



Telephone: +91 22 6661 7272 | Email: info.india@blackbox.com

Date : March 29, 2023

To,

Kind Attn.: Mr. Prasad Bhide

Corporate Relationship Department

Bombay Stock Exchange Limited

P.J. Tower, Dalal Street,

Fort, Mumbai 400001.

Symbol: BBOX

Sub: Scheme of Reduction of Share Capital between Black Box Limited (formerly known as the “AGC Networks Limited”) (“Company” or “Applicant Company”) and its respective shareholders (“Scheme”) under section 66 read with section 52 and other applicable provisions of the Companies Act, 2013 and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016.

Ref: Clarification on detailed reasons for accumulated losses over the years

We are in receipt of requirements dated 10th March 2023 over the email on the above captioned subject.

Please refer below for our responses:

Background:

The Company has proposed to undertake a Scheme for Reduction of Share Capital by way of reduction to the Securities Premium Account of the Company from Rs. 2,23,11,02,362 to Rs. 1,37,80,07,034 and Capital Reserve account of the Company from Rs. 22,63,86,525 to NIL and such reduction would be effected by writing off the debit balance in Profit and loss account (i.e. Accumulated Losses) of Rs. 1,07,94,81,853 based on the audited standalone financial statements of the Company for the year ended March 31, 2022.

In order to address your query in relation to reasons for losses, the Company has prepared year-wise brief summary of profit / losses along-with the reason for the same, basis the Annual reports and other accounting records of past years, which have been approved by Board of Directors and Auditors of the Company and shareholders.

Below table provides the year-wise profits and losses along-with the brief reasons for the same:

(Rupees in Crores)

Financial year ended	Turn-over	Profit After Tax (PAT)	PAT (Cumulative balance)	Reasoning
1-Apr-13			55.20	Opening profit and loss account balance

BLACK BOX LIMITED (Formerly AGC Networks Limited)

Registered Office: 501, 5th Floor, Building No. 9, Airoli Knowledge Park, MIDC Industrial Area, Airoli, Navi Mumbai 400 708, India

BLACKBOX.COM | CIN: L32200MH1986PLC040652 | Tel: +91 22 6661 7272

31-Mar-14	306.30	(145.10)	(89.90)	Losses is majorly attributable to the following: i) Reduction in revenue by 49% from INR 597.6 Crores to INR 306.30 Crores which is mainly due to slow down and underperformance of major economies. ii) As a part of the one time Balance-sheet clean up and taking a very conservative view an additional provision was created for slow moving and non-moving inventory aged > 365 days for INR 15 Crores and provision for old accounts receivable is INR 23 Crores
31-Mar-15	340.10	(0.40)	(90.30)	The loss before exceptional item is INR 33 Crores which is mainly attributable to reduction in revenue due to economic slow down and pressure on margin. There was an exceptional other income of INR 46 Crores due to sale of immovable property at Gandhinagar.
31-Mar-16	313.20	(36.70)	(127.00)	The losses are mainly attributable to reduction in revenue due to economic slow down and pressure on margin
31-Mar-17	246.00	(16.30)	(143.30)	
31-Mar-18	303.40	31.70	(111.50)	Improvement in PAT is attributable to reversal of inventory provisions for INR 12 Crores made in earlier years due to sale of old inventories which was provided for and reversal of liability of INR 5 Crores towards rent pertaining to earlier years reversed on account of settlement with the lessor during the year. In addition, the operating margin improved to 34% due to better traction in the market
31-Mar-19	306.90	1.30	(110.30)	Positive PAT is minor in comparison to the previous year
31-Mar-20	309.40	(1.60)	(111.90)	Company has incurred minor operations losses
31-Mar-21	249.50	(1.90)	(113.70)	Company has incurred minor operations losses
31-Mar-22	293.20	5.80	(107.90)	Improvement in PAT is attributable to reduction in finance cost and other cost saving initiatives

Further, the Independent Director Committee held its meeting on March 23, 2023 to consider the above reasons of accumulated losses incurred by the Company.

