AGC
Accelerating Business

AGC Networks Limited
Essar House, 11 Keshavrao
Khadye Marg, Opp. Race Course,
Mahalaxmi, Mumbai 400 034
T - +91 22 6660 1100
F -+91 22 2354 4331
www.agcnetworks.com

AGC/SD/SE/2021/153

October 05, 2021

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

Subject: Submission of Annual Report for FY 2020-21
Ref.: Scrip code BSE: 500463/NSE: AGCNET

Dear Sir/Madam,

This is with reference to our letter no. AGC/SD/SE/2021/136 dated September 20, 2021, intimating the Stock Exchanges that the 35th Annual General Meeting ("AGM") of the Company is scheduled to be held on Wednesday, October 27, 2021 at 10:00 A.M. Indian Standard Time (IST) through Video Conferencing ("VC") facility provided by National Securities Depository Limited ("NSDL").

Further, pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), we hereby submit the Annual Report of the Company for FY 2020-2021 including the Notice of the 35th AGM.

During the year under review, there have been no qualifications from the Statutory Auditors and hence, the Statement of Impact of Audit Qualifications on Financials (Standalone and Consolidated) is not required to be prepared.

The copy of the aforesaid Notice is attached herewith for your perusal and is also available on the website of the Company at www.agcnetworks.com.

This is for your information and necessary dissemination.

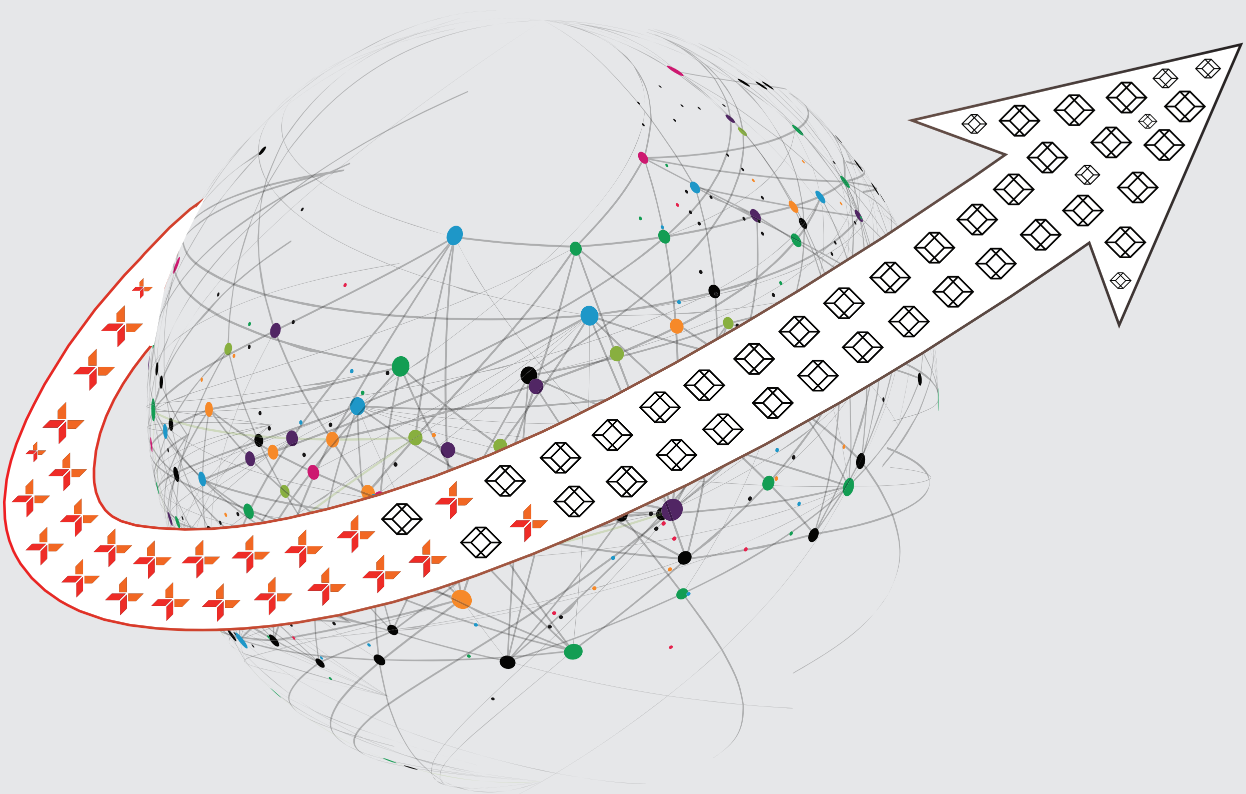
Thanking You,
For **AGC Networks Limited**

ADITYA GOSWAMI
Digitally signed by ADITYA GOSWAMI
Date: 2021.10.05 15:25:57 +05'30'

Aditya Goswami
Company Secretary & Compliance Officer

Encl: As above.

BLACK BOX



TRANSFORM SUSTAIN & GROW

ANNUAL REPORT 2020-21

AGC Networks Limited

AGC

Corporate Information

Directors

Sujay R. Sheth	Chairman – Independent Director
Dilip Thakkar	Independent Director
Neha Nagpal	Independent Director
Anshuman Ruia	Non-Executive Director
Naresh Kothari	Non-Executive Director
Sanjeev Verma	Whole-Time Director
Deepak Kumar Bansal	Executive Director
Mahua Mukherjee	Executive Director

Chief Financial Officer
Deepak Kumar Bansal

Company Secretary & Compliance Officer
Aditya Goswami

Auditors
M/s. Walker Chandiok & Co LLP

Registered Office
Essar House, 11 Keshavrao Khadye Marg,
Opposite Race course, Mahalaxmi, Mumbai 400034.
+91 22 6660 1100
+91 22 2354 4331
info@agcnetworks.com
www.agcnetworks.com

CIN: L32200MH1986PLC040652

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

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

Bankers
1. India - Yes Bank Limited, IDBI Bank Limited & Bank of India
2. United States of America – Fifth Third Bank and East West Bank

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

Audit Committee
Sujay R. Sheth (Chairman)
Dilip Thakkar
Mahua Mukherjee

Nomination and Remuneration Committee
Dilip Thakkar (Chairman)
Sujay R. Sheth
Naresh Kothari

Stakeholders Relationship Committee
Sujay R. Sheth (Chairman)
Dilip Thakkar
Sanjeev Verma

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

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

Risk Management Committee
Sujay R. Sheth (Chairman)
Sanjeev Verma
Neha Nagpal

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Governments, enterprises and individuals everywhere continue to rise to the occasion to prepare themselves in anticipation of the next normal scenario, as they slowly but surely, move beyond the extant challenges. I am happy to share that your Company too has taken several initiatives to help and optimize the planning and execution of the rapid digital journey of our customers across the world.

With the acquisition of Black Box in early 2019, the initial focus was on streamlining the integration between AGC and Black Box and laying a solid foundation for future growth. Since then, your Company continues to strengthen key fundamentals to enable quick and effective transformation as demanded by the dynamic landscape of technology. Simplified processes have been put in place and ratio-centric metrics across business functions are established. The objective now is to augment the current solution portfolio of AGC and Black Box in the areas of Unified Communications, Contact centers and Cloud services.

This is while enhancing the current solution portfolio across Cloud Computing & Virtualization, Cyber Security, Managed SoC and NoC, Managed Services, IoT, Data Center and Collaboration solutions to both the existing and new customers.

Your Company now also can support its client requests for deployments and support in many more countries. The combination of increased global coverage and lower support costs has enabled your Company to become the global IT infrastructure solutions provider of choice in spirit and form. Staying true to the Glocal approach and address our customer's on-going solution integration needs, your Company continues to on-board geographic focused Systems Integrators, who create the local connect with customers through forward integrated technologies which are specific to that market.

The next normal will present several opportunities in the areas of operations of your Company, and our capable management team, very ably supported by dynamic and enthusiastic executive teams across practices and geographies, are keeping a keen eye on these developments.

Technology will continue to be the key enabler for enterprises and mid-market organizations to showcase their products and solutions, and it will be the key differentiator. Your Company's understanding of customer needs, and its strong relationships with all major technology providers will ensure all customers are provided best-in-class customized solutions and support services.

The last year has been a challenging year in every way, but the indomitable spirit of our teams, a deeply committed leadership, and a set of supportive customers made it a successful year for your Company.

I thank each one of our shareholders and stakeholders, for your faith and support through these trying times, and wish you and your families the very best for the better times ahead.

Stay Healthy, Stay Safe!

Best Wishes,

Sujay R. Sheth

MESSAGE FROM THE
WHOLE-TIME DIRECTOR

Dear Shareholders,

The widespread "Hybrid Working Models" has required individuals, societies, businesses & governments to turn to technology in order to evolve a working model and this has placed Your Company in an advantageous position. The new normal is driving people across AGC Black Box to stay focussed on delivering value to customers through collaborative efforts.

Our leadership's relentless focus on Relationship, Relevance and Results with our customers along with the capabilities of our cross functional global teams working together have helped accelerate our customer's business in the midst of this global pandemic.

In FY21, Your Company delivered consolidated revenues of INR 4,674 Crores, consolidated EBIDTA of INR 352 Crores and Net Profit of INR 78 Crores.

Your Company continues to invest in expanding its breadth of solutions in the areas of digital transformation, cloud and cyber security to drive growth.

Our presence in 30+ countries has enabled us to facilitate and develop digital solutions across industries and functions and be closer to our customers and their businesses.

Since AGC's acquisition of Black Box in Jan 2019, the Company has successfully executed multifaceted sustainable cost saving initiatives that have resulted in improved recurring cash flows. AGC management implemented changes that allowed Black Box to achieve operational efficiencies, improve product offerings and introduce new technologies to clients. These initiatives have improved our relevance to customers and we continue to gain wallet share from our blue chip customers' base.

Despite a turbulent and challenging year, we ensured business continuity and delivered enhanced value for our customers. This was possible because we acted quickly and decisively during the pandemic, protecting our people, taking strategic decisions and securing consistent performance across our business streams. I am extremely grateful to our employees, our clients, the leadership team, our Board members, and all our well-wishers, who have supported us with their trust and guidance through this challenging year.

As we look ahead we will continue to focus on expanding and enhancing skills of our talent base, making the workforce more flexible, prioritizing strategic workforce planning and performance management to deliver differentiated value proposition to our customers.

As I scan our horizon, I am struck by the range of possibilities that beckon and we are uniquely positioned to take advantage of all the opportunities that lie ahead.

We aim to create value for a broad range of stakeholders in a sustainable way. Our resilience and empathy are manifest in our ability to serve our customers without interruption, empower our employees to quickly adjust to hybrid working and provide the much-needed relief to our communities in a time of crisis.

Your Company will continue to invest in talent and technology of the future more specifically in the areas of Digital Workplace, Data Center & Cloud Services and Cyber Security added with our anywhere anyplace delivery model.

We continue to pursue our 'GLOCAL' strategy and be our customer's preferred partner of choice in each of the global markets that we operate in. Our endeavour is to provide globally benchmarked technology solutions and services to our customers in their specific geography and customized to their business needs.

Thank you for your support and guidance.

Stay Healthy, Stay Safe!

Warm Regards,

Sanjeev Verma

TRANSFORM | SUSTAIN | GROW

At AGC Black Box, our strategy is TSG : Transform, Sustain & Growth through evaluating the industry landscape, gauging business futures, securing & aligning the relevant technology from global technology partners to deliver customized solutions and services to global customers.

AGC Black Box have implemented changes to achieve operational efficiencies and improve product offerings. AGC Black Box drives process excellence & optimizes resource productivity to enable a culture of true digital transformation.

Sustainability indicates the growing importance of continental and global consciousness occurring together with the increasing salience of local and regional requirements. Given our broad geographic footprint and presence in over 30 countries around the world, aligned with best-in-class technology partners in an evolving and complex environment, we are able to provide solutions to our clients locally anywhere in the world, thereby increasing efficiencies and also reducing costs.

Technology is emerging at an infinite speed and delivering updated tech to the customer is vital. Focusing on a constant endeavor to evolve and provide solutions by enabling better experiences and empowering customers through emerging technology platforms and certified resources is the key. These have been in the areas of Cloud-based offerings with customer opportunities identified and relevant investments made in Data Center technologies to enable the end customer.

AGC Black Box continue to be a leader in the Enterprise Communication space for over 36+ years now and are carving a niche through continous focus on a growth trajectory enabled and delivered through a uniform Global deployment approach and onboarding of the strategic acquisitions to be in line with the existing 'customer first' strategy.

ORGANIC GROWTH OPPORTUNITIES

ABOUT US

Integrating Tech. Accelerating Your Business.

AGC Black Box is a globally trusted IT solutions provider delivering cutting-edge technology products and world-class consulting services to businesses for over 36+ years, in over 30+ countries in every industry. Providing go-to technology solution integration to architect, deploy, manage and secure the customer's IT environment through customized solutions and services that accelerates business.

The breadth of our global reach and depth of our expertise accelerates customer success by bringing people, ideas, and technology together to solve real-world business problems. This is by offering holistic solutions leveraging both technologies as well as enterprise-wide capabilities that allow us to manage customer expectations.

We help businesses navigate the ever changing landscape by partnering with leading technology vendors (OEMs) like Avaya, McAfee, Palo Alto, Cisco, Corning, RingCentral, NEC, Juniper, HPE, CommScope, Prsym, Trend Micro, Verint, Poly among others to provide need-based, value-added services and 'End to End' solutions to esteemed customers across the globe.

Our portfolio includes both value-added products as well as strategic alliances to offer comprehensive technological guidance at any level. We deliver digital transformation solutions including Connected Buildings and Structured Cabling, Deployment of IoT Devices, Multi-Site Deployment, Customer Experience, Networking, Cyber Security, Digital Workplace and Unified Communications, Data Center and Edge Networks, and Managed Services.

Your Company also markets, sells, and distributes IT infrastructure products directly to consumers, through distributors, value-added resellers, web retailers, and large system integrators.

Who Are We

AGC Black Box is a leading digital technology solutions provider, having expertise in architecting, deploying, managing and securing customer's IT and communications infrastructure.

What We Do

We deliver technology solutions for our customers by harnessing technology innovation to digitally transform and accelerate their business in the areas of connected buildings & IoT, digital workplace & customer experience, data center & edge networks, wireless & mobility (including 5G) and cyber security.

We also sell and distribute technology infrastructure products to enhance customer experience through online web, distributors, integration partners and value-added resellers.

BLACK BOX

AUGMENTED SERVICE OFFERINGS AND SCALE VIA ACQUISITION OF BLACK BOX

Focus on Global Solutions Integration Business (GSI)

- Unified Communications & Collaboration
- Data Center & Edge IT
- Cyber Security
- Digital Transformation & Applications
- Managed Services

AGC Accelerating Business | BLACK BOX

FY21 Revenues of Rs.4,674 Cr.

Focus on Global Solutions Integration (GSI) + Technology Product Solutions business (TPS)

- Connected Buildings
- 5G / Wireless
- Signal Switching & Visualization
- IoT & Networking
- Infrastructure & Connectivity

Well diversified across Industries

- Financial Services
- Business Services
- Healthcare
- Manufacturing
- Retail
- Technology
- Distributors

GLOBAL SOLUTION INTEGRATION BUSINESS PILLARS

Solutions

Connected Buildings	Digital Workplace	Customer Experience
Global Multisite Deployments Structured Cabling Digital Transformation Implementation Deployment of IoT Devices	Premise & Hybrid UC&C Managed UCaaS (Cloud) Premise to Cloud Upgrade Carrier Services	Contact Center Self-Service/Automation Application Integration Analytics

Enabling Technology

In-Building 5G/OnGo	Edge Networking & Data Centers	Cyber Security
4G to 5G Upgrade 5G and Public Safety DAS OnGo Networking RTLS	Core Networking Wi-Fi 6 SD-WAN & Connectivity Physical Implementation	Incident & Event Monitoring Endpoint Detection & Response VPN & Firewall Governance & Assessments

Delivery Models

Services

Professional (Consult, Assess, Design, Project Management) & Field (On-Site, Deploy)

Support (Monitoring (NoC & SoC), Incidents, Remote Activities), Managed Services (XaaS, Custom)

TECHNOLOGY PRODUCT SOLUTIONS PORTFOLIO

Signal Switching & Visualization
- KVM
- AV (Audio Visual)

IoT & Networking
- IoT
- Networking

Infrastructure & Connectivity
- Cable
- Infrastructure

BLACK BOX

AGC BLACK BOX SNAPSHOT

8,000+ Customers Served Globally	100+ Fortune 500 Companies	5,000+ Active Client Locations Serviced	30+ Global Partners
3,500+ Employees Globally	18 Delivery Centers Across 6 Regions	1000+ Certifications	30+ Presence in Countries

CUSTOMER RELATIONSHIPS

EXTENDING ACROSS BOUNDARIES.

TECHNOLOGY
8 of the Fortune 10 Largest Tech Companies

HEALTHCARE
4 of the 6 Largest US Hospitals

MANUFACTURING
7 of the 10 Largest Manufacturers

ENERGY & UTILITIES
3 of the Fortune 5 Largest Utility Co. in the US

MEDIA & BROADCASTING
7 of the Forbes Top 10 Broadcast Companies

RETAIL
3 of the 6 Largest US Retailers

HOSPITALITY
The 3 HNN Largest Hotels in the World

BANKING
6 of the Forbes 10 Largest US Banks

OUR VISION

To provide cutting-edge technology solutions, deep global resources, and world-class consulting services that accelerate customer success and drive stakeholder value, success, and continuous innovation.

