assets (net)	18.15	20.27
Other non-current assets	76.89	77.46
Total non-current assets	726.07	751.46
Current assets		
Inventories	142.43	136.56
Financial assets		
Trade receivables	317.41	361.31
Cash and cash equivalents	379.72	315.87
Bank balances other than cash and cash equivalents	51.87	53.57
Loans	18.88	19.37
Other financial assets	460.08	385.21
Other current assets	313.51	311.87
Total current assets	1,683.90	1,583.76
TOTAL ASSETS	2,409.97	2,335.22
EQUITY AND LIABILITIES		
Equity		
Equity share capital	29.82	29.75
Other equity	(9.13)	(77.57)
Total equity	20.69	(47.82)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	200.20	15.21
Lease liabilities	85.57	118.76
Other financial liabilities	18.57	-
Provisions	160.77	197.41
Other non-current liabilities	61.38	63.38
Total non-current liabilities	526.49	394.76
Current liabilities		
Financial liabilities		
Borrowings	208.22	241.80
Trade payables		
Total outstanding dues to micro enterprises and small enterprises	9.09	17.17
Total outstanding dues to creditors other than micro enterprises and small enterprises	541.26	529.96
Lease liabilities	65.55	78.84
Other financial liabilities	429.99	563.34
Other current liabilities	501.78	472.30
Provisions	106.90	84.87
Total current liabilities	1,862.79	1,988.28
TOTAL EQUITY AND LIABILITIES	2,409.97	2,335.22

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) and SEBI circular dated 5 July 2016.
- The consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 November 2020. The auditors have carried out a limited review of these unaudited consolidated results.
- Exceptional items:**

Particulars	Quarter ended			Six months ended		Year ended
	Unaudited			Unaudited		Audited
	30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	31/03/2020
Other intangible assets written off [refer note (a)]	-	-	5.05	-	5.05	5.05
Provision / (reversal) of severance expenses [refer note (b)]	7.68	1.87	(1.59)	9.55	(3.59)	1.09
Acquisition cost [refer note (c)]	2.78	-	1.68	2.78	1.68	1.77
Foreclosure of leases [refer note (d)]	2.29	3.07	1.08	5.36	3.42	8.53
Provision for policy change in employee vacation [refer note (e)]	-	-	4.49	-	8.81	-
Inventory written off [refer note (f)]	-	-	0.53	-	0.53	6.51
Bad debt adjustment [refer note (g)]	-	-	1.86	-	1.86	-
Securitisation costs [refer note (h)]	-	-	-	-	-	99.94
Non-routine consulting and IT costs [refer note (i)]	-	-	-	-	-	2.16
COVID-19 expenses [refer note (j)]	0.09	0.91	-	1.00	-	-
	12.84	5.85	13.10	18.69	17.76	125.05

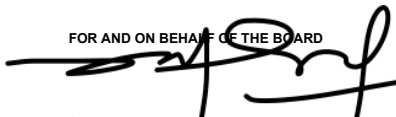
- (a) Represents other intangible assets written off related to BBX Inc.
 (b) Represents net severance cost of BBX Inc. towards rationalisation of manpower to enhance operational efficiencies.
 (c) Represents acquisition related cost of BBX Inc. which includes valuation fees, advisory fees, legal and 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 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 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. 29.82 Crores (29,815,103 equity shares of Rs.10 each) upon allotment of 35,227 and 35,227 equity shares of Rs.10 each pursuant to ESOP Scheme 2015 during the quarter ended 30 September 2020 and 30 June 2020, respectively.
- AGC Networks Pte. Limited ("AGC Singapore"), 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, 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 Black Box Corporation. As a result of which, AGC USA and COPC become step-down subsidiaries of Black Box Corporation.
- As on 1 April 2020, the Holding Company had not appointed at least one independent woman director on the board. The Holding Company has appointed independent woman director in the board meeting held on 10 September 2020.
- The outstanding balance of trade receivables and trade payables as at 30 September 2020 include amount receivable aggregating to Rs. 0.20 Crores and amount payable aggregating to Rs. 2.33 Crores respectively from / to the companies situated outside India. These balances are pending for settlement and there is delay in collection / remittance beyond the timeline stipulated under the Foreign Exchange Management Act, 1999. The Holding Company has filed the necessary applications with the appropriate authority for extension of time period / write off / condonation of such delays. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying consolidated financial results do not include any adjustments that may arise due to such delay / default.

In case of all the above-mentioned receivables and payables, approval is pending from AD Category - I bank ("AD Bank") as at 11 November 2020.