After giving due consideration to the documents and discussion on the reasons for the losses incurred over the years, the Independent Director Committee are of the view that the Scheme is not detrimental to the shareholders



of the Company and is in the best interest of the Company and its shareholders, creditors, and all other stakeholders.

Accordingly, the Committee has issued an Addendum on March 23, 2023 to Independent Director Committee report provided on November 10, 2022, to affirm its earlier recommendation on the Scheme to the Board of Directors of the Company. The Independent Director Committee report alongwith the addendum report is hereby enclosed as **Annexure 1**.

Further, the Management of the Company has provided information and explanations with regards to the performance of the Company in the past years and the reasons for the losses for the previous years to the Libord Advisors Private Ltd, Category I Merchant Banker, which had issued a Fairness Opinion Report on November 10, 2022 (hereby enclosed as **Annexure 2**).

To address the query and requirement of the SEBI, Libord Advisors Private Ltd, issued the addendum to its earlier Fairness opinion on March 27, 2023 (hereby enclosed as **Annexure 3**), to include the details and the reasons for the losses in the past years and have affirmed their earlier opinion that the Scheme is fair and reasonable.

The Auditor's certificate is required to provide and certify whether the accounting treatment relating to reduction of share capital of the Company as set out in the Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and circulars issued thereunder and other generally accepted accounting principles in India and accordingly, the auditors have not included the reasons for the losses in the past years.

We trust that above clarification adequately addresses your query. We request to take the above on record and oblige.

For **Black Box Limited**
(Formerly known as AGC Networks Limited)

Aditya Goswami
Company Secretary & Compliance Officer



Telephone: +91 22 6661 7272 | Email: info.india@blackbox.com

ADDENDUM TO REPORT OF INDEPENDENT DIRECTOR'S COMMITTEE OF BLACK BOX LIMITED ("THE COMPANY") RECOMMENDING SCHEME OF REDUCTION OF SHARE CAPITAL BETWEEN COMPANY AND ITS SHAREHOLDERS AT THE MEETING HELD ON MARCH 23, 2023 TO ADDRESS THE QUERY OF SEBI FOR PROVIDING COMMENTS ON THE REASONS FOR THE ACCUMULATED LOSSES OF THE COMPANY

Members Present:

Mr. Sujay Sheth – Independent Director

Mr. Dilip Thakkar – Independent Director

Ms. Neha Nagpal – Independent Director

In Attendance:

Mr. Aditya Goswami - Company Secretary & Compliance Officer

1 Background

A meeting of the Independent Director's Committee of the Company was held on November 10, 2022, to consider and recommend the Scheme for reduction of capital between the Company and its shareholder ("**Scheme**") for writing off accumulated losses against the balance in Securities Premium Account and Capital Reserve Account under Section 66 read with Section 52 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and the rules made there under) ("**Act**") ,other applicable provisions of the Act and the rules thereof and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 including any amendments thereof, as applicable.

The addendum to the report of the Independent Director Committee is made to address the SEBI requirements, sent by BSE on March 10, 2023 over the email for providing comments on the accumulated losses.

The following documents were placed before the Independent Director Committee:

- i. Independent Director Committee report recommending the Scheme in the meeting held on November 10, 2022;
- ii. Scheme for reduction of capital;
- iii. Audited Financial Statement of the Company for the years ended March 31, 2014 to March 31, 2022;
- iv. Auditor's report of the Company for the years ended March 31, 2014 to March 31, 2022;
- v. Year-wise summary of accumulated losses, along-with the reasons for the same prepared by the

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BLACK BOX LIMITED (Formerly AGC Networks Limited)

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Management;

- vi. Certificate obtained from Heena Haren Shah, Registered Valuer dated November 10, 2022, with respect to non-applicability of Valuation report, pursuant to exemption provided in para A(4)(b) of Part I of the SEBI Circular;
- vii. Fairness opinion dated November 10, 2022 obtained from Libord Advisors Private Limited, a SEBI registered merchant banker ("**Fairness Opinion**");
- viii. Certificate from the statutory auditors of the Company, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No.: 001076N/N500013) pursuant to para I(A)(5) of the SEBI Circular confirming that the accounting treatment for the proposed reduction of share capital is not directly addressed by the applicable Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereunder however is in compliance with other generally accepted accounting principles in India, be and is hereby accepted and taken on record; and
- ix. Undertaking certificate from the Statutory Auditor regarding non applicability of obtaining approval from the public shareholders through e-voting, as required under Para (A)(10)(a) and Para (A)(10)(b) of Part I of the SEBI Circular.