OUR JOURNEY FROM LOCAL TO GLOCAL

2021 — zservices: Acquires a Cyber Security Cloud services provider in UAE

2020 — Fujisoft: Acquires Fujisoft in Middle East enhancing Cloud Computing & Virtualization Solutions

Pyrios: Acquires Pyrios in Australia & New Zealand expanding customer experience cloud services

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

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

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

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

AGC Accelerating Business

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

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

1994 — Appointed AT & T's SI in India

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

The Beginning

Glocal Industry Leadership

End to End Capabilities

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

Global Footprint

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

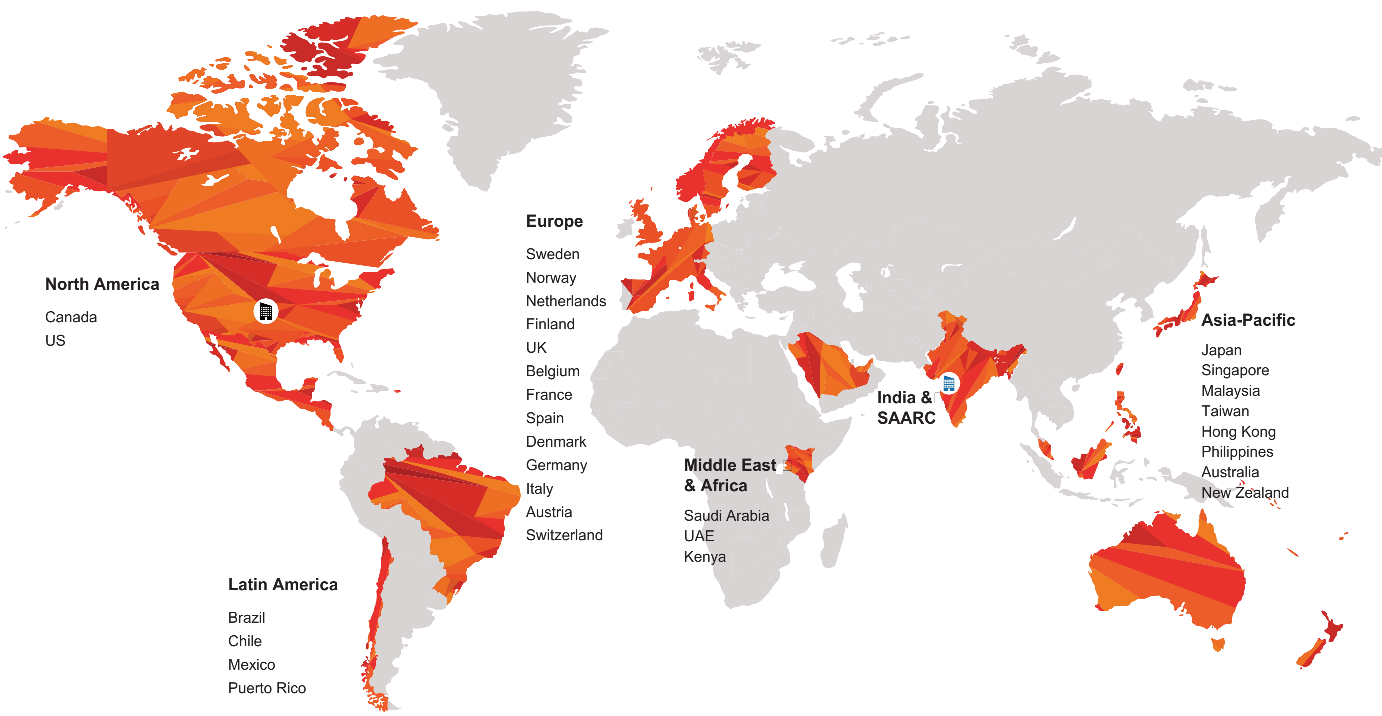
Differentiation

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

OUR GLOBAL PRESENCE

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

ACROSS 6 REGIONS AND 30+ COUNTRIES



US HQ

Registered Office & India HQ

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

STRONG RELATIONSHIP WITH GLOBAL TECHNOLOGY PARTNERS

aruba NETWORKS	AVAYA	AVNET Reach Further	AMX by HARMAN	CRESTRON	CORNING
COMMSCOPE	CISCO	DELL	ERICSSON	Extreme networks	Extron
Five9	FORCEPOINT POWERED BY Raytheon	FORTINET	GENESYS	Hewlett Packard Enterprise	JUNIPER NETWORKS
McAfee	Microsoft	NEC	nectar Every Conversation Matters	NICE	NOKIA
NUTANIX	ORACLE	paloalto NETWORKS	poly	PRYSM SYSTEMS	Pulse Secure Acquired by Ivanti
RingCentral	riverbed	SAMSUNG	Symantec	TREND MICRO	VERINT

GLOBAL ECO-SYSTEM OF DISTRIBUTION PARTNERS

Accu-Tech	ANIXTER	CONVENA distribution	GraybaR	HYPERTEC	inFlow
JENNE Excellence in Distribution Experts in Technology	LONGJOIN	Newark AN AVNET COMPANY	scansource	SYNNEX CORPORATION	WESCO

CASE STUDY - TRANSFORMING THE CUSTOMER LANDSCAPE

Technology Innovation Saves $1 Billion

The Client

Major home improvement retailer with approximately 2,285 stores across North America and the Caribbean.

The Challenge

The challenge was two-fold: First, streamline the process of updating price signage on merchandise in each store. Second, make it easier to identify shoplifters and offer usable evidence for law enforcement.

The Solution

Black Box devised an electronic pricing system that allows headquarters staff to make a single price update to electronic price tags in every store. Our technicians also upgraded CCTV systems from analog cameras to IP-based, 4K camera technology.

Benefits

The pricing solution has strengthened the customer experience, as well as retail associate efficiency and job satisfaction thanks to pricing accuracy. The new camera technology has saved the client more than $1 billion from loss prevention over the last three years.

Synergizing Patient Care, Operations, & Communications

The Client

Synergizing Patient Care, Operations, & Communications

The Challenge

Ensure communications continuity and business resiliency during planned and unplanned disasters by centralizing support and management of multiple, disparate communications technologies across numerous sites and networks.

The Solution

Black Box established an emergency outdoor communications center, safely and efficiently. Our technicians also consolidated support for disparate technologies across the entire healthcare system with one vendor-agnostic NOC team, combined tech support under one umbrella, and providing world-class training.

Benefits

The client received comprehensive management of all services, which has increased uptime and improved operational efficiencies, response times, and outcomes. Centralization has also improved morale, know-how and retention.

CASE STUDY - TRANSFORMING THE CUSTOMER LANDSCAPE

Smooth Ascent to Remote Work Saves $1 Billion

The Client

One of the world's busiest international passenger and cargo airports in the world.

The Challenge

During the COVID-19 pandemic, the goal was to smoothly transition service desk agents to complete all tasks in a remote and socially distanced work environment without interrupting service or compromising high operational standards.

The Solution

Black Box identified a cost-effective cloud solution that ensured transparency, collaboration, and enhanced functionality and featured a two-level training solution for complete and rapid understanding and uninterrupted service.

Benefits

The client maintained its workforce's health and safety, enjoyed 34% cost savings, enhanced functionality that improved call-waiting time by 39%, and optimized business resiliency for planned and unplanned disasters.

Seamless Communications and Control

The Client

A water conservation & supply agency that protects and conserves local water sources, including delivering irrigation and drinking water. The multifaceted agency's service area covers approximately 1,000 square miles.

The Challenge

Update client's 20-year-old control room with a flexible, secure, efficient, ergonomic, and intuitive solution for signal extension and switching, as well as video and data display.

The Solution

Black Box deployed an Emerald KVM-over-IP system that consists of three operator stations and two additional workstations supported by video wall systems with multi-image processing and support for PC control and display extension.

Benefits

The solution provides seamless communications and control, greater flexibility in signal management, better optimization of workstations and workspaces, and 4K readiness for higher resolution images and video. It's also easy to use and supports personal preferences.

CASE STUDY - TRANSFORMING THE CUSTOMER LANDSCAPE

Optimizing Productivity and Job Satisfaction

The Client

Switzerland's leading radio and TV broadcaster is a non-profit organization, funded through radio and television license fees, advertising, and sponsorship.

The Challenge

Allow video and graphic editors easy access to computers located in data centers throughout the client's headquarters. Ensure compatibility with existing LAN infrastructure and video resolution requirements.

The Solution

Black Box installed an Emerald KVM-over-IP system that allows editors to access images housed in disparate computers directly from their workstations without tech-related interruptions. The new system leverages existing LAN and video output parameters.

Benefits

The solution has increased workflow, worker efficiency, and job satisfaction. Editors are more comfortable and productive throughout their workday. IT techs can manage the system from an easy-to-use dashboard interface for full operational capabilities.

Maximizing Patient Care

The Client

A large university hospital in Denmark.

The Challenge

Allow doctors and nurses to view patient information on screens in exam rooms. At the time, medical staff accessed this information via a PC carried from room to room. This cumbersome process reduced patient interaction time.

The Solution

Black Box installed MediaCento transmitters, receivers, and controllers that support HDMI-over-IP extension, as well as gigabit-managed Ethernet switches. The solution allows screens in exam rooms to display source information from PCs located at nurses' stations. It also features remote control capabilities and fail-safe redundancy.

Benefits

By easily conveying important information throughout many rooms, the new system optimizes patient interaction time and gives doctors and nurses a few more precious minutes to spend with each person.

BLACK BOX

BOARD OF DIRECTORS

Sujay R. Sheth

Chairman, Non-Executive & Independent Director

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

Neha Nagpal

Independent Director

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

Naresh Kothari

Non-Executive Additional Director

Naresh has held various management roles including President of Edelweiss Capital, Senior member of Management Committee, Co-Head of Edelweiss Alternative Asset Advisors, Head of Coverage & ECM, and Co- Head of Institutional Equities.

Deepak Kumar Bansal

Executive Director

Deepak is a finance professional and business enabler with over 24 years of diverse experience across industry verticals and is responsible for leading the financial operations and strategic initiatives globally including fund raising, business control and corporate governance.

Dilip Thakkar

Independent Director

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

Anshuman Ruia

Non-Executive Director

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

Sanjeev Verma

Whole-Time Director

Sanjeev is a technology veteran with over 26 years of extensive global experience in the ICT domain. He has a highly successful track record in diverse set of management and leadership roles in the areas of business operations, sales & marketing, consulting, M&A and start-up operations globally.

Mahua Mukherjee

Executive Director

Mahua has over 25 years of HR management experience, of which more than 15 years have been in a senior HR leadership role with a strategic, operational and global focus.

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35th Annual General Meeting ("AGM") of the Members of **AGC NETWORKS LIMITED** ("the Company") will be held on **Wednesday, October 27, 2021 at 10:00 A.M. Indian Standard Time (IST)** through Video Conferencing ("VC") to transact the following business(s):

ORDINARY BUSINESS(S):

1. To receive, consider, approve and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021 along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Kothari (DIN: 00012523), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS(S):

3. **Approval for change of name of the Company and consequential alteration to the Memorandum of Association and Articles of Association of the Company**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 4, 13 and 14 of the Companies Act, 2013 ("Act") and rules made thereunder and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, subject to Regulation 45 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) as applicable, the Memorandum of Association and Articles of Association of the Company and approval, consent, sanction and permission of the Central Government, Ministry of Corporate Affairs, Stock Exchanges or any other appropriate regulatory and/or statutory authorities, as may be necessary, consent of the members of the Company be and is hereby accorded for change of name of the Company from **"AGC Networks Limited" to "Black Box Limited"**;

   RESOLVED FURTHER THAT Clause I (Name clause) of the Memorandum of Association of the Company be substituted with following:

   I. "The Name of the Company is **"Black Box Limited".**

   RESOLVED FURTHER THAT the name of the company wherever appearing in the Articles of Association of the Company, Share Certificates and other relevant documents, papers and places, as applicable, be substituted with the new name **"Black Box Limited".**

   RESOLVED FURTHER THAT Mr. Sanjeev Verma (DIN: 06871685), Mrs. Mahua Mukherjee (DIN: 08107320), Directors of the Company, Mr. Deepak Kumar Bansal (DIN: 07495199) Director and CFO of the Company and Mr. Aditya Goswami, Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to make, sign, execute and file necessary applications, forms, returns, and documents as may be considered necessary or expedient including appointing attorney(s) or authorized representatives under appropriate Letter(s) of Authority, to appear before the Central Government, Ministry of Corporate Affairs, Stock Exchanges where shares of the Company are listed, and such other regulatory or statutory authorities, as may be required from time to time and to do all such acts, deeds and things including settling and finalizing all issues that may arise in this regard in order to give effect to this resolution and to delegate all or any of the powers conferred herein as they may, in their absolute discretion, deem fit."

4. **Approval for shifting of Registered Office of the Company within the state of Maharashtra**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 12 read with Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Registered office of the company be and is hereby shifted from its present location i.e. "Essar House, 11 Keshavrao, Khadye Marg, Opp. Race Course, Mahalaxmi, Mumbai - 400034" to **"501, 5th Floor, Building No.9, Airoli Knowledge Park, MIDC Industrial Area, Airoli, Navi Mumbai - 400 708"**.

"**RESOLVED FURTHER THAT** Mr. Sanjeev Verma (DIN: 06871685), Mrs. Mahua Mukherjee (DIN: 08107320), Directors of the Company, Mr. Deepak Kumar Bansal (DIN: 07495199) Director and CFO of the Company and Mr. Aditya Goswami, Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to sign or execute any application, documents, forms or papers as may be required to be filed with any statutory or regulatory authorities including Registrar of Companies, Stock Exchanges where the securities of the Company are listed and to take such steps as may be necessary and generally to do all acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5. **Approval of raising of funds by issuance of securities upto ₹ 500 Crores**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to and in accordance with the applicable provisions of Sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s) thereto or re-enactment(s) thereof for the time being in force (collectively the "**Companies Act**"), all other applicable laws, rules and regulations, the Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, each as amended from time to time (collectively "**FEMA**"), the relevant provisions of the Memorandum and Articles of Association of the Company, applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (hereinafter referred to as "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **("SEBI Listing Regulations")**, the listing agreements entered into by the Company with the BSE Limited ("**BSE**"), National Stock Exchange of

India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**") where the equity shares of the Company of face value of ₹ 10/- each ("**Equity Shares**") are listed and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India (**"GOI"**), the Ministry of Corporate Affairs ("**MCA**"), the Reserve Bank of India ("**RBI**"), BSE, NSE, Registrar of Companies (**"RoC"**), the Securities and Exchange Board of India ("**SEBI**") and any other appropriate governmental or regulatory authority and subject to all other approval(s), consent(s), permission(s) and / or sanction(s) as may be required from various regulatory and statutory authorities, including the GOI, the RBI, SEBI, MCA, RoC and the Stock Exchanges (hereinafter singly or collectively referred to as "**Appropriate Authorities**"), and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting such approval(s), consent(s), permission(s) and/ or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board), the approval of the members of the Company be and is hereby accorded to create, offer, issue and allot (including with provisions on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash, with or without green shoe option, by way of an issue of Equity Shares or by way of an issue of any instrument or security including by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for Equity Shares, issue of Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as **"Securities"**) or any combination of Securities, with or without premium, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in one or more foreign markets and/or domestic market, by way of one or more public and / or private and/or right offer, and/or on preferential allotment basis including Qualified Institutions Placement (**"QIP")** or any combination thereof, and/or any other permitted modes through issue of prospectus and /or placement document and/or an offer document or other permissible/requisite documents/writings/ circulars/memoranda in such a manner, to any eligible person, including Qualified Institutional Buyers (**"QIBs"**) as defined under the SEBI ICDR Regulations in accordance with Chapter VI of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other category of persons or entities who are authorised to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and, whether they be holders of equity shares of the Company or not (collectively called the **"Investors"),** for an aggregate amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crores Only) or equivalent thereof, in one or more foreign currency and/or Indian rupees, through public offer(s) or private placement(s) or a combination thereof at such time or times, at such price or prices, at a permissible discount or premium to market price or prices permitted under applicable laws, with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms and conditions including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilising agent in terms of green shoe option, if any, exercised by the Company, security, rate of interest etc. as may be deemed appropriate by the Board and where necessary in consultation with the book running lead manager(s) to be appointed for the Issue ("**Lead Manager(s)**") and/or underwriters and/or stabilising agent and/or other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, deciding of other terms and conditions like, without limitation, the total number of Securities to be issued, face value, fixing book closure terms if any, determining the categories of Investors to whom the offer, number of Equity Shares to be allotted on conversion/ redemption/ extinguishment of debt(s), rights attached to the warrants, terms of issue, period of conversion, fixing of record date or book closure terms if any, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and / or to be appointed by the Company (the "Issue"), as the Board may in its absolute discretion decide, in each case subject to applicable laws and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion and without requiring any further approval or consent from the members at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company' so as to enable the Company to list its Securities on any stock exchange in India or overseas jurisdictions.

RESOLVED FURTHER THAT in the event that Securities are offered to QIBs through a QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations), the following shall apply:

1. the allotment of Securities shall only be made to qualified institutional buyers as defined in the SEBI ICDR Regulations ("QIBs");

2. the Eligible Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the memorandum of association and articles of association of the Company;

3. the Eligible Securities, or any combination thereof, in one or more tranches as may be decided by the Board and subject to applicable laws, will be allotted within 365 days from the date of passing of the special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations, at a price which is not less than the price determined in accordance with Regulation 176(1) of the SEBI ICDR Regulations (the "**QIP Floor Price**"), with the authority to the Board, in consultation with the book running lead managers may offer a discount of not more than 5% (five percent) on the QIP Floor Price or such other discount as may be permitted under SEBI ICDR Regulations to the QIP Floor Price;

4. the Equity Shares issued and allotted under the Issue or allotted upon conversion of the equity linked instruments issued in QIP shall rank *pari passu* in all respects including with respect to entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company in all respects;

5. the number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;

6. the Eligible Securities (excluding warrants) under the QIP shall be issued and allotted as fully paid up securities;

7. the tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment

8. the ***"relevant date"*** for the purpose of pricing of Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP;

9. in case of allotment of eligible convertible securities, the ***"relevant date"*** for the purpose of pricing of such convertible securities shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP, or the date on which the holders of the eligible convertible securities are entitled to apply for Equity Shares, as decided by the Board;

10. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations;

11. no allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company;

12. the Equity Shares and/ or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) allotted in a QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations; and

13. Any subsequent QIP shall not be undertaken until the expiry of two weeks from the date of the prior QIP made pursuant to this special resolution.

RESOLVED FURTHER THAT, in pursuance of the resolutions above:

1. the Equity Shares and/ or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) to be so created, offered, issued and allotted, shall be subject to the provisions of the memorandum and articles of association of the Company; and

2. the Equity Shares created, offered, issue or allotted by the Company shall rank *pari passu* in all respects with the existing Equity Shares of the Company, in all respects.

RESOLVED FURTHER THAT in the event of issue of GDRs/ADRs, the pricing shall be determined in compliance with principles and provisions set out in Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, the Framework for issue of Depository Receipts notified by SEBI vide circular dated October 10, 2019, and other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into any arrangement with any agencies or bodies for the issue of GDRs and/or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international/domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and/or international practice and regulations and under the norms and practices prevalent in the domestic/international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or a committee thereof be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of preliminary placement documents and placement documents, determining the form and manner of the Issue, including the number of Securities to be allotted, issue price, date of the opening and closing of the Issue, or execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares and/ or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) and utilization of the proceeds as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, or a duly authorized committee, in consultation with the Lead Manager(s), advisors and/or other intermediaries as may be appointed in relation to the Issue, is authorized to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and listing thereof with the Stock Exchanges or otherwise as may be required in relation to the Issue and to resolve and settle all questions and difficulties that may arise in the Issue, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the Issue, utilization of Issue proceeds, to enter into and execute (and amend from time to time, as may be deemed appropriate by the Board in its sole discretion (subject to the conditions set forth in the resolutions herein), all such arrangements/ agreements with any Lead Managers, placement agents, managers, underwriters, lawyers, advisors, guarantors, depositories, custodians, registrars, Statutory Auditors and all such agencies and intermediaries as may be involved or concerned in the Issue, including any amendments or supplements thereto, as necessary or appropriate and to remunerate all such agencies including by way of payment of commissions, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them, and to finalize, approve and issue any document(s) or agreements including, but not limited, to placement documents, and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges, sign all deeds, documents and writings, settle all questions, difficulties or doubts that may arise in regard to the Issue and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the Issue and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board or a duly authorised committee and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board or a duly authorised committee in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to any of the aforesaid or otherwise in relation to the Issue.