- 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 activities depending on the severity of the disruption caused in respective countries. However, the extent to which the COVID-19 pandemic will 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 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 results.
- On 31 May 2020, Black Box Holdings Limited, 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 is completed on 31 August 2020 with the effective date being 1 July 2020.
- 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 ("seller") to acquire 100% holding in Pnyros Pty Limited, Australia for a total consideration of USD 800,000. This acquisition is completed on 13 August 2020 with the effective date being 1 July 2020.
- 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 ("seller") to acquire 100% holding in Pnyros 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 is completed on 13 August 2020 with the effective date being 1 July 2020.
- Black Box Network Services Singapore Pte Limited, step-down subsidiary of the Holding Company, has 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.
- 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.
- The Holding Company has 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) has 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 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.
- Previous periods / 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



SANJEEV VERMA
 WHOLE-TIME DIRECTOR
 DIN: 06871685

AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

Segment information

(Rs. in Crores)

Particulars	Quarter ended			Six months ended		Year ended
	Unaudited			Unaudited		Audited
	30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	31/03/2020
Segment revenue						
System integration	1,019.78	823.50	1,008.28	1,843.28	2,016.16	4,067.06
Technology product solutions	186.12	159.66	216.73	345.78	417.86	820.81
Others	11.99	10.70	33.52	22.69	52.98	106.05
Revenue from operations	1,217.89	993.86	1,258.53	2,211.75	2,487.00	4,993.92
Segment results						
System integration	55.90	36.63	33.53	92.53	71.63	172.84
Technology product solutions	22.19	(1.38)	16.76	20.81	27.54	77.41
Others	(0.52)	(2.35)	9.35	(2.87)	9.06	19.25
Total of segment results	77.57	32.90	59.64	110.47	108.23	269.50
Other income	7.07	0.94	27.04	8.01	29.62	33.03
Finance costs	28.87	20.62	35.74	49.49	66.72	129.38
Profit before exceptional items and tax	55.77	13.22	50.94	68.99	71.13	173.15
Exceptional items - expenses (refer note 3)	12.84	5.85	13.10	18.69	17.76	125.05
Profit before tax	42.93	7.37	37.84	50.30	53.37	48.10
Tax expense	1.50	3.04	2.34	4.54	4.31	6.98
Net profit for the period / year	41.43	4.33	35.50	45.76	49.06	41.12
Depreciation and amortisation expense	26.62	25.01	27.55	51.63	51.91	98.96

Notes on segment information :

- 1 The Board 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.

AGC Networks Limited
Consolidated cash flow statement for the six months ended 30 September 2020

(Rs. in Crores)

	Six months ended	
	Unaudited	
	30/09/2020	30/09/2019
Cash flows from operating activities		
Profit before tax	50.30	53.37
Adjustments for non-cash transactions and items considered separately:		
Depreciation and amortisation expense	51.63	51.91
Gain on disposal of property, plant and equipment and other intangible assets	(4.78)	(25.72)
Reversal of expenses on employee stock option scheme	(0.04)	(0.46)
(Reversal) / creation of provision for warranties	(0.12)	0.07
Allowance for expected credit loss (net)	9.29	5.26
Liabilities / provisions for earlier years no longer required written back	(6.42)	-
Unrealised foreign exchange loss / (gain)	0.86	(0.47)
Finance costs	49.49	66.72
Interest income on bank deposits	(0.10)	(0.12)
Interest income on inter corporate deposits	(1.55)	(1.84)
Inventories written off	-	0.53
Bad debt written off	-	1.86
Other intangible assets written off	-	5.05
Provision for policy change in vacation	-	8.81
Operating profit before working capital changes	148.56	164.97
Changes in working capital :		
Trade receivables	64.70	(48.74)
Inventories	0.01	3.64
Loans and other assets	35.21	(38.62)
Trade payables	(18.58)	4.92
Provisions and other liabilities	(13.90)	8.14
Cash generated from operating activities before taxes	216.00	94.31
Income taxes refund / (paid)	24.58	(22.28)
Net cash generated from operating activities (A)	240.58	72.03
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(28.97)	(18.23)
Proceeds from sale of property, plant and equipment and other intangible assets	54.28	65.07
Note receivable - securitisation	(115.19)	-
Payment towards acquisition of business (including goodwill)	(38.05)	-
Liquidation of margin money deposits and bank deposits	1.76	6.08
Interest received on bank deposits	0.02	2.48
Net cash (used in) / generated from investing activities (B)	(126.15)	55.40
Cash flows from financing activities		
Issue of equity shares	0.07	-
Security premium received on issue of equity shares	0.49	-
Availment of funded interest term loans	5.79	-
Repayment of term loans	(17.99)	(78.15)
Availment / (repayment) of working capital loan	1.39	(7.03)
Repayment of cash credits	(3.99)	(28.78)
Payment for lease liabilities (net)	(36.79)	(16.85)
Payment of unclaimed dividend	-	(0.16)
Payment of interest	(42.41)	(46.39)
Net cash used in financing activities (C)	(93.44)	(177.36)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	20.99	(49.93)
Cash and cash equivalents at the beginning of the period	315.87	205.94
Foreign currency adjustments and translations	42.86	0.99
Cash and cash equivalents at the end of the period	379.72	157.00

Walker Chandiook & Co LLP

11th floor, Tower II,
One International Center,
SB Marg, Prabhadevi (W)
Mumbai – 400 013
India

T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor’s Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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


1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **AGC Networks Limited** ('the Company') for the quarter ended 30 September 2020 and the year to date results for the period 1 April 2020 to 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

5. We draw your attention to Note 5 to the accompanying Statement, which describes the impact of COVID-19 pandemic on the Company's operations and accompanying Statement as at the 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. Our conclusion is not modified in respect of this matter.