2 Details of accumulated losses over the years along-with the reason for the same:

- i. The Management has prepared year-wise summary of profit / (losses) along-with the reason for the same, basis the Annual reports and other accounting records of previous years, which have been approved by Board of Directors and Statutory auditors of the Company and shareholders.
- ii. Below table provides the year-wise summary of profits / (losses) along-with the brief reasons for the same:

(Rupees in Crores)

Financial year ended	Turn-over	Profit After Tax (PAT)	PAT (Cumulative balance)	Reasoning
1-Apr-13			55.20	Opening profit and loss account balance
31-Mar-14	306.30	(145.10)	(89.90)	Losses is majorly attributable to the following: i) Reduction in revenue by 49% from INR 597.6 Crores to INR 306.30 Crores which is mainly due to slow down and underperformance of major economies. ii) As a part of the one time Balance-sheet clean up and taking a very conservative view an additional provision was created for slow moving and non-moving inventory aged more than 365 days for INR 15 Crores and

				provision for old accounts receivable is INR 23 Crores
31-Mar-15	340.10	(0.40)	(90.30)	The losses before exceptional item is INR 33 Crores which is mainly attributable to reduction in revenue due to economic slow down and pressure on margin. There was an exceptional other income of INR 46 Crores due to sale of immovable property at Gandhinagar.
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31-Mar-19	306.90	1.30	(110.30)	Positive PAT is minor in comparison to the previous year
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31-Mar-21	249.50	(1.90)	(113.70)	Company has incurred minor operational losses
31-Mar-22	293.20	5.80	(107.90)	Improvement in PAT is attributable to reduction in finance cost and other cost saving initiatives

- a) The Scheme of reduction of capital provides for reduction of the Securities Premium and Capital Reserve of the Company in accordance with the provisions of Section 66 read with Section 52 of the Act and the rules made thereunder and specifically, the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circular.
- b) The Scheme provides for reduction of Securities premium of the Company from Rs. 2,23,11,02,362 (Rupees Two Hundred and Twenty Three Crores Eleven Lakh Two Thousand Three Hundred and Sixty Two Only) to Rs. 1,37,80,07,034 (One Hundred and Thirty Seven Crores Eighty Lakh Seven Thousand Thirty Four Only) and Capital reserve of the Company from Rs. 22,63,86,525 (Rupees Twenty Two Crores Sixty Three Lakh Eighty Six Thousand Five Hundred and Twenty Five Only) to NIL and such a reduction would be effected by writing off the debit balance in Profit and loss account (i.e. Accumulated Losses) of Rs.

1,07,94,81,853 (Rupees One Hundred and Seven Crores Ninety Four Lakh Eighty One Thousand Eight Hundred and Fifty Three Only).

- c) The proposed reduction of Capital Reserve Account and Securities Premium Account against the Accumulated Losses shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

The pre and post reduction of Capital Reserve Account and Securities Premium Account of the Company against its Accumulated Losses:

(Amount in Rs.)

Particulars	Pre reduction (As on March 31, 2022)	Proposed reduction	Post reduction
Capital Reserve Account	22,63,86,525	22,63,86,525	NIL
Securities Premium Account	2,23,11,02,362	85,30,95,328	1,37,80,07,034
Retained Earnings i.e. Accumulated Losses	(1,07,94,81,853)	1,07,94,81,853	NIL

- d) The adjustment of the Accumulated losses against capital reserve account and securities premium account is merely a book entry to adjust balances in the reserves and surplus of the Company.
- e) The reduction envisaged under this Scheme does not involve any reduction in the issued, subscribed and paid up share capital of the Company nor does it involve any payment or discharge of consideration to the shareholders and will also not result in any change in the shareholding of the Members of the Company.
- f) The Scheme does not envisage any extinguishment of any liability or diminution of any liability nor does it in any manner alter, vary or affect the rights of the creditors / banks / financial institutions. Further, this Scheme would also not in any way affect the operations of the Company during the course or after the approval of capital reduction. Accordingly, it would not in any way have any adverse effect on the creditors of the Company or Company's ability to honor its commitments or meet its obligations in the ordinary course of business.
- g) In light of the above, the Scheme of reduction of share capital would be for the overall benefit of the Company, its creditors, its Shareholders and all other stakeholders.