RESOLVED FURTHER THAT in respect of the Issue, the Board or any duly authorised committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its sole and absolute discretion consider necessary, desirable or appropriate, including submitting the relevant application to the Stock Exchange(s) for obtaining in-principle approvals, listing of the Securities, filing of requisite documents/making declarations with the MCA, RoC, RBI, SEBI and any other statutory/regulatory authority(ies), and any other deed(s), document(s), declaration(s) as may be required under the applicable laws.

RESOLVED FURTHER THAT, Ms. Walker Chandiok & Co., being the Statutory Auditors of the Company are duly appointed and authorised to provide financial statements and certifications as may be required by the Company and/or the Lead Managers from time to time in relation to the Issue.

RESOLVED FURTHER THAT the Board or a duly authorised committee thereof be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchange(s) and statutory / regulatory authorities and execution of any deeds and documents for and on behalf of the Company and to represent the Company before any governmental authorities, to give effect to this resolution."

6. **Appointment of Mr. Anshuman Ruia (DIN: 00008501) as Executive Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with provisions of Schedule V of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), subject to approval of the Central Government and such other approvals, permissions and sanctions, as may be required and based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members, be and is hereby given for re-designation of Mr. Anshuman Ruia (DIN: 00008501) from Non-Executive Director to Executive Director of the Company for a period of 3 years effective from 20th September, 2021 on such terms and conditions of appointment as may be approved by the Board of Directors."

RESOLVED FURTHER THAT Mr. Anshuman Ruia shall have the right to exercise such powers of management of the Company as may be delegated to him by the Board of Directors, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorised to alter and vary the terms and conditions of the said appointment as it may deem fit and as may be acceptable to Mr. Anshuman Ruia, subject to the same not being in contravention of the conditions specified under the provisions of Schedule V to the Act or any statutory modification(s) or re-enactment thereof and subject to such approval(s) as may be required."

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

Place: Mumbai
Dated: September 20, 2021
Registered Office:-
Essar House, 11 Keshavrao Khadye Marg,
Opposite Race Course, Mahalaxmi,
Mumbai - 400034.
www.agcnetworks.com

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No.17/2020 dated April 13, 2020 followed by MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members in the General Meeting is not required and companies are allowed to hold the General Meetings through video conferencing (VC) or other audio visual means (OAVM). Hence, in compliance with the aforesaid Circulars, this AGM is being held through VC.

2. Pursuant to the provisions of the Companies Act, 2013 (the "Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC pursuant to the said relevant Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM.

3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

5. The relevant Explanatory Statement pursuant to Section 102(1) of the Act, setting out the material facts concerning special business(s) as set out above in Item No. 3, 4, 5 & 6 is annexed hereto. The relevant details required to be disclosed in respect to Directors seeking appointment/re-appointment at this AGM pursuant to Regulation 36(3) of LODR Regulations, Secretarial Standards on General Meeting ("SS-2") issued by the Institute of Company Secretaries of India and other applicable provisions of the Act, have been provided in **Annexure I** to this Notice.

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

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

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

   M/s. Datamatics Business Solutions Limited
   Plot No. B-5, Part B, Cross Lane,
   MIDC, Andheri (East), Mumbai – 400093
   Tel: +91 22 6671 2001 to 6671 2006
   Fax: +91 22 6671 2209
   E- mail: investorsqry@datamaticsbpm.com

9. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, October 21, 2021** till **Wednesday, October 27, 2021** (both days inclusive) for the purpose of this AGM.

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

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

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

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

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

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

16. Members who wish to seek any information with regard to the Company's Annual Report 2020-2021 or any matter to be placed at the AGM, are requested to address their query(ies) to the Company Secretary of the Company through email on investors@agcnetworks.com well in advance, i.e. at least 10 days before the Meeting. This will enable the Management to keep the information readily available at the Meeting.

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

18. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, Notice of the AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-2021 will also be available on the Company's website https://www.agcnetworks.com/in/investors/, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

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

20. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's Website at www.agcnetworks.com.

21. Since the AGM will be held through VC, the Route Map, Proxy Form and Attendance Slip, are not annexed with this Notice.

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

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

The remote e-voting period begins on **Sunday, October 24, 2021 at 9:00 A.M. and ends on Tuesday, October 26, 2021 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Wednesday, October 20, 2021,** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, October 20, 2021.

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

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

Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. October 20, 2021, may follow steps mentioned in the Notice under "Instructions for e-voting".

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

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

Step 1: Access to NSDL e-Voting system

A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) **Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

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

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

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

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

   c) How to retrieve your 'initial password'?

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

(ii) If your email ID is not registered, please follow steps mentioned at the next page under the heading: **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

a. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

b. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

c. Now you are ready for e-Voting as the Voting page opens.

d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

e. Upon confirmation, the message "Vote cast successfully" will be displayed.

f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to skjaincs1944@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh - Assistant Manager, NSDL at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@agcnetworks.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@agcnetworks.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under **“Join General meeting”** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User

ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views/have questions may send their questions to the Company Secretary of the Company through email on investors@agcnetworks.com well in advance, i.e. at least 10 days before the Meeting, while specifying details of their Name, Demat account number or folio number, email id and mobile number in the said email. The Company will reply to the same suitably.

6. Those Members attending the AGM through VC/OAVM will only be allowed to express their views/ask questions during the AGM by means of Live Chat option provided by NSDL. The Company reserves the right to restrict the number of questions/queries which shall be addressed during the AGM, depending on the availability of time for the AGM.

GENERAL INSTRUCTIONS

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

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock first the votes cast by e-voting during the AGM & thereafter the votes cast by remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall provide, within 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

The result declared alongwith the Scrutinizer Report shall be placed on the Company's website www.agcnetworks.com and on the website of NSDL at https://www.evoting.nsdl.com, immediately after the declaration of result by the Chairman or by a person duly authorized by him in writing. The results shall also be simultaneously forwarded to The National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE), where the equity shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

In order to align the entire business activity under single brand of "Black Box", the Board of Directors of the Company at their meeting held on September 20, 2021 had approved the proposal for change of name of the Company from **"“AGC Networks Limited” to “Black Box Limited”**, subject to the approval of Central Government, the members of the Company and other relevant Statutory and Regulatory authorities.

The Black Box name has global presence with wider reach, present in 30 countries with around 90% of the Company's revenues under Black Box name, it is prudent to align all the business activities under single name of Black Box across the world. All the major subsidiaries generating revenues are named starting from "Black Box". Changing the name from AGC Networks Limited to Black Box Limited would be better representation in the market and aligns with Company's strategy to remain simple, sharp and focused with all its stakeholders. This will also avoid duplication while doing business with vendors, customers and all the stakeholders.

The Registrar of Companies has approved the availability of the desired name i.e. **'Black Box Limited'** vide its approval letter dated August 25, 2021. Pursuant to the provisions of Section 13 of the Companies Act, 2013 and rules made thereunder, the Company is required to obtain approval of the Central Government and the shareholders by way of a Special Resolution for effecting change in the Company name and consequential alteration in the Memorandum and the Articles of Association.

The Company is in compliance with conditions stipulated under Regulation 45(1) of the SEBI LODR Regulations, 2015, as amended and a certificate pursuant to Regulation 45(3) of the said Regulations, issued by M/s. J R Thaker & Associates, Chartered Accountants (FRN:153087W) is enclosed as **Annexure II** to this Notice. The certificate is also available on the Company's website at https://www.agcnetworks.com/in/AGM-2021/.

Copies of the draft amended Memorandum of Association and Articles of Association reflecting the aforesaid changes is available for inspection by the members, at the Registered Office of the Company, between 10:00 A.M. and 12:00 PM till the date of AGM. The members are requested to follow COVID-19 norms and security protocols while visiting for inspection of the said documents. The said documents are also available on the Company's website at https://www.agcnetworks.com/in/AGM-2021/ till the date of AGM.

The proposed change of name of the Company would not result in change of the legal status or constitution or operations or activities of the Company, nor would it affect any rights or obligations of the Company or the Members / stakeholders and would be subject to approval of Ministry of Corporate Affairs. The proposed name change does not reflect any change in the existing business activity of the Company.

Accordingly, the Board recommends the resolution as set out at Item No. 3 of this Notice, for the approval of the members as a **Special Resolution**.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution set out at Item No. 3 of this Notice.

Item No. 4

It is proposed to shift the registered office of the Company from its current location i.e. Essar House, 11 Keshavrao Khadye Marg, Opposite Race Course, Mahalaxmi, Mumbai – 400034 to its new modern and vibrant office at **501, 5th Floor, Building No. 9, Airoli Knowledge Park, MIDC Industrial Area, Airoli, Navi Mumbai - 400708**. The Board of Directors at their meeting held on September 20, 2021 have approved the shifting of registered office.

Pursuant to the provisions of Section 12 of the Companies Act, 2013 any change/shifting of registered office outside the local limits of any city, town or village where such office is situated mandates approval of shareholders by way of Special Resolution.

Accordingly, the Board recommends the resolution as set out at Item No. 4 of this Notice, for the approval of the Members as a **Special Resolution**.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution set out at Item No. 4 of this Notice.

Item No. 5

The Company, with a view to capitalize on available growth opportunities, continues to evaluate avenues for organic and inorganic growth. The proceeds from the Issue will be utilized for augmenting long term cash resources, funding the organic or inorganic growth opportunities in the area of the Company's operations and adjacencies, making investments in companies including in subsidiaries or otherwise (either through debt or equity or any convertible securities), growing existing businesses or entering into new businesses in line with the strategy of the Company, pre-payment and / or repayment of outstanding borrowings, or for any other general purposes as may be permissible under the applicable law and approved by the Board of directors of the Company or a duly constituted committee of the Board.

In line with the above, the Company proposes to raise funds by way of one or more public and / or private offerings, through equity/ equity linked instruments including on Preferential allotment basis, Qualified Institutions Placement ("QIP"), Rights Offer, Global Depository Receipts ('GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs") fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/ special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares etc. or any combination thereof to Qualified Institutional Buyers ("QIBs") as defined under the SEBI ICDR Regulations in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors up to an amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crores Only) as deemed appropriate by the Board, subject to applicable laws, in terms of (a) the SEBI ICDR Regulations; (b) applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("**Companies Act**"); and (c) other applicable law (the "**Issue**").

Accordingly, the Board, at its meeting held on August 14, 2021, subject to the approval of the members of the Company, approved the issuance of Securities at such price and on such terms and conditions as may be deemed appropriate by the Board or a duly authorised committee of the Board, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager and/or other advisor(s) appointed in relation to the Issue, in accordance with applicable laws, and subject to regulatory approvals (as necessary). The Securities allotted will be listed and traded on stock exchange(s) where Equity Shares are currently listed, subject to obtaining necessary approvals. The offer, issue, allotment of the Securities shall be subject to obtaining of regulatory approvals, if any by the Company.

Pursuant to Sections 23, 42 and 62 of the Companies Act, 2013, as amended read with applicable rules notified thereunder, including Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the SEBI ICDR Regulations, a company offering or making an invitation to subscribe to Securities is required to obtain prior approval of the shareholders by way of a special resolution.

In terms of Section 62(1)(c) of the Companies Act, 2013, shares may be issued to persons who are not the existing shareholders of a company, if the Company is authorised by a special resolution passed by its members. Therefore, consent of the members is being sought for passing the special resolution, pursuant to applicable provisions of the Companies Act and other applicable law. The Securities offered, issued, and allotted by the Company pursuant to the Issue in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and any Equity Shares and/ or other securities convertible into or exchangeable into Equity Shares (including warrants or otherwise) that may be created, offered, issued and allotted by the Company shall rank, in all respects, pari-passu with the existing Equity Shares of the Company.

The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. In the event that Securities are issued through a QIP, the resolution enables the Board or its duly constituted committee, in accordance with applicable law and in consultation with the Lead Managers/ placement agents/ underwriters or any such other intermediary, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the floor price determined in accordance with the SEBI ICDR Regulations.

In the event that Equity Shares are issued through a QIP, the 'relevant date' for the purpose of the pricing of the Equity Shares to be issued and allotted in the proposed QIP shall be decided in accordance with the applicable provisions of the SEBI ICDR Regulations, which shall be either the date of the meeting in which the Board / its duly constituted committee decides to open the QIP, as decided by the Board, which shall be subsequent to receipt of members' approval in terms of provisions of Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares. Further, in the event that eligible convertible securities are issued through a QIP, the "relevant date" for the purpose of pricing of such convertible securities shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP, or the date on which the holders of the eligible convertible securities are entitled to apply for Equity Shares

As and when the Board does take a decision on matters on which it has discretion (subject to the compliance with the conditions set forth herein), necessary disclosures will be made to the stock exchanges as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the fund raising, including issuance of Securities through the Issue will be decided by the Board or its duly constituted committee, in accordance with the SEBI ICDR Regulations, in consultation with book running lead managers and/ or other advisor(s) appointed in relation to the Issue and such other authorities and agencies as may be required to be consulted by the Company.

Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottees, percentage of their post – Issue shareholding and the shareholding pattern of the Company are not provided. The proposal, therefore, seeks to confer upon the Board or its duly constituted committee the absolute discretion and adequate flexibility to determine the terms of the Issue, including but not limited to the identification of the proposed investors in the Issue and quantum of Equity Shares to be issued and allotted to each such investor, in accordance with the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Companies Act, 2013, the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry & Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended, and other applicable law.

The approval of the members is being sought to enable the Board or its duly constituted committee, to decide on the Issue, to the extent and in the manner stated in the special resolution, as set out in Item no. 5 of this notice, without the need for any fresh approval from the members of the Company in this regard.

Pursuant to the above, the Company may, in one or more tranches, issue and allot Equity Shares and/ or other eligible Securities on such date as may be determined by the Board but not later than 365 days from the date of passing of the resolution or such other period as may be permitted under applicable law. The aforesaid issue of Securities will be subject to receipt of requisite approvals from appropriate authorities, as may be applicable.

In the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the special resolution by the members of the Company. Further, the Equity Shares offered, issued, and allotted by the Company pursuant to any such QIP in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company .Further, the Promoters will not participate in the Issue.

Equity Shares, proposed to be issued, shall in all respects, rank pari passu with the existing Equity Shares of the Company.

Accordingly, the Board recommends the resolution as set out at Item No. 5 of the notice for the approval of the members as a **Special Resolution**.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution set out at Item No. 5 of this Notice.

Item No. 6

Mr. Anshuman Ruia was originally appointed as Non-Executive Additional Director of the Company in the Board meeting held on September 10, 2020 and was re-appointed as Non-Executive Director of the Company liable to retire by rotation, in the 34th Annual General Meeting held on November 18, 2020.

Mr. Ruia who resides outside India, considering his vast experience of business, it would be beneficial for the Company to appoint him as an Executive Director which will help in formulation and execution of various growth strategies of the Company.

The Nomination and Remuneration Committee at its meeting held on September 20, 2021 has recommended to the Board to appoint Mr. Ruia as an Executive Director of the Company for a period of 3 years effective from September 20, 2021. The Board at its meeting held on the same date has also approved the said proposal subject to necessary regulatory and shareholders' approval, as applicable.

Further, the Company has received a notice of his proposed candidature under Section 160 of the Companies Act, 2013, consent to act as Director in the Form DIR 2 under Section 152 read with rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR 8 to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

The proposed terms of appointment of Mr. Ruia, as an Executive Director of the Company are as follows:

I) Salary, Allowances and Commission (“Remuneration”): None

II) Perquisites: None

III) Other re-imbursements: Mr. Ruia may be provided reimbursement of reasonable expenses incurred by him while rendering his services to the Company.

IV) Stock Options: None.

V) Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr. Ruia shall manage and conduct the business and affairs of the Company as an Executive Director of the Company. He shall not be paid any sitting fee for attending the meetings of the Board or Committee thereof. The appointment can be terminated by any party giving Three (3) calendar months’ notice in writing.

In accordance with the provisions of Section 196(4) read with the applicable provisions of Schedule V of the Act and the rules made thereunder, the Company is required to obtain the approval of the Central Government and approval of the shareholders by way of a Special Resolution for the appointment of Mr. Ruia as an Executive Director of the Company. A brief resume of Mr. Ruia along with the disclosures pursuant to Regulation 36(3) of LODR Regulations, Secretarial Standards on General Meeting (“SS- 2”) and other applicable disclosures, if any, have been provided in **Annexure I** to this Notice.

The Board feels that the appointment of Mr. Ruia as an Executive Director on the Board, would be of immense benefit to the Company. Accordingly, the Board recommends the members to approve appointment of Mr. Ruia as an Executive Director of the Company as aforesaid, by passing the resolution as set out at Item No. 6 as a **Special Resolution**.

Save and except Mr. Ruia (being the proposed appointee) and his relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

ANNEXURE I

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

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

Name of Director	Mr. Naresh Kothari	Mr. Anshuman Ruia
Date of Birth, Age	September 03, 1970 51 years	March 11, 1971 50 years
Date of first appointment	January 17, 2019	September 10, 2020
Expertise in specific functional areas; Qualifications and Brief Resume/ Profile	Mr. Kothari is a seasoned Indian financial services professional with over 25 years of experience in business building and capital markets. During his career, he has held various operating as well as management responsibilities. Mr. Kothari was one of the earliest Senior Partners at Edelweiss Financial Services and was a key person involved in shaping it into one of the leading financial services firms of India. At Edelweiss, he led teams that built India's largest domestic Institutional Brokerage business, a large coverage platform with some of the best corporate relationships in India, one of the most aggressive Equity Capital Markets platform and also a leading alternative asset management platform. During his 13-year tenure, he held various management roles including President of Edelweiss Capital, Senior member of Management Committee, Co-Head of Edelweiss Alternative Asset Advisors, Head of Coverage & ECM and Co-Head of Institutional Equities. Mr. Kothari spent the initial years of his career in building and running an institutional equities sales & trading desk at ICICI Securities. Along with building various financial services businesses, Mr. Kothari has also played an active role in advising Corporate India on business and capital markets strategy. This active engagement approach also led to development of very strong relationships with corporate India over the years. He remains an active Board member on a few of these corporates.	Mr. Ruia is part of the second generation of the Ruia family that founded Essar. Mr. Ruia is known for his financial expertise and project execution skills that have been invaluable in Essar's value creation journey. His contribution to Essar's value creation includes his involvement in the construction of the 20 million tons Essar Oil refinery in Vadinar, which is one of India's most advanced refineries; his involvement in construction of Essar's coal-based and gas-based power plants in Gujarat, Madhya Pradesh and Odisha and his oversee of Aegis, Essar's erstwhile BPO business, which expanded more than tenfold within a short span of time. The refinery was acquired by Rosneft and the Trafigura-UCP consortium in a landmark $12.9 billion transaction which was the largest FDI in India's Energy sector. Also, in 2014 and 2017, the Aegis business was monetised in two tranches at a value almost 20 times the amount invested in the business. He was also responsible for the Power business' entry into the transmission segment and is also involved in the Ports business where he is driving higher efficiencies and developing an international footprint. Mr. Ruia is a strong believer in adopting a modular approach in project management and he has ensured that these assets of national importance were completed within committed timelines. Mr. Ruia has always been a trenchant advocate for business turnaround and growth by taking bold decisions.