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

**BHARAT
KOCHU
SHETTY**

 Digitally signed by
BHARAT KOCHU SHETTY
Date: 2020.11.11
21:59:54 +05'30'

Bharat Shetty
Partner
Membership No:106815

UDIN:20106815AAAAFG8959

Place: Mumbai
Date: 11 November 2020

AGC NETWORKS LIMITED

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

(Rs. in Crores, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	31/03/2020
1	Income						
	(a) Revenue from operations	56.01	57.67	78.42	113.68	160.83	309.35
	(b) Other income	2.48	1.11	1.56	3.59	2.84	6.26
	Total income	58.49	58.78	79.98	117.27	163.67	315.61
2	Expenses						
	(a) Purchase of stock-in-trade	9.91	18.64	29.50	28.55	75.21	114.73
	(b) Changes in inventories of work-in-progress and stock-in-trade	(1.01)	0.99	5.11	(0.02)	(2.07)	5.52
	(c) Service charges	25.85	23.53	25.62	49.38	49.23	103.92
	(d) Employee benefits expense (net)	7.59	8.60	7.39	16.19	19.61	36.43
	(e) Finance costs	4.77	4.28	4.46	9.05	9.14	18.50
	(f) Depreciation and amortisation expense	1.69	1.80	1.85	3.49	3.71	7.46
	(g) Other expenses	9.80	7.21	11.51	17.01	18.30	30.68
	Total expenses	58.60	65.05	85.44	123.65	173.13	317.24
3	Loss before tax (1-2)	(0.11)	(6.27)	(5.46)	(6.38)	(9.46)	(1.63)
4	Tax expense	-	-	-	-	-	-
5	Net loss for the period / year (3-4)	(0.11)	(6.27)	(5.46)	(6.38)	(9.46)	(1.63)
6	Other comprehensive income / (loss)	0.38	(0.13)	0.10	0.25	(0.35)	(0.51)
7	Total comprehensive income / (loss) for the period / year (5+6)	0.27	(6.40)	(5.36)	(6.13)	(9.81)	(2.14)
8	Paid-up equity share capital (face value of Rs.10 each)	29.82	29.78	29.74	29.82	29.74	29.75
9	Other equity						59.20
10	Loss per share of Rs.10 each :						
	Basic (in Rs.)	(0.04)*	(2.11)*	(1.84)*	(2.14)*	(3.18)*	(0.55)
	Diluted (in Rs.)	(0.04)*#	(2.11)*#	(1.84)*#	(2.14)*#	(3.18)*#	(0.55)#

* Not annualised

The effect of 476,781, 581,641, 619,262 and 626,262 potential equity shares outstanding as at 30 September 2020, 30 June 2020, 31 March 2020 and 30 September 2019, respectively is anti-dilutive and thus these shares are not considered in determining diluted loss per share.

Standalone balance sheet

(Rs. in Crores)

Particulars	Standalone	
	Unaudited	Audited
	30/09/2020	31/03/2020
ASSETS		
Non-current assets		
Property, plant and equipment	6.22	6.51
Right of use assets	4.91	17.04
Other intangible assets	0.73	0.60
Financial assets		
Investments	48.72	48.72
Loans	1.64	1.63
Other financial assets	1.03	0.99
Tax assets (net)	65.50	71.10
Other non-current assets	6.08	5.92
Total non-current assets	134.83	152.51
Current assets		
Inventories	9.70	10.00
Financial assets		
Trade receivables	63.50	77.11
Cash and cash equivalents	1.63	1.09
Bank balances other than cash and cash equivalents	1.39	1.83
Loans	18.88	19.02
Other financial assets	27.51	18.43
Other current assets	62.91	57.71
Total current assets	185.52	185.19
TOTAL ASSETS	320.35	337.70
EQUITY AND LIABILITIES		
Equity		
Equity share capital	29.82	29.75
Other equity	53.53	59.20
Total equity	83.35	88.95
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	3.27	14.20
Other financial liabilities	-	0.14
Provisions	6.92	6.85
Other non-current liabilities	6.65	9.94
Total non-current liabilities	16.84	31.13
Current liabilities		
Financial liabilities		
Borrowings	95.62	93.82
Trade payables		
Total outstanding dues to micro enterprises and small enterprises	9.09	17.17
Total outstanding dues to creditors other than micro enterprises and small enterprises	41.32	45.52
Lease liabilities	4.50	5.16
Other financial liabilities	38.01	23.34
Other current liabilities	31.16	32.04
Provisions	0.46	0.57
Total current liabilities	220.16	217.62
TOTAL EQUITY AND LIABILITIES	320.35	337.70