3 Recommendation of the Independent Director Committee:

Taking into consideration the Independent Director Committee Report dated November 10, 2022, Scheme and other documents and inter-alia having noted and discussed the reasons of accumulated losses incurred by the Company, the Independent Director Committee confirms that the Scheme is not detrimental to the shareholders of the Company and is in the best interest of the Company and its shareholders, creditors, and all other stakeholders. Thus, the Independent Director Committee hereby affirms its earlier recommendation provided on November 10, 2022 on the Scheme to the Board of Directors of the Company. This addendum report should be read in conjunction with the earlier recommendation.



For and on behalf of Independent Director's Committee of Black Box Limited

A handwritten signature in blue ink, appearing to read "Sujay Sheth", with a horizontal line underneath.

Sujay Sheth
(Chairman of Independent Director's Committee)

Place: Singapore

Date: March 23, 2022

BLACK BOX LIMITED (Formerly AGC Networks Limited)

Registered Office: 501, 5th Floor, Building No. 9, Airoli Knowledge Park, MIDC Industrial Area, Airoli, Navi Mumbai 400 708, India

BLACKBOX.COM | CIN: L32200MH1986PLC040652 | Tel: +91 22 6661 7272



LIBORD ADVISORS PRIVATE LIMITED

(CIN No. : U67120MH2007PTC174533)

Corporate Off.: B-524 - 526, Chintamani Plaza, Near W. E. Highway Metro Station, Mohan Studio Compound, Andheri Kurl Road, Andheri (East), Mumbai - 400 099
Tel.: 91-22-6278 2900 (100 Lines) • E-mail : office@libord.com • Website : www.libord.com

Dated: 10-11-2022

To

**The Board of Directors,
Black Box Limited,
501, 5th Floor, Building No.9,
Airoli Knowledge Park, MIDC Industrial Area,
Airoli, Navi Mumbai, Thane,
Maharashtra – 400 708, India**

Subject: Fairness Opinion Report in relation to the proposed Scheme of Reduction of Share Capital between Black Box Limited ("The Company") and the Shareholders.

The Company is proposing a scheme of reduction of the share capital under Section 66 read with section 52 and any other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder (hereinafter referred to as 'the Scheme').

Accordingly, the Company has appointed Libord Advisors Private Ltd, Category I Merchant Banker, Registered with SEBI bearing Registration Number INM000012094, vide an engagement letter dated October 1, 2022 to issue a Fairness Opinion Report, in terms of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI Circular').

In connection with the same, we attach our Fairness Opinion Report, in terms of the SEBI Circular.

For Libord Advisors Private Ltd

Name: Lokendra Parihar

Designation: AVP - Merchant Banking

Place: Mumbai, Maharashtra



FAIRNESS OPINION REPORT

SCHEME

OF

REDUCTION OF CAPITAL

BETWEEN

BLACK BOX LIMITED AND

ITS SHAREHOLDERS

**UNDER SECTION 66 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013 AND NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR
REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016**

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared and submitted by



Libord Advisors Private Ltd



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1. Scope and Purpose

- 1.1 The Board of Directors of the Company proposes the Scheme, as mentioned above, under Section 66 read with Section 52 of the Companies Act, 2013 as amended and rules framed thereunder.
- 1.2 In this regard, the management of the Company has engaged 'Libord Advisors Private Ltd' (SEBI Registered Category I Merchant Banker) to provide a fairness opinion on the valuation of shares or assets and the Scheme.
- 1.3 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Company, the shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to the Registrar of Companies and the National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Company hereby agrees to this fact.
- 1.4 This Fairness Opinion Report is subject to the sources, assumptions, exclusions, limitations and disclaimers detailed hereinafter as such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