Name of Director	Mr. Naresh Kothari	Mr. Anshuman Ruia
	Mr. Kothari has also done extensive analytical work including identifying some of the most successful investment themes in India. His deep understanding of various asset classes and how they play out across business cycles is now being used in building out some of the most innovative strategies for alternative investing in India through his new firm Alpha Alternatives. Mr. Kothari is an MBA from Indian Institute of Management, Ahmedabad, which is the premier business school in India and Bachelor of Engineering in Computer Science from the University of Mumbai. He is an avid fitness enthusiast and has run marathons. He is also an ardent reader.	Mr. Ruia is presently leading Essar's investment in asset-light, new age businesses in the technology and fintech domains. Mr. Ruia's deep knowledge of finance and corporate structure has earned him the respect of his peers. He is a member of the Young Presidents Organisation (YPO). He is a passionate connoisseur of music and a keen table tennis player.
Terms of appointment	As approved by the Members at the 34th Annual General Meeting of the Company held on November 18, 2020	As mentioned in Item No. 6 of the explanatory statement
Remuneration proposed to be paid	NIL	NIL
Remuneration last drawn	NIL	NIL
Name/s of other Listed Companies in which Directorship held	B L Kashyap and Sons Limited	NIL
Name/s of other Listed Companies in which the Director holds membership in the Committees	1. B L Kashyap and Sons Limited – (Membership of Audit Committee) 2. B L Kashyap and Sons Limited – (Membership of Nomination & Remuneration Committee)	NIL
Shareholding in the Company#	6,45,525 Equity Shares held beneficially.	NIL
Relationship between the Directors inter-se	Unrelated, except being on the Board of AGC Networks Limited	Unrelated, except being on the Board of AGC Networks Limited
Number of Board Meetings attended during F.Y.2020-2021	6 (Six)	3 (Three)

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

ANNEXURE II

J R THAKER & Associates
CHARTEREDACCOUNTANTS

+91-9727746376
ca.jaydevthaker@gmail.com
B1-201, Sangath Gateway
Opp. Raysan Petrol Pump
Kudasan Service Road
Gandhinagar – 382 421

To whom so ever it may concern

We refer to the application of availability and name change made by AGC Networks Limited, CIN: L32200MH1986PLC040652, having its registered office at Essar House, 11, Keshavrao Khadye Marg, Opposite Race Course, Mahalaxmi, Mumbai, 400 034, vide SRN T36595346, made to The Registrar of Companies. The new name available and approved is **Black Box Limited**

In this regard, pursuant to Regulation 45 of the SEBI LODR Regulations, 2015, we hereby confirm that;

a. A time period of at least one year has elapsed from the last name change;

b. There is no change in the business activity of the Company and at least 50% of the company's total revenue in the preceding 1 year period has been accounted from the existing activity suggested by the new name.

Date: 26th August 2021

Place: Gandhinagar

For, J R Thaker & Associates

Chartered Accountants

J R THAKER & ASSOCIATES
M No.:124734
FRN.:153087W
CHARTERED ACCOUNTANTS

JAYDEV RAMAKANT THAKER

Digitally signed by JAYDEV RAMAKANT THAKER
Date: 2021.08.27 10:38:23 +05'30'

CA. Jaydev R. Thaker

Proprietor

UDIN: **21124734AAAABO3009**

22/JRT/21-22

DIRECTORS' REPORT

The Directors of your Company hereby present the Thirty Fifth (35th) Annual Report alongwith the Audited Financial Statements (Consolidated and Standalone) of the Company for the Financial Year ("FY") ended March 31, 2021.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a consolidated and standalone basis, for FY2021 as compared to FY2020 is given below:

₹ in Crores, unless otherwise stated

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020 Restated
Revenue from Operations	249.54	309.35	4,674.02	4,993.92
Other Income	8.47	6.26	11.13	7.41
Total Income	258.01	315.61	4,685.15	5,001.32
Profit/(Loss) before finance cost, depreciation, exceptional items and tax	**20.54**	**24.33**	**362.85**	**335.82**
Less: Interest and finance charges (Net)	17.01	18.50	97.91	131.72
Less : Depreciation	5.39	7.46	95.56	91.69
Profit/(Loss) before tax & exceptional items	**(1.86)**	**(1.63)**	**169.38**	**112.41**
Less: Loss on fair value of financial liability	-	-	(41.70)	(36.95)
Less: Amortisation of debt issuance cost	-	-	-	(23.39)
Less: Exceptional item	-	-	(31.69)	(125.05)
Profit/(Loss) before tax	**(1.86)**	**(1.63)**	**95.98**	**(72.98)**
(Add)/Less : Tax	-	-	17.90	6.98
Profit/(Loss) after tax	**(1.86)**	**(1.63)**	**78.09**	**(79.96)**
Add/(Less): Other Comprehensive Income	0.32	(0.51)	115.50	(106.70)
Total Comprehensive Income for the year	**(1.54)**	**(2.14)**	**193.59**	**(186.66)**
Earnings/(Loss) Per Share of ₹ 10/- each after exceptional items:				
Basic: (in ₹)	0.62	(0.55)	26.05	26.89
Diluted: (in ₹)	(0.62)#	(0.55)#	24.49	26.89#

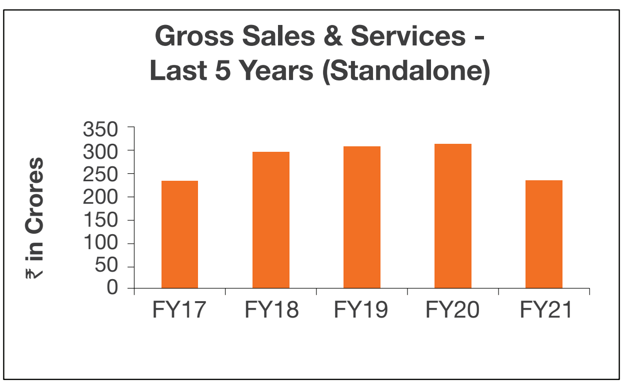
 # The effect of 424,705 and 619,262 potential equity shares outstanding as at March 31, 2021 and March 31, 2020, respectively, is anti-dilutive and thus these shares are not considered in determining diluted earnings / (loss) per share.

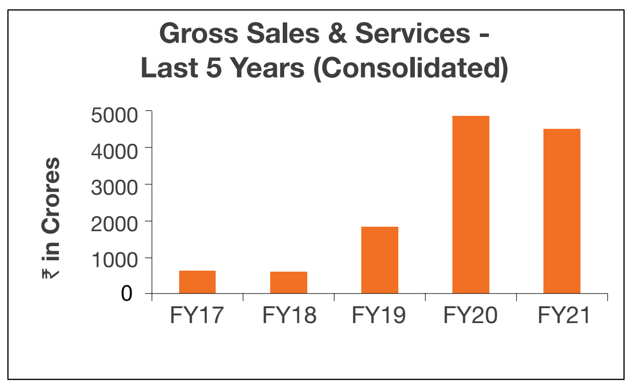
FINANCIAL PERFORMANCE

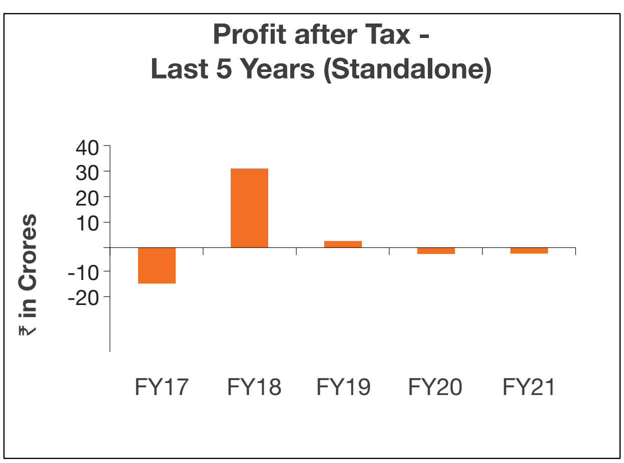
The Company has recorded a gross turnover of ₹ 4,674.02 Crores for FY21 as against ₹ 4,993.92 Crores in FY20 on consolidated basis, reflecting a reduction of 6.4% over previous year. This reduction was mainly attributed to adverse impact on economic conditions of the world economy and impact on demand due to COVID-19 pandemic. On standalone basis, the gross turnover was ₹ 249.54 Crores as against ₹ 309.35 Crores for the period ended March 31, 2020 reflecting a reduction of 19.3% over previous year. The muted performance on standalone basis was due to various reasons including slowdown in Indian economy and adverse market conditions coupled with COVID-19 condition during the year ended March 31, 2021.

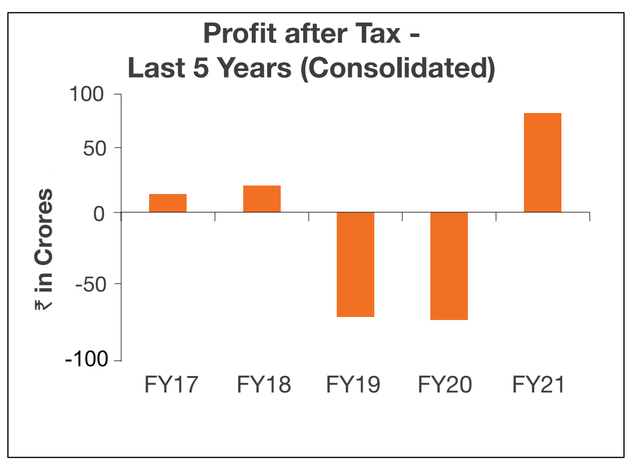
On consolidated basis, the Company has recorded a net profit before exceptional item of ₹ 151.48 Crores for FY21 as compared to ₹ 105.43 Crores for FY20 despite of lower revenues. This increase in net profits is primarily due to impact of various cost transformation initiatives such as improvement in operational efficiencies, ratio-centric organisation and optimization of overheads including leased facilities. The Company was able to swiftly respond to adjust the costs in line with lower revenues due to COVID-19. The Company continues its focus on all the financial metrics together with better liquidity management and profitability growth initiatives.

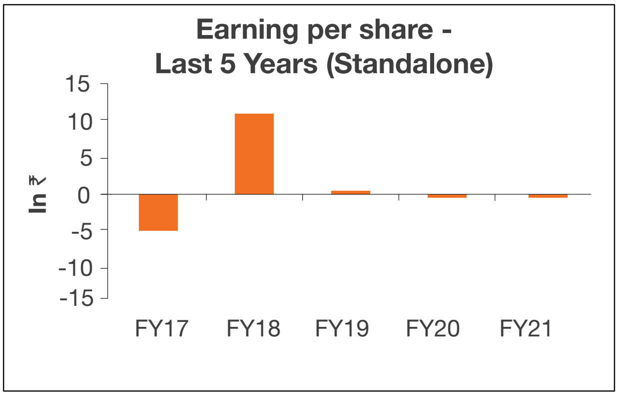
The Company recorded a net loss of ₹ 1.86 Crores for FY21 as against net loss of ₹ 1.63 Crores for FY20 on standalone basis.

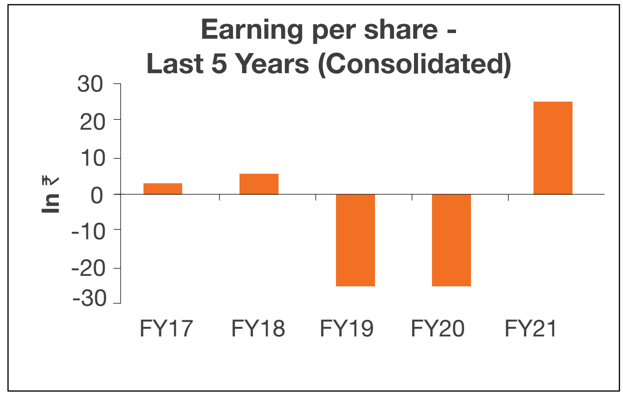












The spread of COVID-19, a pandemic caused by the novel Coronavirus, is having an unprecedented impact on global economy and way of doing business. Majority of the countries across the world had announced a series of lock-down measures starting in January 2020 which have been extended from time to time. 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 statements, 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 financial statements.

NATURE OF BUSINESS AND STATE OF AFFAIRS OF THE COMPANY

During the year under review, there have been no changes in the nature of business of the Company. The information on the affairs of the Company has been covered under the Management Discussion & Analysis forming part of this Report.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year to which these financial statements relate and the date of this Report.

SHARE CAPITAL

The Authorized Share Capital of the Company is ₹ 1,45,00,00,000/- (Rupees One Hundred and Forty Five Crores Only) divided into 4,50,00,000 Equity Shares of ₹ 10/- (Rupees Ten only) each, 50,00,000 Cumulative/Non-Cumulative Redeemable Preference Shares and 50,00,000 Convertible Preference Shares of ₹ 100/- (Rupees Hundred only) each respectively or any other denomination as may be approved by the Board. The Authorised Capital has remained unchanged during the year under review.

The paid-up capital of the Company at the beginning of the FY20 consisted of paid-up equity capital of ₹ 29,74,46,490/- (Rupees Twenty Nine Crore Seventy Four Lakh Forty Six Thousand Four Hundred and Ninety only) divided into 2,97,44,649 Equity Shares of ₹ 10/- (Rupees Ten only) each.

a) **ESOP ALLOTMENT**

During the year under review, the Company issued & allotted 1,85,530 Equity Shares of ₹ 10/- (Rupees Ten only) each to ESOP holders pursuant to exercise of Employee Stock Options ("ESOP options") duly vested in them, in accordance with the applicable terms of "AGC Networks Employee Stock Option Scheme 2015".

b) **PREFERENTIAL ALLOTMENT**

On January 8, 2021, the Company issued and allotted 33,33,334 Convertible Warrants ("Warrants") to Promoter shareholders on Preferential basis, at a price of ₹ 675/- (Rupees Six Hundred & Seventy Five only) per Warrant with a right to the Warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 10/- (Rupees Ten only) each of the Company at a Premium of ₹ 665/- (Rupees Six Hundred & Sixty Five only) per share, for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of the Warrants.

On March 02, 2021 and March 20, 2021 the Company allotted 16,34,828 and 9,63,823 Equity Shares of ₹ 10/- (Rupees Ten only) each respectively on conversion of equal no. of Warrants.

Accordingly, as on March 31, 2021, the Paid-up Equity Share Capital of the Company increased by ₹ 2,78,41,810/- (Rupees Two Crore Seventy Eight Lakh Forty One Thousand Eight Hundred and Ten only) to ₹ 32,52,88,300/- (Rupees Thirty Two Crores Fifty Two Lakh Eighty Eight Thousand and Three Hundred only) divided into 3,25,28,830 Equity shares of ₹ 10/- (Rupees Ten only) each.

The Company has not made any issue of Sweat Equity Shares or Equity Shares with Differential Voting Rights during the year under review.

DIVIDEND

With a view to conserve resources for future growth, your Directors have not recommended any dividend for the Financial Year ended March 31, 2021.

Pursuant to Regulation 43A of SEBI LODR Regulations, 2015, the Company has formulated a Dividend Distribution Policy effective from April 02, 2021. The said policy is accessible on the Company's website at https://www.agcnetworks.com/in/wp-content/uploads/2021/02/AGC-Div-Policy.pdf.

TRANSFER TO RESERVE

With a view to facilitate the growth of the Company's business over the coming years, the Board of Directors have recommended that the entire profits generated in the current Financial Year should be transferred to the reserves of the Company.

HUMAN RESOURCE MANAGEMENT AND HR INITIATIVE

Nurturing a sustainable performance culture in an organisation is essential to remain competitive in an ever-changing world. The COVID-19 had called for rapid crises responses and emphasises on keeping the workforce engaged, productive and resilient. While the world was focussing on the pandemic, AGC was channelling all its energy and efforts to acquire more brands under its feathers. During this year, the integration of Fujisoft in UAE and Pyrios in Australia & New Zealand was concluded to strengthen our global network hence being culturally diverse and building a more inclusive work environment.

Various HR interventions were driven to serve as an important roadmap to guide the workforce re-integration into the new normal. **HR Systems and People Processes** were streamlined to ensure they contribute to the achievement of organisational goals and the development of organisational culture. With a more dispersed workforce, it become all the more crucial to present a single platform all the processes which will be managed and optimized to its best capacity globally. The objective was also to draw data-driven insights, which will be important to maintain oversight of employees' performance, engagement and well-being.

In **Talent Acquisition**, people diversity was the cornerstone for our success. In FY2021, the Company has hired around 500 employees in upcoming technology quadrants across the globe. The focus has been to build internal talent pool in business priorities technologies such as Application Development, Unified Communications, Cyber Security, Sales, SAP, etc.

In the attempt to enhance organisation productivity and building a **learning culture** that contributes to overall development. The training landscape consists of Avaya Interaction Centre, WFH CC Solutions with Cisco and Genesys, Cloud Computing Overview & Fundamentals, Conversational BoT- Avaya imparted round the clock. A shift from a fixed to liquid workforce and increased remote working has created pressing need for innovative learning strategies which gives employees access to content anywhere and anytime. In today's scenarios reskilling plays a key role in helping close talent gaps while keeping employees engaged to their jobs. Employees extensively were engaged with trainings & certifications this year to keep them relevant in the market and business requirements.

Talent Management & Employee Engagement– Employee branding, enhancing employee's experience and connectivity have taken on whole new meanings this year. Communication is key to managing uncertainty and formulating action. It also keep workforce engaged and motivated in order to enable them to remain productive. Diverse Engagement programs are scheduled round the year towards building & sustaining a superior employee connect and a high level of engagement in the organization. Company's robust Reward and Recognition Program focuses on building a healthy competitive environment and a rich performance driven culture throughout the Organisation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the year under review, in terms of the provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR Regulation"), is set out as a separate section, forming an integral part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls for ensuring orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information with reference to financial statements.