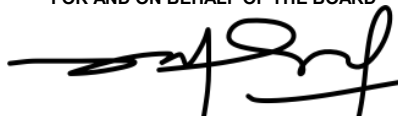
Notes:

- 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) and SEBI circular dated 5 July 2016.
- 2) The standalone results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 November 2020. The auditors have carried out a limited review of these unaudited standalone results.
- 3) As on 1 April 2020, the Company had not appointed at least one independent woman director on the board. Company has appointed independent woman director in the board meeting held on 10 September 2020.
- 4) The outstanding balance of trade receivables and trade payables as at 30 September 2020 include amount receivable aggregating to Rs. 0.20 Crores and amount payable aggregating to Rs. 2.33 Crores respectively from / to the companies situated outside India. These balances are pending for settlement and there is 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 / write off / condonation of such delays. 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 results do not include any adjustments that may arise due to such delay / default.

In case of all the above-mentioned receivables and payables, approval is pending from AD Category - I bank ("AD Bank") as at 11 November 2020.

- 5) 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 Government of India had announced a series of lock-down measures on 24 March 2020 which has been extended from time to time. The recent directions from the Government indicates calibrated and gradual withdrawal of lockdown and partial resumption of economic activities. However, the extent to which the COVID-19 pandemic will 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 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 results.
- 6) The Company has 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) has 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.
- 7) The paid-up equity share capital stands increased to Rs. 29.82 Crores (29,815,103 equity shares of Rs.10 each) upon allotment of 35,227 and 35,227 equity shares of Rs.10 each pursuant to ESOP Scheme 2015 during the quarter ended 30 September 2020 and 30 June 2020, respectively.
- 8) Previous periods / 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



SANJEEV VERMA
WHOLE-TIME DIRECTOR
DIN : 06871685

Place: Dallas, Texas, The United States of America

Date : 11 November 2020

CIN : L32200MH1986PLC040652

AGC Networks Limited
Standalone cash flow statement for the six months ended 30 September 2020

	Six months ended	
	30/09/2020	30/09/2019
	Unaudited	
Cash flows from operating activities		
Loss before tax	(6.38)	(9.46)
Adjustments for non-cash transactions and items considered separately:		
Depreciation and amortisation expense	3.49	3.71
Gain on disposal of property, plant and equipment	-	(0.05)
(Reversal) / creation of provision for warranties	(0.12)	0.04
Allowance for expected credit loss (net)	6.06	5.01
Liabilities / provisions for earlier years no longer required written back	(0.18)	-
Unrealised foreign exchange loss	0.37	0.12
Finance costs	9.05	9.14
Interest income on bank deposits	(0.10)	(0.12)
Reversal of expenses on employee stock option scheme	(0.04)	(0.46)
Interest income on inter corporate deposits	(1.55)	(1.84)
Operating profit before working capital changes	10.60	6.09
Changes in working capital :		
Trade receivables	6.49	1.54
Inventories	0.30	(1.69)
Loans and other assets	(12.62)	2.73
Trade payables	(11.59)	12.41
Provisions and other liabilities	11.32	(4.05)
Cash generated from operating activities before taxes	4.50	17.03
Income taxes refund / (paid)	5.60	(5.07)
Net cash generated from operating activities (A)	10.10	11.96
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(0.42)	(0.21)
Proceeds from sale of property, plant and equipment and other intangible assets	-	0.05
Interest received on bank deposits	0.02	0.19
Liquidation of margin money deposits and bank deposits	0.34	0.25
Net cash (used in) / generated from investing activities (B)	(0.06)	0.28
Cash flows from financing activities		
Issue of equity shares	0.07	-
Security premium received on issue of equity shares	0.49	-
Repayment of working capital loan	-	(7.03)
Availment of funded interest term loans	5.79	-
(Repayment) / availment of cash credits	(3.99)	6.03
Payment of lease liabilities (net)	(2.37)	(2.18)
Payment of unclaimed dividend	-	(0.16)
Payment of interest	(9.49)	(9.28)
Net cash used in financing activities (C)	(9.50)	(12.62)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	0.54	(0.38)
Cash and cash equivalents at the beginning of the period	1.09	0.73
Unrealised (loss) / gain on foreign currency cash and cash equivalents	(0.00)	0.01
Cash and cash equivalents at the end of the period	1.63	0.36