2. Background of the Company

- 2.1 The Company was incorporated as a private limited company under the name and style "Tata Telecom Private Limited on August 19, 1986 with the Registrar of Companies, Mumbai under the Companies Act, 1956. Subsequently, Company was converted into public company and consequently, name was changed to "Tata Telecom Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on May 26, 1987. Further, name of the Company was changed to "Avaya Global Connect Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on September 16, 2004. Further, name of the Company was changed to "AGC Networks Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on April 7, 2010. Subsequently, name of the Company was changed to "Black Box Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on November 24, 2021. The current registered office of the Company is at 501, 5th Floor, Building No.9, Airoli Knowledge Park, MIDC Industrial Area, Airoli, Navi Mumbai, Thane, Maharashtra – 400 708, India. The Corporate Identification Number (CIN) of the Company is L32200MH1986PLC040652.
- 2.2 The Equity shares of Company are listed on BSE Limited (BSE) and National Stock Exchanges of India Limited (NSE).
- 2.3 The Capital Structure of the Company as per the audited standalone financial statements as on March 31, 2022 is as under

(Amount in Rs)

Particulars	March 31, 2022
<u>Authorised Share Capital:</u>	
4,50,00,000 equity shares of Rs. 10/- each	45,00,00,000
50,00,000 cumulative or non-cumulative redeemable preference shares of Rs.100/- each	50,00,00,000
50,00,000 Convertible preference shares of Rs 100/- each	50,00,00,000
Total	145,00,00,000
<u>Issued, Subscribed and fully paid-up share capital:</u>	
3,28,12,854 equity shares of Rs. 10/- each, fully paid up	32,81,28,540
Total	32,81,28,540



Subsequently, the Company on April 20, 2022 has sub-divided its equity share having face value of Rs. 10/- (Rupees Ten only) each, fully paid-up into 5 (Five) equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up. Further, on May 19, 2022 the Company has issued 36,73,415 equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up on account of conversion of warrants. Further, on August 12, 2022 Company has issued 1,66,925 equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid up pursuant to exercise of Employee stock options granted under Employee Stock Option Scheme, 2015 of the Company.

The Authorised, Issued, Subscribed and paid-up share capital of the Company as on September 30, 2022 is as under:-

Particulars	(Amount in Rs.)
	September 30, 2022
<i>Authorised Share Capital:</i>	
22,50,00,000 equity shares of Rs. 2/- each	45,00,00,000
50,00,000 cumulative / non-cumulative redeemable preference shares of Rs.100/- each	50,00,00,000
50,00,000 Convertible preference shares of Rs 100/- each	50,00,00,000
Total	145,00,00,000
<i>Issued, Subscribed and fully paid-up share capital:</i>	
16,79,04,610 equity shares of Rs. 2/- each, fully paid up	33,58,09,220
Total	33,58,09,220

Subsequently, there has been no change in the Authorised, Issued, Subscribed and paid-up share capital of the Company till the date of this Report. The Capital structure provided here is subject to change pursuant to allotment of shares under employee's stock option scheme.

The Company does not have any partly paid-up Equity Shares. Further, the Company has its Equity Shares listed on both, NSE and BSE.

3. Exclusions and limitations

- 3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Company to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 3.2 Our opinion and analysis are limited to the extent of review of documents and the Scheme, as provided by the Company and we have relied upon them without any independent verification.
- 3.3 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company and its subsidiaries and respective shareholders.



4. Sources of informations

For the purpose of the preparation of this Fairness Report, we have relied on the following information, as made available to us, by the management of the Company.

- a. Draft Scheme under Section 66 read with Section 52 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder;
- b. Non-applicability of Valuation Report dated November 10, 2022 by CA Ms. Heena Haren Shah (Registered Valuer)
- c. Latest Memorandum of Association and Articles of Association of the Company;
- d. Shareholding pattern of the Company as on June 30, 2022 and September 30, 2022;
- e. Audited financial statements for the year ended March 31, 2022 and limited reviewed financial statements for the period ended June 30, 2022; and
- f. Such other information and explanations as required and which have been provided by the management of the Company, which were considered relevant for the purpose of the Fairness Opinion Report.