During the year under review, these internal controls have been subject to audit. For details with regard to reportable material weaknesses in the said controls, if any, please refer the Statutory Auditors' Report forming part of this Annual Report.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits, including from the public and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

SUBSIDIARIES/HOLDING COMPANY

During the year under review, the following changes took place in Subsidiaries and Holding Company of the Company:

Holding Company(s)

During the year, Essar Telecom Limited ("ETL"), Promoter of the Company, was issued 22,64,281 Equity Shares pursuant to conversion of Warrants thereby increasing its shareholding to 1,63,46,336 Equity Shares, constituting 50.25% stake in the total paid-up Equity Share capital of the Company as on March 31, 2021. Further, ETL had 2,35,719 convertible Warrants pending to be converted into Equity Shares resulting in 49.85% stake in the total diluted paid-up share capital of the Company as on March 31, 2021.

During the year, Onir Metallics Limited ("OML"), a Promoter Group entity, was issued 3,34,370 Equity Shares of the Company pursuant to conversion of Warrants thereby increasing its shareholding to 68,07,267 Equity Shares, constituting 20.93% stake in the total paid-up share capital of the Company as on March 31, 2021. Further, OML had 4,98,964 convertible Warrants pending to be converted into Equity Shares resulting in 21.97% stake in the total diluted paid-up share capital of the Company as on March 31, 2021.

Thus, as on March 31, 2021, ETL and OML collectively hold 2,31,53,603 Equity Shares of the Company, constituting 71.18% Promoter shareholding in the Company. Essar Global Fund Limited remains the ultimate Holding Company of the Company.

DISSOLUTION/WINDING-UP/DIVESTMENT/MERGERS

1) 100% of Investment in RevealCX LLC, Step-Down Subsidiary of the Company was divested to a third party on August 31, 2020.
2) CBS Technologies Corp., Step-Down Subsidiary of the Company was dissolved on September 10, 2020.
3) AGC Networks New Zealand Limited, Step-Down Subsidiary of the Company was wound-up w.e.f. October 30, 2020.
4) ACS Communications, Inc., Step-Down Subsidiary of the Company merged with and into Norstan Communications, Inc. w.e.f. March 31, 2021.

ACQUISITION(S)

Black Box Holdings Limited, Step-Down Subsidiary of the Company, has acquired 86% of outstanding shares of Z Services HQ DMCC form Z Services Holding Ltd., a BVI business company incorporated in the British Virgin Islands for a total consideration of approx. US$3.44 million.

INCORPORATION(S)

COPC Holdings Inc., Step-Down Subsidiary of the Company incorporated Service Journey Strategies Inc. on January 20, 2021.

As on March 31, 2021, the following are the subsidiaries/step-down subsidiaries of the Company:

Sr. No.	Name of the Entity	Registration Geos	Nature of Relationship
1.	AGC Networks Pte. Limited	Singapore	Subsidiary Company
2.	AGC Networks LLC	USA	Step-Down Subsidiary Company
3.	AGC Networks Philippines, Inc.	Philippines	Step-Down Subsidiary Company
4.	AGC Networks & Cyber Solutions Limited	Kenya	Step-Down Subsidiary Company
5.	AGC Networks LLC	Dubai	Step-Down Subsidiary Company
6.	AGC Networks LLC	Abu Dhabi	Step-Down Subsidiary Company
7.	AGCN Solutions Pte. Limited	Singapore	Step-Down Subsidiary Company
8.	Black Box Corporation	USA	Step-Down Subsidiary Company
9.	ACS Dataline, LP	USA	Step-Down Subsidiary Company
10.	ACS Investors, LLC	USA	Step-Down Subsidiary Company
11.	BB Technologies, Inc.	USA	Step-Down Subsidiary Company
12.	BBOX Holdings Mexico LLC	USA	Step-Down Subsidiary Company
13.	BBOX Holdings Puebla LLC	USA	Step-Down Subsidiary Company
14.	Black Box A/S	Denmark	Step-Down Subsidiary Company
15.	Black Box Canada Corporation	Canada	Step-Down Subsidiary Company
16.	Black Box Chile S.A.	Chile	Step-Down Subsidiary Company
17.	Black Box Comunicaciones, S.A.	Spain	Step-Down Subsidiary Company
18.	Black Box Corporation of Pennsylvania	USA	Step-Down Subsidiary Company
19.	Black Box de Mexico, S. de R.L. de C.V.	Mexico	Step-Down Subsidiary Company
20.	Black Box Deutschland GmbH	Germany	Step-Down Subsidiary Company
21.	Black Box do Brasil Industria e Comercio Ltda.	Brazil	Step-Down Subsidiary Company
22.	Black Box E-Commerce (Shanghai) Co., Ltd.	China	Step-Down Subsidiary Company
23.	Black Box Finland OY	Finland	Step-Down Subsidiary Company
24.	Black Box France	France	Step-Down Subsidiary Company
25.	Black Box Gmbh	Austria	Step-Down Subsidiary Company
26.	Black Box Holdings Ltd.	Cayman Islands	Step-Down Subsidiary Company
27.	Black Box International B.V.	Netherlands	Step-Down Subsidiary Company
28.	Black Box International Holdings B.V.	Netherlands	Step-Down Subsidiary Company
29.	Black Box Network Services (Dublin) Limited	Ireland	Step-Down Subsidiary Company
30.	Black Box Network Services (UK) Limited	England	Step-Down Subsidiary Company
31.	Black Box Network Services AB	Sweden	Step-Down Subsidiary Company
32.	Black Box Network Services AG	Switzerland	Step-Down Subsidiary Company
33.	Black Box Network Services Australia Pty Ltd	Australia	Step-Down Subsidiary Company
34.	Black Box Network Services Co., Ltd.	Japan	Step-Down Subsidiary Company
35.	Black Box Network Services Corporation	Taiwan	Step-Down Subsidiary Company

Sr. No.	Name of the Entity	Registration Geos	Nature of Relationship
36.	Black Box Network Services, Inc. – Government Solutions	USA	Step-Down Subsidiary Company
37.	Black Box Network Services India Private Limited	India	Step-Down Subsidiary Company
38.	Black Box Network Services Korea Limited	Korea	Step-Down Subsidiary Company
39.	Black Box Network Services New Zealand Limited	New Zealand	Step-Down Subsidiary Company
40.	Black Box Network Services NV	Belgium	Step-Down Subsidiary Company
41.	Black Box Network Services S.r.l.	Italy	Step-Down Subsidiary Company
42.	Black Box Network Services SDN. BHD.	Malaysia	Step-Down Subsidiary Company
43.	Black Box Network Services Singapore Pte Ltd	Singapore	Step-Down Subsidiary Company
44.	Black Box Norge AS	Norway	Step-Down Subsidiary Company
45.	Black Box P.R. Corp.	Puerto Rico	Step-Down Subsidiary Company
46.	Black Box Services Company	USA	Step-Down Subsidiary Company
47.	Black Box Software Development Services Limited	Ireland	Step-Down Subsidiary Company
48.	Delaney Telecom, Inc.	USA	Step-Down Subsidiary Company
49.	Norstan Canada, Ltd. / Norstan Canada, Ltée	Canada	Step-Down Subsidiary Company
50.	Norstan Communications, Inc.	USA	Step-Down Subsidiary Company
51.	Nu-Vision Technologies, LLC	USA	Step-Down Subsidiary Company
52.	Black-Box Network Services Philippines, Inc.	Philippines	Step-Down Subsidiary Company
53.	Black Box Technologies Australia Pty Limited	Australia	Step-Down Subsidiary Company
54.	COPC Holdings Inc.	USA	Step-Down Subsidiary Company
55.	COPC Inc.	USA	Step-Down Subsidiary Company
56.	COPC International Inc.	USA	Step-Down Subsidiary Company
57.	COPC Asia Pacific Inc.	USA	Step-Down Subsidiary Company
58.	COPC International Holdings LLC	USA	Step-Down Subsidiary Company
59.	COPC India Private Limited	India	Step-Down Subsidiary Company
60.	COPC Consultants (Beijing) Co. Limited	China	Step-Down Subsidiary Company
61.	Fuji Soft Technology LLC	Abu Dhabi	Step-Down Subsidiary Company
62.	Fujisoft Security Solutions LLC	Dubai	Step-Down Subsidiary Company
63.	Pyrios Limited	New Zealand	Step-Down Subsidiary Company
64.	Pyrios Pty Limited	Australia	Step-Down Subsidiary Company
65.	BBX Inc.	USA	Step-Down Subsidiary Company
66.	BBX Main Inc.	USA	Step-Down Subsidiary Company
67.	Black Box Network Services Hong Kong Limited	Hong Kong	Step-Down Subsidiary Company
68.	Black Box Technologies LLC	Dubai	Step-Down Subsidiary Company
69.	Service Journey Strategies Inc.	USA	Step-Down Subsidiary Company
70.	Servicios Black Box S.A. de C.V.	Mexico	Step-Down Subsidiary Company

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

The particulars of loan(s) given, investment(s) made, guarantee(s) given and/or securities provided by the Company along with the purpose for which such amount of loan, guarantee or security is proposed to be utilized by the recipient, has been provided in the notes to financial statements.

STATUTORY AUDITORS AND THEIR REPORT

M/s. Walker Chandiok & Co LLP, Chartered Accountants (ICAI Registration No. 001076N/N00013) have been re-appointed as the Statutory Auditors of the Company, vide resolution passed by Shareholders at the 33rd Annual General Meeting (AGM) of the Company and hold this office for a period of Five (5) year commencing from conclusion of the 33rd AGM till the conclusion of 38th AGM of the Company.

Statutory Auditors' Report

The Statutory Auditors' Report on the financial statements of the Company (standalone & consolidated) for the Financial Year ended March 31, 2021, has been annexed to the financial statements contained in this Annual Report. The Statutory Auditors have expressed their Emphasis of Matter (EOM) on the standalone & consolidated financial statements of the Company in the said report. Further, the said EOM alongwith the management's response on the same is given below:

A. Standalone Audit Report:

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

"As stated in point no. 4 of the Auditors' report on Standalone Financial Statement of the Company which describes the impact of COVID-19 pandemic on the Company's operations and accompanying standalone Financial Statements 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."

"As stated in point no. 5 of the Auditors' report on Standalone Financial Statement of the Company which describes the delay in remittance of import payments and repatriation of proceeds of export of goods and services, aggregating to ₹ 2.10 Crores and ₹ 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 standalone financial statements in respect of the fines / penalties that may be levied on account of such delays."

Management's views on the above:

Response to point no. 4 of the Auditors' report on Standalone Financial Statement of the Company

COVID-19 pandemic has impacted most economies and businesses globally, including India. The nation-wide lockdown in first half of FY2021 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 statement

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

The outstanding balance of trade payables and other financial assets as appearing in the balance sheet as at March 31, 2021 includes amount payable aggregating to ₹ 2.10 Crores and amount receivable aggregating to ₹ 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 ₹ 1.16 Crores during the Financial Year and on payables aggregating to ₹ 0.94 Crores subsequent to March 31, 2021. Similarly, the Company has filed application with AD Bank for extension of time limit for the aforementioned receivables aggregating to ₹ 4.56 Crores subsequent to March 31, 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.

B. Consolidated Audit report

Emphasis of Matters – Impact of COVID-19, Non-compliance with laws and regulations and restatements made in comparative financial statement

"As stated in point no. 4 of the Auditors' report on Consolidated Financial Statement of the Company which describes the impact of COVID-19 pandemic on the Group's operations and on accompanying Consolidated Financial Statements 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."

"As stated in point no. 5 of the Auditors' report on Consolidated Financial Statement of the Company which describes the delay in remittance of import payments and repatriation of proceeds of export of goods and services, aggregating to ₹ 7.41 Crores and ₹ 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 Financial Statements in respect of the fines / penalties that may be levied on account of such delays."

Management's views on the above:

Impact of COVID-19

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 statement.

Impact of Non-compliance of laws and regulations

The outstanding balance of trade payables, trade receivables and other financial assets as appearing in the balance sheet as at March 31, 2021 includes amount payable aggregating to ₹ 7.41 Crores and amount receivable aggregating to ₹ 0.24 Crores and ₹ 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 ₹ 4.61 Crores and subsequent to 31 March 2021 aggregating to ₹ 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 ₹ 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 statement do not include any adjustments that may arise due to such delays.

SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204(1) of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit of the Company was carried out by Dr. S. K. Jain, Practicing Company Secretary (FCS No. 1473) & Proprietor of M/s. S. K. Jain & Co., (Secretarial Auditor) for the FY 2020-21. The Report given by the Secretarial Auditor is annexed as **Annexure - I** and forms an integral part of this Board's Report.

Secretarial Auditor's qualification remark:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge except the following:

The Company was required to appoint one Independent Woman Director on its Board of Directors w.e.f. 1st April, 2020 as per Regulation 17(1) of SEBI (LODR) Regulations, 2015. The Company has, however appointed Ms. Neha Nagpal (DIN: 08842400) as an Additional Independent Women Director with effect from 10th September, 2020. The Company has paid fine to NSE whereas BSE has waived the fine based on the written reasons provided by the Company for delay in compliance.

Management's views on the above:

The requirement to appoint Woman Independent Director was applicable w.e.f. April 1, 2020 as the Company was falling in the category of the top 1000 Listed Companies by market Capitalisation on NSE as on April 01, 2020. Prior to April 1, 2020 the Company was not falling in the category of top 1000 Listed Companies. Hence, the Company became aware of the requirement only after March 31, 2020. However, due to the sudden outbreak of COVID-19 pandemic, the entire nation went into the lockdown situation and this affected our well planned process of identifying and appointing the candidate as Woman Independent Director within the stipulated timeline. As soon as the situation evolved and things started being normal, the Company swiftly resumed its efforts to fulfill this requirement and compliance was ensured w.e.f September 10, 2020.

REPORTING OF FRAUDS BY THE AUDITORS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee or Board, pursuant to the provisions of Section 143(12) of the Act, any fraud committed against the Company by its employees or officers.

COST RECORDS AND COST AUDIT

The maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business and activities carried out by the Company.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several benchmark corporate governance practices as prevalent globally. The Corporate Governance Report, as stipulated under the SEBI LODR Regulations, forms an integral part of this Annual Report. Further, in accordance with the applicable provisions of Schedule V of the said Regulations, a compliance certificate issued by M/s. S. K. Jain & Co. LLP, Practicing Company Secretaries (ICSI Certificate of Practice No. 3076), confirming that the Company has complied with the conditions of corporate governance is annexed herewith and marked as **Annexure II**.

NUMBER OF BOARD MEETINGS

During the FY2021, Six (6) Board meetings were held. Further detail on the same is available in the Corporate Governance Report which forms part of this Annual Report.

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS–1) and General Meetings (SS–2) read with the MCA Circulars granting exemptions in view of the COVID-19 pandemic.

EMPLOYEES' STOCK OPTION SCHEME

Pursuant to the shareholders' approval dated April 21, 2015, the Nomination and Remuneration Committee of the Board of Directors of the Company granted stock options as per the terms of ESOP Scheme 2015 (approved by the shareholders at their meeting held on April 21, 2015), to the employees and executive directors of the Company as well as its subsidiaries. The following table shows detailed information with regards to the same:

Total options granting eligibility of the Company (A)	**14,23,323**
Total options granted as on 31.3.2020 (B)	14,95,913
Total options lapsed as on 31.3.2020 (C)	8,69,651
Options available for grant as on 31.3.2020 (D) = (A-B+C)	**7,97,061**
Options granted during the FY2020-21 (E)	63,000
Options lapsed/cancelled during the FY2020-21 (F)	72,027
Options available for grant as on 31.3.2021 (H) = (D-E+F)	**8,06,088**

Disclosures on ESOP Scheme of the Company for the FY21, pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014:

Sr. No.	Particulars	FY2021
1	Total No. of Shares covered by ESOP Scheme approved by the Shareholders	14,23,323
2	Options Granted	63,000
3	Options Vested	NIL
4	Options Exercised	1,85,530
5	The total no. of shares arising as a result of options	1,85,530
6	Options Lapsed	72,027
7	Pricing Formula	10% discount on last closing price
8	Variation of terms of Options/Exercise Price	-----
9	Money realized by exercise of Options	₹ 1,27,60,350
10	Total No. of Options in force	4,24,705

Employee wise details of options granted to:

Category	Number of options granted
Senior Managerial Personnel Deepak Kumar Bansal (Director & CFO)	63,000
Employee receiving grant of options in any one year of option amounting to 5% or more of options granted during the year	NIL
Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital of the company at the time of grant	NIL

Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20: Kindly refer note no. 28 forming part of notes to accounts.

Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options: Kindly refer note no. 30 forming part of notes to accounts.

The details pursuant to the SEBI ESOP Regulations have been placed on the website of the Company and web link of the same is https://www.agcnetworks.com/in/wp-content/uploads/2021/02/ESOP-statement_31-03-2021.pdf.

TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND/SHARES TO IEPF

The dividends which remained unpaid/unclaimed for a period of more than seven consecutive years, have been transferred on due dates by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Pursuant to the applicable provisions of Section 124 of the Act and the applicable provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), the Company is required to transfer all amounts of dividend that has remained unpaid or unclaimed for a period of seven years, from its unpaid dividend account to the IEPF Fund. Further, according to the applicable provisions of the said section read with the rules made thereunder, the Company is also required to transfer the corresponding shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to the demat account of the IEPF Authority.

Accordingly, the Company has transferred unpaid/unclaimed dividends alongwith the corresponding shares to IEPF Fund within the time limits prescribed under the said section and rules. The details of the shares already transferred and the shares which are due for transfer have been uploaded on the website of the Company and can be accessed at https://www.agcnetworks.com/in/investors/investors-update/?termid=113.

In accordance with the applicable provisions of the LODR Regulations, it is disclosed that there were no shares lying in the demat suspense account/unclaimed suspense account of the Company at the beginning of FY2021, during FY2021 as well as at the at the end of the FY2021.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Directors of the Company, including the Independent Directors, are provided with necessary documents/brochures, reports and internal policies to facilitate their familiarization with the procedures and practices followed by the Company. Further, periodic presentations are made at the meetings of the Board of Directors and its various Committees, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates, new amendments, circulars and notifications issued by the regulatory authorities including ROC, RBI and SEBI which mandates further compliances for the Company and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

Further, at the time of appointment of any Independent Director the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities alongwith Code of Conduct to be adhered by the Directors. The Familiarization Policy for Independent Directors is accessible on the website of the Comany at https://www.agcnetworks.com/in/wp-content/uploads/2021/02/Familiarization-Policy-of-Independent-Directors.pdf.

VIGIL MECHANISM

The Vigil Mechanism of the Company in terms of the LODR Regulations, has been established through the Whistle Blower Policy/Policy on Vigil Mechanism of the Company. Protected disclosures can be made by a Whistle Blower through an e-mail or a letter to the Chief Ethics Officer or to the Chairman of the Audit Committee. The Policy on Vigil Mechanism/Whistle Blower Policy may be accessed on the Company's website at the link https://www.agcnetworks.com/in/wp-content/uploads/2016/10/Whistle-Blower-Policy.pdf.

PERFORMANCE EVALUATION

In terms of the requirement of the Companies Act, 2013 and LODR Regulations, annual performance evaluation of the Board, the Chairman of the Board, Independent and Non-Independent Directors and various Committees of the Board for the FY2021, was undertaken by the Company.

The evaluation was carried out through questionnaire based rating assessment mechanism where the evaluators were requested to give rating for each criteria set for evaluating the performance of the Director or the Committee of which, the performance was being evaluated. The board evaluation process was focused around how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks. The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with management.

Additionally, during the evaluation process, the Board also focused on the contribution being made by the Board as a whole as well as through Committees. The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning effectively.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on https://www.agcnetworks.com/in/investors/.

DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the independent directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation. Accordingly, Mr. Naresh Kothari, Non- Executive Director of the Company shall retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

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

Name	Event	Designation	Date of event
Ms. Neha Nagpal	Appointment	Independent Additional Director	September 10, 2020
Mr. Anshuman Ruia	Appointment	Non-Executive Additional Director	September 10, 2020
Ms. Neha Nagpal	Change in Designation	Independent Director	November 18, 2020
Mr. Anshuman Ruia	Change in Designation	Non-Executive Director	November 18, 2020

As on March 31, 2021, the Company had following KMPs:

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

The shareholders of the Company at the 34^{th} AGM had appointed Mr. Anshuman Ruia (DIN: 00008501) as a Non-Executive Director of the Company. The Board at its meeting held on September 20, 2021 has approved to change the designation of Mr. Anshuman Ruia from Non-Executive Director to Executive Director who shall be liable to retire by rotation. The appointment of Mr. Anshuman Ruia as Executive Director is subject to approval of the Central Government pursuant to Schedule V of the Companies Act, 2013 and subject to approval of the shareholders at the ensuing AGM of the Company.

The Company has received declarations from all the Independent Directors on its Board, confirming that he/she meets all the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of LODR Regulations and that he/she is not aware of any circumstance/situation, which exists or may be reasonably anticipated, that could impair/impact his/her ability to discharge the duties of an Independent Director with objective independent judgment and without any external influence. These declarations and confirmations of the Independent Directors were duly noted by the Board of Directors after due assessment. Consequently, the Board is of the opinion that all Independent Directors of the Company fulfil the criteria of independence specified under the Act & SEBI LODR Regulations and are independent from the management of the Company.

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

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

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

COMMITTEES OF THE BOARD

The details relating to various Committees constituted by the Board of Directors of the Company are mentioned in the 'Corporate Governance Report', which forms a part of the Annual Report.

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

Pursuant to the provisions of Regulation 17(5) of the LODR Regulations, a Code of Conduct for the Directors & Senior Management of the Company has been formulated & approved by the Board of Directors. Further, in accordance with the provisions of Regulation 26(3), all Directors & members of Senior Management of the Company have affirmed compliance with the said Code of Conduct during the FY2021.

The said Code of Conduct is accessible on the Company's website at the link https://www.agcnetworks.com/in/wp-content/uploads/2016/10/Code-of-Conduct-Directors-Senior-Management.pdf.

Further, pursuant to the provisions of Regulation 34(3) readwith Schedule V Part D of the LODR Regulations, Mr. Sanjeev Verma, Whole-Time Director, has issued a declaration stating that all the Directors and members of Senior Management of the Company have complied with the Code of Conduct of the Company during the FY2021. The said declaration has been disclosed in the Corporate Governance Report forming part of the Annual Report.

PERSONNEL

The Board places on record its appreciation for the hard work and dedicated efforts put in by all the employees. The relations between the management and employees continue to remain cordial on all fronts.

The statement of particulars of appointment and remuneration of managerial personnel and employees of the Company as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure V**.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

POLICY ON PREVENTION OF GENDER HARASSMENT AT WORKPLACE AND INTERNAL COMPLAINTS COMMITTEE ("ICC")

The Company has in place a policy for prevention, prohibition and redressal of gender harassment at workplace. Appropriate reporting mechanisms are in place for ensuring protection against gender harassment and the right to work with dignity.

Further, in accordance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company had constituted an Internal Complaints Committee ("ICC") to consider and resolve sexual harassment complaints raised by the employees of the Company. The constitution of the ICC is in accordance with the applicable provisions of the said Act.

During the year under review, no complaints were received from any of the employee(s) of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

(i) Part A pertaining to conservation of energy is not applicable to the Company.

(ii) Part B pertaining to particulars relating to technology absorption is as per **Annexure VI** to this report.

(iii) Part C pertaining to foreign exchange earnings and outgoings is as mentioned below:

₹ in Crores

Expenditure in foreign currency (accrual basis)	FY2021	FY2020
Service charges	9.63	13.37
Travelling and conveyance	0.54	1.09
Expenses reimbursement paid	0.63	0.90
Other items	0.54	0.36
Total	**11.34**	**15.72**

₹ in Crores

Earnings in foreign currency (accrual basis)	FY2021	FY2020
Sale of goods and services (Including sale from overseas branch and to Export Oriented Units)	23.94	27.44
Commission income	0.78	0.75
Expenses reimbursement received	21.31	21.46
Total	**46.03**	**49.65**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is accessible on the Company's website at the link https://www.agcnetworks.com/in/wp-content/uploads/2021/02/Corporate-Social-Responsibility-policy.pdf.

The Report on CSR activities is annexed herewith marked as **Annexure VII**.

RISK MANAGEMENT POLICY

The Company has a comprehensive Risk Management Policy in place which clearly indicates all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks that have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy is accessible on the Company's website at https://www.agcnetworks.com/in/wp-content/uploads/2021/02/Risk-Management-Policy.pdf. In terms of Regulation 21 (5) of SEBI (LODR) Regulations, 2015, the provisions of constituting Risk Management Committee became applicable to the Company w.e.f. April 1, 2021. Accordingly, the Board has constituted Risk Management Committee w.e.f. April 1, 2021.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Company's policy of on materiality of related party transactions. Most of these are purchase/sales transactions and maintenance services transactions which are of the duration of 3 months to 12 months. Your Directors draw attention of the members to Note no. 36 (Consolidated) and Note No. 32 (Standalone) to the financial statement which sets out related party disclosures.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is accessible on the Company's website at the link https://www.agcnetworks.com/in/wp-content/uploads/2021/05/Related-Party-Transaction-Policy-Revised.pdf.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a. in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit/(loss) of the Company for the Financial Year ended on the said date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual accounts on a ‘going concern’ basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company; work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee; the Board is of the opinion that the Company’s internal financial controls were adequate and effective during FY2021.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT MARCH 31, 2021

There are no proceedings initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

ACKNOWLEDGEMENTS

The Board is thankful to the Shareholders, Bankers and Customers of the Company for their continued support. It also takes this opportunity to express gratitude to its various suppliers and its partners for their continued co-operation, support and assistance. Above all, the Board expresses its appreciation to each and every employee for his / her contribution, dedication and sense of commitment to the Company’s objectives.

For and on behalf of the Board of Directors

Sanjeev Verma **Whole-Time Director** **DIN: 06871685**	**Mahua Mukherjee** **Executive Director** **DIN: 08107320**
Texas, USA **September 20, 2021**	**Mumbai** **September 20, 2021**

ANNEURE I TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANICAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
AGC NETWORKS LIMITED,
Essar House, 11,
Keshavrao Khadye Marg,
Opposite Race Course,
Mahalaxmi, Mumbai-400034

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AGC NETWORKS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2021** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board–processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **'Annexure-I'** for the financial year ended on **31st March, 2021** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositaries Act,1996 and the Regulations and Bye- laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (The Company has complied with Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, presently known as SEBI (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any Debt Securities during the financial year under review)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/proposed to delist its Equity Shares from any Stock Exchange during the financial year under review)**

h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review)**

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi. Other laws specifically applicable to the Company are:

a) Information Technology Act, 2000 as amended up to date and the rules made thereunder;

b) The Trade Marks Act, 1999;

I have also examined Compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India

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

I have also examined the books, papers and returns filed and other records maintained by **AGC NETWORKS LIMITED** for the Financial Year ended on **31st March, 2021** according to the provisions of various other Laws applicable, including the Rules made is, and amended from time to time, to the Company, as informed by the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge except the following:

The Company was required to appoint one Independent Woman Director on its Board of Directors w.e.f. 1st April, 2020 as per Regulation 17(1) of SEBI (LODR) Regulations, 2015. The Company has, however appointed Ms. Neha Nagpal (DIN: 08842400) as an Additional Independent Women Director with effect from 10th September, 2020. The Company has paid fine to NSE whereas BSE has waived the fine based on the written reasons provided by the Company for delay in compliance.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meeting of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, 1961; Goods and Services Tax Act, 2017 and The Customs Act, 1962. I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. referred to above.

I further report that during the audit period the Company has the following specific events:

1. Ms. Neha Nagpal (DIN: 08842400) was appointed as an Independent Additional Director with effect from 10/09/2020. The shareholders of the Company approved the appointment of Ms. Neha Nagpal as an Independent Director by passing a resolution at the Annual General Meeting held on 18/11/2020.
2. Mr. Anshuman Ruia (DIN: 00008501), was appointed as a Non-Executive Additional Director with effect from 10/09/2020. The shareholders of the Company approved the appointment of Mr. Anshuman Ruia as a Non-Executive Director by passing a resolution at the Annual General Meeting held on 18/11/2020.

For S. K. Jain & Co.
Dr. S. K. Jain
Practicing Company Secretary
FCS No: 1473
C P No: 3076
UDIN: F001473C000869923

Place: Mumbai
Date: 01/09/2021

This report is to be read with our letter of even date which is annexed as "**Annexure - III**" and forms an integral part of this report.

ANNEXURE-I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2020.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Ethics Compliance Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the Financial Year under report.

ANNEXURE-II

List of applicable laws to the Company

1. The Payment of Bonus Act, 1965;
2. The Employees Provident Funds and Miscellaneous Provisions Act, 1952;
3. The Payment of Gratuity Act, 1972;
4. The Profession Tax Act, 1975;
5. The Bombay Shops and Establishment Act, 1948;
6. The Maternity Benefit Act, 1961;
7. The Sexual Harassment at Workplace (Prohibition, Prevention and Redressal) Act, 2013;
8. The Bombay Stamp Act. 1958.

ANNEXURE - III

To,
The Members
AGC NETWORKS LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. K. Jain & Co.
Dr. S. K. Jain
Practicing Company Secretary
FCS No: 1473
C P No: 3076
UDIN: F001473C000869923

Place: Mumbai
Date: 01/09/2021

ANNEXURE II TO DIRECTORS' REPORT

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To,
The Members
AGC NETWORKS LIMITED,
Essar House, 11,
Keshavrao Khadye Marg,
Opposite Race Course,
Mahalaxmi, Mumbai
MH-400034 IN

We have examined the compliance of conditions of Corporate Governance by **AGC NETWORKS LIMITED** for the year ended on **31st March, 2021.**

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements Responsibility

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.

The Company was required to appoint one Independent Woman Director on its Board of Directors w.e.f. 1st April, 2020 as per Regulation 17(1) of SEBI (LODR) Regulations, 2015. The Company has however, appointed Ms. Neha Nagpal (DIN: 08842400) as an Additional Independent Women Director with effect from 10th September, 2020. The company has paid the fine to NSE whereas BSE has waived the fine based on the written reasons provided by the Company for delay in compliance.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. K. Jain & Co.
Practicing Company Secretary
Dr. S. K. Jain
FCS No. 1473
C P No: 3076
UDIN: F001473C000869824

Place: Mumbai
Date: September 01, 2021

ANNEXURE III TO DIRECTORS' REPORT

POLICY FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS OF AGC NETWORKS LIMITED

1. INTRODUCTION:

AGC NETWORKS LIMITED (hereinafter referred to as "**the Company**") believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Company's Code of Conduct policy for its Board of Directors and Senior Management Personnel. The honesty, integrity and sound judgment and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy. Any actual or potential violation of this Code by the Board Directors would be the matter of serious concern for the Company.

Therefore, the Company has made this Policy to comply with various provisions under the Listing Agreement entered into by the Company and Stock Exchanges in India as per the SEBI Regulations published vide its Circular No. CIR / CFD / POLICY CELL / 2/ 2014 dated April 17, 2014 as amended and published vide its Circular No.CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and also the formal annual evaluation made by the Board of Directors of its own performance (self-appraisals) and that of its Committees and Individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. The Nomination & Remuneration Committee shall evaluate the performance of the each Board of Director as per subsection (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made thereunder.

2. DEFINITIONS:

"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

"The Company" shall mean **AGC NETWORKS LIMITED**

"The Director" or **"the Board"** in relation to the Company shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

"The Independent Director" shall mean an Independent Director as defined under section 2 (47) read with section 149 (6) of the Act.

"The Policy" or **"This Policy"** shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

"The Committee" or **"This Committee"** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

3. OBJECTIVE:

The Board is ultimately responsible for the sound and prudential management of the Company.

Performance evaluation is the process of both formally and informally providing feedback about an individual's implementation of his / her responsibilities. The object of this policy is to formulate procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

4. VARIOUS KINDS OF PERFORMANCE EVALUATION:

A. EVALUATION OF THE PERFORMANCE:

The Committee shall evaluate the performance of each Director and Senior Management of the Company on the basis of the criteria of Evaluation and rating of Performance as per clause 6 and 7 of this Policy.

Based on the performance evaluation of each and every Director and Senior Management of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria. The detail process of evaluation and ratings thereon are mentioned in the clause 6 and 7 of this policy respectively.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

B. EFFECTIVENESS OF THE BOARD:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

5. SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS:

Evaluation of the Executive Directors of the Company shall be carried out by entire Board except the Director being evaluated. The meeting for the purpose of evaluation of performance of Board Members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Nomination and Remuneration Committee for performance evaluation on its website for the reference and also in the Annual Report of the Company.

6. CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board as specified in Annexure – 1 (Board Member Feedback) and available on the website of the Company.

7. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of each and every Director.

The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

8. AMENDMENTS:

The Company reserves its right to amend or modify this Policy as may be considered appropriate at any time.

ANNEXURE IV TO DIRECTORS' REPORT

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Policy Name	Nomination & Remuneration Policy
Purpose	To provide guidelines and restrictions with regards to the appointment and compensation of Directors, Key Managerial Personnel and other senior employees for fulfilment of their employment obligations within AGC Networks Limited ("the Company")
Aims and Objectives	This policy is intended to ensure that: • All Directors and Executives of the Company are recognized and rewarded for their performance in a fair and equitable manner; • To ensure that remuneration paid to Directors and Executives is competitive, enabling the Company to attract and retain employees capable of meeting the Company's needs and service delivery obligations; and • To reward Directors and Executives for achieving pre-determined Company, Departmental as well as personal/individual performance targets and goals.
Policy Custodian	Compliance Officer
Approving Authority	Recommended by Nomination and Remuneration Committee ("the Committee") and approved by the Board of Directors of the Company ("the Board")
Applicability	This policy applies to all the Directors, Key Managerial Personnel and other permanent senior employees as may be decided by the Committee
Policy Benchmark and References	As required under section 178 of the Companies Act, 2013 ("the Act") and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

PREFACE:

AGC Networks Limited (hereinafter called and referred to as "the Company") believes in conducting its affairs in a fair and transparent manner by adopting highest standard of professionalism and good Corporate Governance Practices. The Company is committed to ensure that equitable remuneration is paid to all directors and employees of the Company. In order to attract and retain qualified and skilled directors and executives, to fill vacancies at all levels, it is the Company's aim to maintain fair and competitive remuneration consistent with industry practices and all necessary regulations.

APPLICABILITY OF THIS POLICY:

Directors, Key Managerial Personnel and other Senior Employees as may be decided by the Committee or Board of the Company, subject to the approval of members in the General Meeting for their appointment wherever applicable and subject to the provisions of the Companies Act, 2013 shall be remunerated in line with the service agreement.

CATEGORIES OF EMPLOYEES COVERED UNDER THIS POLICY:

- Directors which includes Whole Time or Executive Directors and Non-Executive or Independent Directors.
- Key Managerial Personnel as defined under Section 2 (51) of the Act.
- Senior Management i.e. the employees designated as Vice-President and above (normally include the first layer of the management below the Board level).

As per Companies Act 2013:

"Key Managerial Personnel", in relation to a company, means—

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the Company Secretary;

(iii) the Whole-time Director;

(iv) the Chief Financial Officer;

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed.

As per Listing Regulations:

"Senior Management" includes officers or personnel of the Company who are members of the core management team of the Company excluding the Directors and normally comprising of all the members of management one level below the Chief Executive Officer/ Managing Director/Whole-Time Director/Manager (including the Chief Executive Officer/ Manager). The Chief Financial Officer and Company Secretary are specifically included in this definition of Senior Management.

GENERAL POLICY STATEMENT:

The role of the Committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Recommend to the Board the extension of the appointment of the independent Directors based on their performance evaluation
6. Recommend to the Board all remuneration, in whatever form, payable to Senior Management. The Nomination and Remuneration Committee shall ensure that—
    a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and other employees of the quality required to run the company successfully;
    b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

Provided that such policy shall be disclosed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy, shall be disclosed in the Board's report.

The Nomination and Remuneration Policy of the Company is performance driven and is structured to motivate directors and employees, recognize their merits and achievements and promote excellence in their performance. Individual performance pay is determined by business performance and the performance of the individuals is measured through the annual appraisal process. Through compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce that will ensure the long term sustainability of the Company and create a competitive advantage in the development field.

The remuneration of the Board members and the senior executives is based on the Company's size and global presence, its economic and financial position, industrial trends, compensation paid by the peer companies etc. Compensation reflects the Board members and executives responsibility and performance.

TERMS OF REFERENCE OF THE COMMITTEE:

i. To identify persons who are qualified to become directors and who may be appointed in senior management level in accordance with the criteria laid down in Schedule I of this policy.

ii. To recommend to the Board, appointment and removal of the directors and evaluation of every director's performance as laid down in Scheduled I of this policy.

iii. To formulate the criteria for determining qualifications and positive attributes of the Directors.

iv. To deal with the matters relating to the remuneration payable to Whole time Directors, Key Managerial Personnel and Senior Management Executives and commission, if any, to be paid to Non-Executive directors, apart from sitting fees.

v. To review the overall compensation policy, service agreement and other employment conditions of Whole time Directors, Key Managerial Personnel and Senior Management Executives which include the employees designated as Vice-President and above (normally include the first layer of management below the Board level).

vi. To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.