5. Salient features of the scheme

- 5.1 The Company's financial statement currently reflects Accumulated Losses (debit balance of Profit & Loss Account) to the tune of **Rs.1,07,94,81,853/-** (Rupees One Hundred and Seven Crores Ninety-Four Lakh Eighty-One Thousand Eight Hundred and Fifty-Three Only) based on audited standalone financial statements for the year ended March 31, 2022.
- 5.2 The present issued, subscribed and paid-up share capital of the Company is Rs. **33,58,09,220** (Rupees Thirty-Three Crore Fifty-Eight Lakh Nine Thousand Two Hundred and Twenty only) comprising of 16,79,04,610 Equity Shares of Rs.2/- each. Accumulated losses have substantially wiped off the value represented by the Share Capital. This has given to the need for readjustment of capital reserve and securities premium in its books of accounts.
- 5.3 In the above context, the Company proposes to write off Accumulated Losses of Rs.1,07,94,81,853/- (Rupees One Hundred and Seven Crores Ninety-Four Lakh Eighty-One Thousand Eight Hundred and Fifty-Three Only) reflecting in the audited standalone financial statements of the Company as on March 31, 2022 with the balance appearing in Capital Reserve Account and Securities Premium Account.
- 5.4 Accordingly, upon coming into effect the Scheme, balance in Capital Reserve Account be reduced from Rs.22,63,86,525/- to Rs. Nil and balance in Securities Premium be reduced from Rs. 223,11,02,362/- to Rs. 1,37,80,07,034/-.
- 5.5 Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words there off.

6. Valuation report

- 6.1 As per para 4(a) of Annexure 1 to the SEBI Circular, the company is required to submit a valuation report from a Registered Valuer in respect of the Scheme. However, as per Para 4(b) of the above circular the Valuation Report is not required in cases where there is no change in the shareholding pattern of the Listed Company.



6.2 The Company has also obtained a Certificate from CA Ms. Heena Haren Shah (Registered Valuer) dated November 10, 2022 for non-applicability of the Valuation Report as mentioned in the SEBI Circular.

7. Conclusion

On the basis of our examination of the Scheme and other information and data provided to us by the Company and subject to the scope and limitation as mentioned hereinabove, to the best of our knowledge and belief, we are of the opinion that the proposed Scheme of Reduction and certificate obtained from CA Ms. Heena Haren Shah (Registered Valuer) dated November 10, 2022 for non-applicability of the Valuation Report as mentioned in the SEBI Circular is fair and reasonable.

For Libord Advisors Private Ltd



Name: Lokendra Parihar

Date: November, 10, 2022

Place: Mumbai, Maharashtra, India



**LIBORD ADVISORS PRIVATE LIMITED**

(CIN No. : U67120MH2007PTC174533)

Corporate Off.: B-524 - 526, Chintamani Plaza, Near W. E. Highway Metro Station,
Mohan Studio Compound, Andheri Kurl Road, Andheri (East), Mumbai - 400 099
Tel.: 91-22-6278 2900 (100 Lines) • E-mail : office@libord.com • Website : www.libord.com

Date: 27th March, 2023

To

The Board of Directors,

Black Box Limited,

501, 5th Floor, Building No.9,

Airoli Knowledge Park, MIDC Industrial Area, Airoli,

Navi Mumbai, Thane,

Maharashtra – 400 708, India

Subject: Addendum to Fairness Opinion Report in relation to the proposed Scheme of Reduction of Share Capital between Black Box Limited ("The Company") and the Shareholders to address the query of SEBI for providing comments on the reasons for the accumulated losses of the Company.

The Company has proposed a scheme of reduction of the share capital under Section 66 read with section 52 and any other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder (hereinafter referred to as 'the Scheme').