THE LEVEL AND COMPONENTS OF REMUNERATION

Remuneration of Whole-time Directors, Key Managerial Personnel and Senior Executives of the Company: Role and Type of Remuneration:

The Company recognizes the competitive nature of the current professionally/ academically qualified work force and this requires to the Company to provide competitive remuneration offering to directors and employees to ensure that a high caliber of staff is attracted to the Company and retained. The Company further acknowledges that it can only excel in service delivery through the exceptional performance of its people and that the remuneration offering to the directors and employees plays a substantial motivational role when exceptional performance is compensated with exceptional rewards.

The Remuneration of Whole time Directors, Key Managerial Personnel and Senior Executives of the Company are decided based on criteria stated in Schedule I of this policy and as per the recommendation of the Committee. The Company will pay remuneration to Whole time Directors, Key Managerial Personnel and Senior Executives by way of salary, retirement benefits perquisites, allowances (fixed component), incentives and commission (variable component) based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable.

Fixed Component of Remuneration:

Whole Time Directors and Employees are receiving fixed component of their Total package on a monthly basis. The total package includes in it guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund and/or pension & gratuity and/ or medical aid funds and/or group life insurance fund contribution etc. as applicable.

Variable Component of Remuneration:

Annual performance linked incentive / increment for exceptional performance above the accepted standard and is variable. These rewards are based on individual, departmental or Company' performance relative to predefined targets. Performance is measured over a year's period.

The remuneration policy should accordingly be considered in the greater human resource context.

The Committee shall consult the Chairman and/or Managing Director about their proposals relating to the remuneration of other Whole time Directors, Key Managerial Personnel and Senior Executives.

Remuneration of Executive Directors:

For deciding remuneration of the Executive Directors, the Committee shall consider the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Committee shall regularly keep track of the market trends in terms of compensation levels and practices in relevant industries.

Remuneration of Non-Executive Directors:

Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays a sitting fee per meeting of the Board and the Committee (as may be decided from time to time) to the Non-Executive Directors for attending the meetings within the limit prescribed under the Act.

The remuneration by way of Annual Commission to the Non-Executive Directors shall be decided by the Board of Directors and will be paid to them based on their participation and contribution at the Board/Committee meetings and the time spent on matters other than at meetings.

An independent director may receive remuneration by way fees provided under sub-section (5) of Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members of the Company.

The Company shall disclose in the Board's report, the ratio of the remuneration of each director to the median employee's remuneration and such other details as may be prescribed under the Act.

Where any insurance is taken by a company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such perosnnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

COST MANAGEMENT

The objective of remuneration cost management is the importance of the directors and employee's role, thereby reflecting their relative worth to the Company. Cost management does not necessarily imply a reduction of overall salary and bill but rather the correct allocation thereof. The Finance and Budget Department in conjunction with Human Resource Department should manage remuneration cost within budgetary constraints, while ensuring the remuneration levels of competent, exceptional performers and key employees are positioned competitively against the market.

As per Provisions of sub-section (9) of Section 197 of the Companies Act, 2013, if any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without the approval of shareholders or requisite authorities, wherever applicable, he shall refund such sums to the company within 2 years or such a lesser period as may be determined by the Company and until such sum is refunded, hold it in trust for the company. The Company shall not waive the recovery of any sum refundable to it, unless such waiver is approved by the shareholders by special resolution within two years from the date the sum becomes refundable.

The Board of Directors of the Company has power to reconstitute the Committee as and when think fit so or as may be required under the law.

SCHEDULE I

Criteria for appointment and performance evaluation – related remuneration for Directors/Key Managerial Personnel and Senior Executives of the Company.

- At the time of selection of a Director the Company must examine the integrity of the person and possession of relevant expertise, qualifications and experience.
- In case of appointment of Independent Director, the Company must observe the pecuniary relationship with the promoters and group companies.
- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors/executives to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Financial and operating performance vis-à-vis the Annual and Operating Budget of the Company.
- Remuneration of directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- External Competitiveness: The quantum and nature of the total offering to directors and employees determines how competitive the Company is in recruiting and retaining them. The appropriate mix of guaranteed benefits and incentives further enhances the Company's ability to motivate them in a manner that will improve the Company's competitiveness.
- The size and complexity of a position is determined through a valid job evaluation system and individual performance is measured through the established and approved Performance Management System.
- Remuneration recognizes and rewards both high levels of competence and superior performance through the use of incentive bonuses linked to performance.
- Remuneration incentives should be compatible with risk policies and systems, if any.
- The committee shall consider the consequences and associates costs to the Company if basic salary increases and any other changes, whenever required.

ANNEXURE V TO DIRECTORS' REPORT

Particulars of employees as per Rule 5 (1) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

Ratio and Relationships

1. Ratio of the remuneration to each Director to the median remuneration of the employees of the Company for FY2021:

Name and Designation of the Director	Ratio of the remuneration to the median remuneration of the employees
Mrs. Mahua Mukherjee, Executive Director	8.01:1
Mr. Sujay R. Sheth, Independent Director	1.23:1
Mr. Dilip Thakkar, Independent Director	1.00:1
Ms. Neha Nagpal, Independent Director	0.23:1

Notes:

a. *Median remuneration of the employees of the Company for the FY21 was ₹ 10.98 Lacs.*

b. *Directors other than those mentioned above, did not receive any remuneration during the FY21.*

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

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

Name and Designation of the Director/KMP	% increase/(decrease) in remuneration
Mr. Sujay R. Sheth, Independent Director	NA
Mr. Dilip Thakkar, Independent Director	NA
Mr. Anshuman Ruia, Non-Executive Director	NA
Mr. Naresh Kothari, Non-Executive Director	NA
Mrs. Mahua Mukherjee, Executive Director	10.00
Ms. Neha Nagpal, Independent Director	NA
Mr. Sanjeev Verma, Whole-time Director	Nil
Mr. Deepak Kumar Bansal, Executive Director and CFO	Nil
Mr. Aditya Goswami, Company Secretary & Compliance Officer	5.00

Note: Non-Executive Director do not receive any remuneration. Independent Directors receive only sitting fee for attending meetings of the Board and its Committees.

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

4. Average percentile increase already made in the salary of employees during FY2021 in comparison with the percentile increase in the remuneration of MD/WTD/Manager/other Directors, alongwith justification:

The remuneration increase outlook has been linked to the Company performance and market trend. The approach for salary increment during the pandemic period has been to recognize effort of employees in achievement of business continuity in the challenging times, implementing a half-yearly impact for the period Oct to March. The average increase in the remuneration of individual employee is further guided by factors like customer facing roles, criticality of skills, retention and new / emerging business groups. The salary increase was executed for half-year compared to annual in previous years.

5. Total permanent employees on the rolls of AGC Networks Limited as on March 31, 2021: **381**

6. Information as per Rule 5 (2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Top 10 employees in terms of remuneration drawn during the year:

Sl. No.	Name	Designation	Remuneration Received (₹ in Crores)	Qualification & Experience	Date of Commencement of Employment	Age (Years)	The last employment held by such employee before joining the Company
1.	Komal Seshagiri	Global Legal Head	2.04	ICSI (Intermediate) & LLB, 33 years	11-Mar-19	58	Rattan India Group
2.	Rohit Himatsingka	SVP - Corporate Development & Strategy	1.75	CA, 16 Years	1-Apr-18	40	Essar Services India Pvt. Ltd.
3.	Jayantha Prabhu	Business Head - India & SAARC	1.57	MBA (ITM), 27 Years	1-May-11	48	Essar Services India Pvt. Ltd.
4.	Jagdish Mhalgi	Vice President & Head- Service Delivery	1.29	BE (Electrical), 32 Years	16-Jul-14	54	Servion Global Solution Ltd.
5.	Abhinav Sharma	VP & Sales Head - India & SAARC	0.70	PGDBM, 25 Years	21-Feb-11	49	CS Infocomm Pvt. Ltd.
6.	Bhavin Barbhaya	VP & Practice Head - DC & Edge IT	0.66	BE (Electronics), 24 Years	2-Nov-17	47	Sify Technologies Ltd.
7.	Rajat Varma	Regional VP (West)	0.60	BE (Mechanical), 23 Years	4-Apr-16	46	Passionkart Services Pvt Ltd
8.	Sanjeev Kumar Gupta	VP & Head - Finance (India Business)	0.54	CA, 24 Years	7-May-19	53	Arya Iron & Steel Co.
9.	Sasi R.	Associate Vice President - Services & Projects (Bangalore)	0.45	BS (Information Systems), 30 Years	21-09-1992	49	Vishwa Micro Process Pvt. Ltd.
10.	Ajay Chincholi	Associate Vice President - Services	0.44	B.E Electronics & Communication Engg.,32 Years	13-03-1989	55	ISRO Satellite

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

Affirmation:

The remuneration paid by the Company to its employees including members of the Senior Managements, MD/WTD/Manager and other Directors, if any, is in accordance with the Remuneration Policy adopted by the Company.

Notes:

Employees mentioned above are neither relatives of any Directors, nor hold 2% or more of the Paid-up Equity Shares Capital of the Company as per Clause (iii) of sub-rule (2) of Rule of 5 of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE VI TO DIRECTORS' REPORT

DISCLOSURE RELATING TO RESEARCH AND DEVELOPMENT (R&D) & TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT:

1. Specific areas in which Development carried out by the Company: None
2. Benefits derived as a result: NA
3. Future Plan on Development: NA
4. Expenditure on Development (₹ in Crores)

a.	Capital	: NIL
b.	Recurring	: NIL
	Total (a+b)	**: NIL**
c.	% to Revenue	: NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation: None
2. Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution, etc.: None
3.

(i)	Technology Imported	: None
(ii)	Year of Import	: N.A.
(iii)	Has technology been fully absorbed	: N.A.
(iv)	If not fully absorbed, areas where this has not taken place, reasons thereof & future plan	: N.A.

ANNEXURE VII TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs –

   At AGC we believe an organisation's growth has to be in sync with social, economic growth of communities around us. This belief translates into our purpose and commitment to promote a culture of care, inclusiveness, responsibility and trust through our **CSR objective and goals**. It is an attempt in making our society inclusive by providing opportunities for economically, socially and physically disadvantaged sections through programs around education and healthcare.

   For **FY2021**, we collaborated with **Essar Foundation** to jointly support and deliver multiple CSR initiatives across locations in India, focussed on:

   a. **School Improvement & Education -** Program of rejuvenating 2 schools in Delhi and Gwalior by providing sponsorship to 67 differently abled students. The schools runs multiple skill development centres which teach students specific skills to ensure that students are able to find meaningful employment and are socially and financially secure. AGC contributed ₹ 10, 00,000 towards this initiative.

   b. **Sponsorship for Differently-abled patients -** Sponsored specifically designed wheelchairs for 27 patients with spine injuries, undergoing treatment at All India Institute of Physical Medicine and Rehabilitation (AIIPMR) in Mumbai. Each wheelchair is specifically customized so as to provide maximum mobility and comfort to the person using it. Total contribution towards the noble cause from AGC was ₹ 300,000

   c. **Mother & Child Malnutrition Project -** Support extended which will benefit both Mother and Child in the tribal belt of Trimbakeshwar and adjacent villages. They underwent a medical check-up and were provided with necessary vitamins and medications. A contribution of ₹ 7, 00,000 was done from AGC.

      Our initiatives were published on The CSR India Corporate Social Services Pvt Ltd promoted INDIACSR (www.indiacsr.in), which is the biggest CSR news portal in India.

2. The CSR policy of the Company, as approved by the Board is available on website of the Company at the link https://www.agcnetworks.com/in/wp-content/uploads/2021/02/Corporate-Social-Responsibility-policy.pdf.

3. The Composition of the CSR Committee – Please refer to the Corporate Governance Report for Composition of the CSR Committee.

4. Average net profit/(loss) of the company for last 3 Financial Year (after tax): ₹ **10.09 Crores**

5. Prescribed CSR Expenditure (two per cent of the amount as in item 4 above): ₹ **20.00 Lacs**

6. Details of CSR spent during FY2021:

   a. Total amount to be spent for the Financial Year: ₹ **20.00 Lacs**

   b. Total amount spent during the year: ₹ **20.00 Lacs**

   c. Amount unspent, if any: **Not Applicable**

d. Manner in which the amount spent during FY2021 is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or others (2) State and District where project/ program undertaken	Amount outlay (budget) – plan or project wise (₹ In Lacs)	Amount spent on the project or programs Sub-heads (₹ In Lacs): (1) Direct expenditure on project or programs; (2) Overheads	Cumulative expenditure upto reporting period (₹ In Lacs)	Amount spent: Direct or through implementing agency
1.	School Improvement & Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, measures for reducing inequalities faced by socially and economically backward groups	Delhi and Gwalior	10	10	10	Implementing Agency i.e. Essar Foundation
2.	Sponsorship for Differently-abled patients	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Mumbai	3	3	13	Implementing Agency i.e. Essar Foundation
3.	Mother & Child Malnutrition Project		Nasik and Palghar Rural Belt	7	7	20	Implementing Agency i.e. Essar Foundation
	Total			**20**	**20**	**20**	

For and on behalf of the Board of Directors

Sujay R. Sheth
Chairman and Independent Director
DIN: 03329107

Mumbai
September 20, 2021

Sanjeev Verma
Whole-Time Director
DIN: 06871685

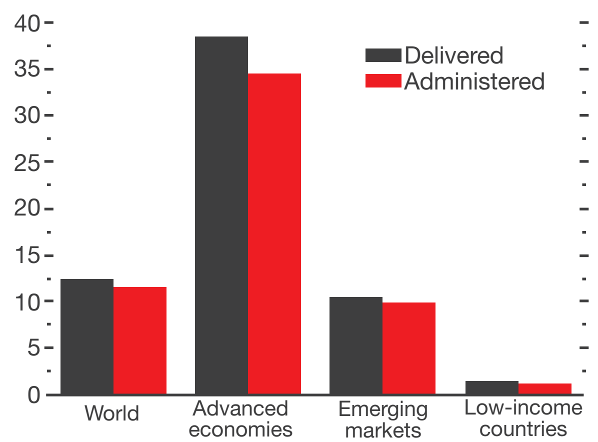
Texas, USA
September 20, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OUTLOOK

The pandemic has taken a turn for the worse in some parts of the world since the release of the April 2021 WEO. Meanwhile, a speedy vaccine rollout has helped bring down caseloads quickly in other regions. Economies are diverging even further, influenced by differences in the pace of vaccine rollout and policy support. However, smooth and durable recoveries are not assured even in places where infections are seemingly under control.

Vaccine Courses (Percent of Population)



Sources : Airfinity; and IMF staff calculations.

Note: Latest data available are for July 6, 2021. Bars show the ratio of vaccine courses needed for full vaccination (two doses generally, but one dose for Johnson & Johnson and CanSino) either delivered or administered to population by WEO economy group.

The global economy is projected to grow 6.0% in 2021 and 4.9% in 2022 (above Table). Although the 2021 forecast is unchanged from April, there are offsetting revisions across advanced economies and emerging market and developing economies reflecting differences in pandemic developments and policy shifts. The 0.5% point upward revision for 2022 largely reflects anticipated additional fiscal support in the United States, with associated spillovers to the global economy.

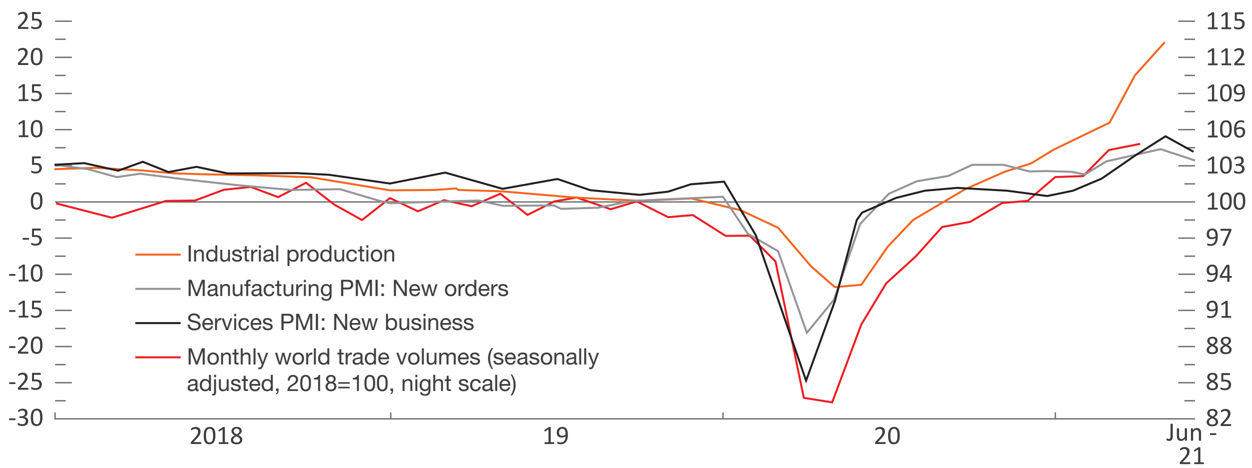
The significantly improved outlook for the US economy derives from the impact of anticipated legislation boosting infrastructure investment and strengthening the social safety net in the second half of 2021. The additional support is expected to lift 2021 US GDP growth by 0.3% point and 2022 growth by 1.1% points, with positive spillovers to trading partners.

Many emerging market and developing economies on the other hand are looking to rebuild fiscal buffers. Some, including Brazil, Hungary, Mexico, Russia, and Turkey, have also begun normalizing monetary policy to head off upward price pressures.

First-quarter GDP outturns overall surprised on the upside, notably in Asia and Latin America, while renewed lockdowns in Europe led to downside surprises. High-frequency data in the second quarter indicate the recovery is widening beyond manufacturing to services especially in economies where infections are under better control.

Global Activity Indicators

(Three-month moving average, annualized percent change; deviations from 50 for PMIs, unless noted otherwise)



Souroes: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff estimates.

Note: PMI above 50 indicates expansion while below 50 indicates contraction. PMI = purchasing managers' index.