Accordingly, the Company had appointed Libord Advisors Private Ltd, Category I Merchant Banker Registered with Securities and Exchange Board of India ('SEBI') bearing Registration Number INM000012094, vide an engagement letter dated October 1, 2022 and pursuant to which a Fairness Opinion Report dated November 10, 2022 was issued (hereby enclosed as **Annexure 1**), in terms of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '**the SEBI Circular**').

Board of Directors of the Company in its meeting held on November 11, 2022 has approved the Scheme. Post which, necessary filings were made to Stock Exchanges to seek No Objection Certificate from Stock Exchanges.

The SEBI through BSE has raised following queries on the said Scheme;

1. The detailed reasons for accumulated losses over the years need to be provided.
2. The Independent Director's recommendation, Fairness opinion provided by MB & Auditor's certificate are silent about the reasons for losses. They may provide their comments/opinion on the reasons for losses.

To address to the above queries of SEBI, the Management has prepared and shared year-wise summary of profit / losses along-with the reason for the same, basis the Annual reports and other accounting records of previous years, which have been approved by Board of Directors and Statutory auditors of the Company and shareholders.

Below table provides the year-wise summary of profits / (losses) along-with the reasons for the same:



(Rupees in Crores)

Financial year ended	Turn-over	PAT	PAT (Cumulative balance)	Reasoning
1-Apr-13			55.20	Opening profit and loss account balance
31-Mar-14	306.30	(145.10)	(89.90)	Losses is majorly attributable to the following: i) Reduction in revenue by 49% from INR 597.6 Cr to INR 306.30 Cr which is mainly due to slow down and underperformance of major economies. ii) As a part of the one time Balance-sheet clean up and taking a very conservative view an additional provision was created for slow moving and non-moving inventory aged > 365 days for INR 15 Cr and provision for old accounts receivable is INR 23 Cr
31-Mar-15	340.10	(0.40)	(90.30)	The losses before exceptional item is INR 33 Crores which is mainly attributable to reduction in revenue due to economic slow down and pressure on margin. There was an exceptional other income of INR 46 Crores due to sale of immovable property at Gandhinagar.
31-Mar-16	313.20	(36.70)	(127.00)	The losses are mainly attributable to reduction in revenue due to economic slowdown and pressure on margin
31-Mar-17	246.00	(16.30)	(143.30)	
31-Mar-18	303.40	31.70	(111.50)	Improvement in PAT is attributable to reversal of inventory provisions for INR 12 Cr made in earlier years due to sale of old inventories which was provided for and reversal of liability of INR 5 Cr towards rent pertaining to earlier years reversed on account of settlement with the lessor during the year. In addition, the operating margin improved to 34% due to better traction in the market
31-Mar-19	306.90	1.30	(110.30)	Positive PAT is minor in comparison to the previous year
31-Mar-20	309.40	(1.60)	(111.90)	Company has incurred minor operations losses
31-Mar-21	249.50	(1.90)	(113.70)	Company has incurred minor operations losses
31-Mar-22	293.20	5.80	(107.90)	Improvement in PAT is attributable to reduction in finance cost and other cost saving initiatives



Further, the Management of the Company has provided explanations with regards to the performance of the Company in the past years and the reasons for the losses as tabulated above along-with the Annual reports of the Company for the corresponding previous years.

Conclusions

On the basis of our examination of the Scheme and other information, explanations and data provided to us by the Company, including the reasons for the losses over the years and subject to the scope and limitation as mentioned in our previous opinion, to the best of our knowledge and belief, we affirm our previous opinion issued on November 10, 2022, that the proposed Scheme of Reduction and certificate obtained from CA Ms. Heena Haren Shah (Registered Valuer) dated November 10, 2022 for no applicability of the Valuation Report as mentioned in the SEBI Circular is fair and reasonable.

This addendum opinion should be read in conjunction with the earlier opinion.

For Libord Advisors Private Ltd
Name: Lokendra Parihar
Date: 27th March, 2023
Place: Mumbai, Maharashtra



Lokendra Parihar

In connection with the same, we attach our Fairness Opinion Report, in terms of the SEBI Circular.

For Libord Advisors Private Ltd

Name: Lokendra Parihar
Place: Mumbai, Maharashtra
Date: 10th November, 2022



Lokendra Parihar