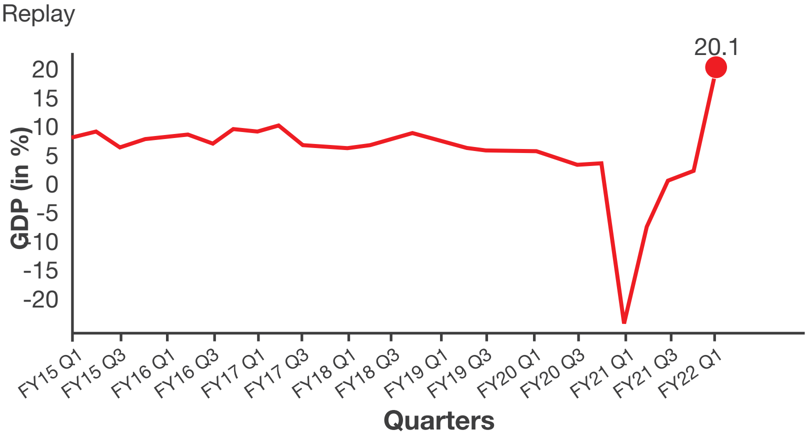
Source: https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021

India Economic Outlook

Highest ever GDP growth

The COVID-19 pandemic induced slowdown had dragged the economy into its firs ever technical recession in 2020.

Replay



Indian economy witnessed a rebound in spite of the drag caused by the second and more severe wave of COVID-19 that forced the majority of states to reimpose localised lockdowns and stop mobility completely from late April to early June. However, the impact of such state-wise lockdowns was not as severe as the nationwide lockdown that was imposed last year during the first wave.

This is the fastest quarterly growth witnessed by India since such data began to be released in mid-1990s.

The International Monetary Fund (IMF) in its July edition of World Economic Outlook has projected India to grow at the fastest pace of 9.5% during the year 2021. Besides, the Reserve Bank of India (RBI) also forecasted annual growth of 9.5% in the current fiscal year, although it has warned about the possibility of a third wave.

IMF projected India's growth to be the fastest in 2021

In the July edition of World Economic Outlook Published by IMF, it projected India's economy to grow by 9.5% in 2021.

Countries	2020-2022	
India	7.3%	8.5%
US	-3.5%	4.9%
Euro Area	-6.5%	4.3%
Germany	-4.8%	4.1%
France	-8.0%	4.2%

Source: www.imf.org

Worldwide IT spending

The IT services segment is among the top three highest growth areas for 2021 primarily due to a boost in infrastructure-as-a-service (IaaS) spending that supports mission critical workloads and avoids high on-premises costs.

Table 1. Worldwide IT Spending Forecast (Millions of US Dollars)

Name	2020 Spending	2020 Growth (%)	2021 Spending	2021 Growth (%)	2022 Spending	2022 Growth (%)
Data center Systems	178,466	2.5	191,648	7.4	201,659	5.2
Enterprise Software	529,028	9.1	598,957	13.2	669,114	11.7
Devices	696,990	-1.5	793,973	13.9	800,172	0.8
IT Services	1,071,281	1.7	1,176,676	9.8	1,277,228	8.5
Communications Services	1,396,287	-1.4	1,444,980	3.5	1,481,878	2.6
Overall IT	3,872,052	0.9	4,206,234	8.6	4,430,051	5.3

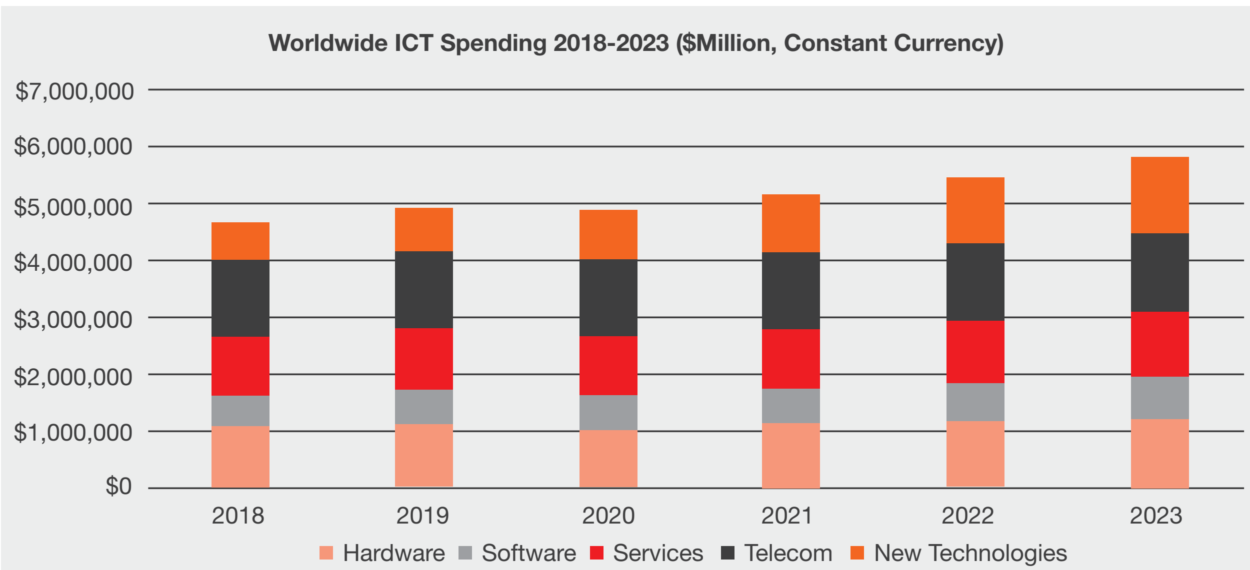
Source: Gartner (July 2021)

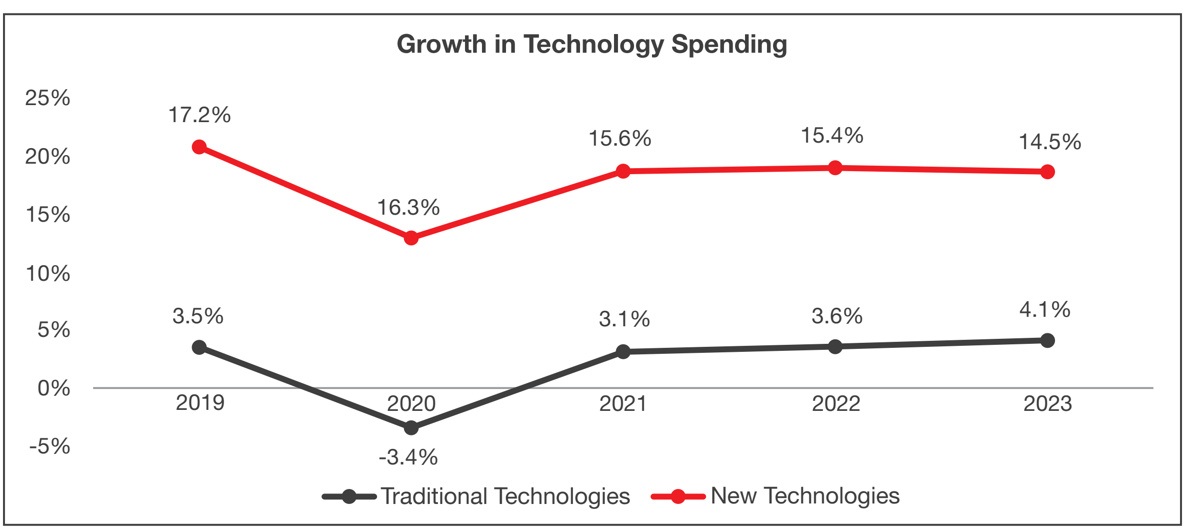
The IT services segment, meanwhile, is forecast to total $1.2 trillion in 2021, an increase of 9.8% from 2020. Technology spending is entering a new build budget phase. CIOs are looking for partners who can think past the digital sprints of 2020 and be more intentional in their digital transformation efforts in 2021. This means building technologies and services that don't yet exist, and further differentiating their organisation in an already crowded market.

Global ICT Spending

Technology Spending $M	2018	2019	2020	2021	2022	2023
Traditional Technologies	$4,005,011	$4,146,194	$4,005,032	$4,130,413	$4,277,843	$4,453,674
New Technologies	$653,808	$766,521	$891,760	$1,030,455	$1,189,208	$1,362,017

Traditional ICT spending is forecast to broadly track GDP growth over the next decade, the overall industry will be catapulted back to growth of more than 2x GDP as new technologies begin to account for a larger share of the market. The emergence of IoT is already contributing to significant market growth, and within 5-10 years new technologies such as robotics, artificial intelligence, and AR/VR will also expand to represent over 25% of ICT spending.





ICT spending in 2020 being flat compared to 2019 and kept afloat by growth in new technologies. In 2021 through 2023, overall ICT spending will grow by at least 5% annually due to continued expansion in new technologies while traditional ICT will continue to see growth that tracks GDP. Growth in traditional hardware, software and services will be driven by cloud and mobile and will maintain a stable share of overall business and consumer spending. While some categories are declining, businesses continue to leverage traditional technologies as major components of digital strategies.

Source: https://www.idc.com/promo/global-ict-spending/forecast

APAC ICT Spending

ICT spending in Asia Pacific is expected to grow by over 7.1% to reach $950 billion in 2021 and is expected to reach $1.1 Trillion by 2025, according to IDC.

Professional Services expect the highest year-on-year growth within the Distribution and Services sector right through the forecast period. The digital journey across the Professional Services sector has remote working as one of its priorities and has invested in upgrading for faster operations.

Personal and Consumer Services follow with second-highest growth compared to all other verticals as countries have started to allow travellers with utmost caution. Leisure and business travel activities show the highest growth in 2021 after a complete slowdown.

Very Large Businesses (1000+ employees) will hold the largest market contributing to almost half of the ICT spending with expected growth of 7% year-on-year for 2021. These enterprises will shift or add close to 45% of their technology budget to either address COVID-19-triggered business change or make the organization more competitive.

Source: https://infotechlead.com/it-statistics/ict-spending-in-asia-pacific-to-grow-by-7-to-950-bn-idc-67732

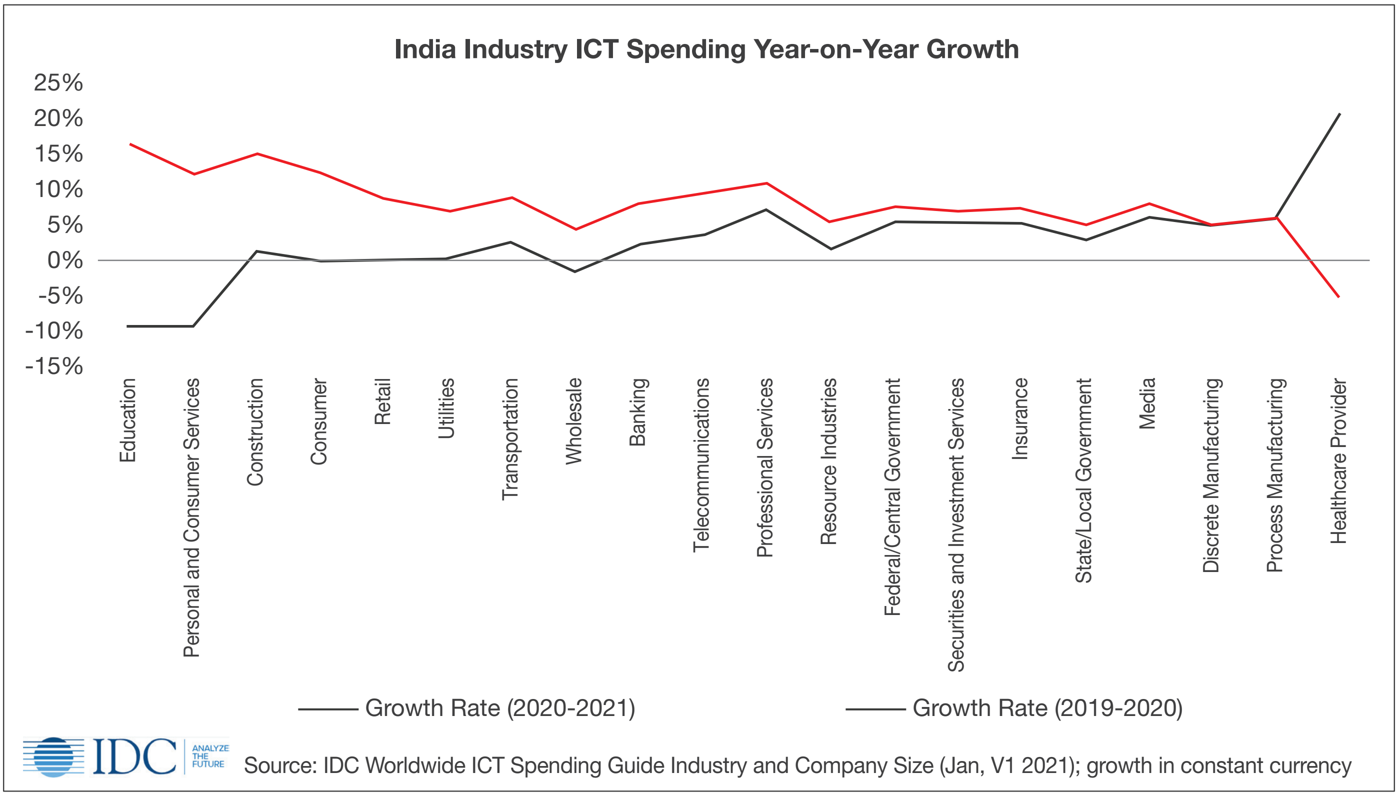
India ICT Spending

India's ICT Spending is set to grow by over 10% to $91 billion in 2021 and expected to reach $111 billion by 2024, according to IDC. The revival of economic activities across India together with growing consumer demand played a key role in expediting this growth.

The accelerated push towards going digital was due to a change in focus of enterprises, be it their business model, or to create digital products and services and deliver digital-first experience. Major industries have reached operations at optimal levels as demand picked up owing to an improved supply throughout the end of last year and into 2021.

The banking and telecommunications industry contributes the highest, around 14% of the overall ICT Spend in 2021. The banking sector is expected to grow at 7.8% in 2021 and is mainly driven by increased ICT investments in redesigned customer experience (CX), business continuity, and cybersecurity.

Spend in the telecommunication industry is expected to grow at 9.1% in 2021 as India continues to be a hub for innovation and operators, even though cost-constrained, will focus on bringing in cost transformations in operations.



Source: https://infotechlead.com/it-statistics/indias-ict-spending-to-grow-10-to-91-bn-in-2021-idc-65617

Unified Communications as a Service (UCaaS) Market

The unified communication as a service market is expected to reach USD 87.20 Billion by 2026, growing at a CAGR of 19.25%.

The global COVID-19 pandemic has positively affected the unified communication as a service market and provided many growth opportunities to UCaaS vendors worldwide, resulting in a more than 85% increase in UCaaS sales worldwide. High connectivity plays a vital role in cloud-based communication. The increasing penetration of 5G networks in several countries worldwide is expected to boost the adoption of 5G networks across various organizations for better productivity. This is likely to grow the demand for UCaaS in the market.

Telephony holds the highest share of 41.73% in the UCaaS market based on components. This is because of the huge importance attached to connecting with individuals at any time and at any place over call.

In 2020, North America dominated the unified communication as a service market accounting for 31.71% share by revenue in the global market. Highly skilled labor, a high technology-driven population, and many enterprises are the significant elements that have led to such huge demand in the region.

Europe accounted for the second-largest share of 27.30% by revenue in 2020 due to the high penetration of the hospitality sector.

The primary reason for the growth in demand in the APAC region is the presence of small-scale industries whose focus is to make their business process cost-efficient.

Source: https://finance.yahoo.com/news/87-2-bn-unified-communication-111000259.html

Global Internet Data Centers Market

The global market for Internet Data Centers estimated at US$59.3 Billion in the year 2020, is projected to reach a revised size of US$143.4 Billion by 2027, growing at a CAGR of 13.4% over the period 2020-2027.

The Internet Data Centers market in the U.S. is estimated at US$16 Billion in the year 2020. China, the world`s second largest economy, is forecast to reach a projected market size of US$32 Billion by the year 2027 trailing a CAGR of 17.5% over the analysis period 2020 to 2027.

Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 9.5% and 11.8% respectively over the 2020-2027 period. Within Europe, Germany is forecast to grow at approximately 10.6% CAGR.

Source: https://finance.yahoo.com/news/global-internet-data-centers-market-103700041.html

Global Cyber Security Market

Amid the COVID-19 crisis, the global market for Cyber Security estimated at US$162.9 Billion in the year 2020, is projected to reach a revised size of US$296.5 Billion by 2027, growing at a CAGR of 8.9% over the analysis period 2020-2027.

Endpoint Security is projected to record a 10.4% CAGR and reach US$100.2 Billion by the end of the 2027.

The Cyber Security market in the U.S. is estimated at US$44 Billion in the year 2020. China, the world's second largest economy, is forecast to reach a projected market size of US$70 Billion by the year 2027 trailing a CAGR of 13.6% over 2020 to 2027.

Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 4.8% and 7.9% respectively over the 2020-2027 period. Within Europe, Germany is forecast to grow at approximately 5.8% CAGR.

In the global Cloud Security segment, USA, Canada, Japan, China and Europe will drive the 7.7% CAGR estimated for this segment.

China will remain among the fastest growing in this cluster of regional markets. Led by countries such as Australia, India, and South Korea, the market in Asia-Pacific is forecast to reach US$41.4 Billion by the year 2027, while Latin America will expand at a 9.8% CAGR by 2027.

Source: https://www.businesswire.com/news/home/20210809005513/en/Global-Cyber-Security-Market-Trajectory-Analytics-Report-2021-Market-to-Reach-296.5-Billion-by-2027---Endpoint-Security-is-Forecast-to-Account-fo-r-100.2-Billion---ResearchAndMarkets.com

Global Managed Edge Services Market

Managed edge services promises to be a high-growth market as enterprises look to low-latency edge services to address process efficiencies, support new consumer applications, comply with data sovereignty, and deal with security threats. IDC predicts worldwide revenues for managed edge services will reach $445.3 million in 2021, an increase of 43.5% over 2020. Over the 2021-2025 forecast period, the compound annual growth rate (CAGR) for managed edge services is expected to be 55.1%.

Given the nascent demand for managed edge services, a wide range of service providers and technology vendors are looking at this market as the next big revenue opportunity. IDC believes public cloud providers, or hyperscalers, will be key enablers of edge services through the partnerships they are establishing with 5G service providers. Some service providers are considering edge services as the catalyst for the fourth industrial revolution while CDN providers are already shifting their investments toward edge applications.

IDC projects the on-premises edge to be the fastest growing segment with a five-year CAGR of 74.5%. The service provider edge will be the second-fastest growing segment with a CAGR of 59.2%, which will enable it to become the largest market segment by 2022.

Source: https://www.businesswire.com/news/home/20210823005147/en/IDC-Forecasts-Strong-Growth-for-the-Managed-Edge-Services-Market-with-Worldwide-Revenues-Approaching-2.8-Billion-in-2025

Global AI Services Market

The global artificial intelligence (AI) services market is expected to reach US$50 billion by 2025, which will make it the fastest growing AI subsegment over a five-year period. For the five years through to 2025, the market segment is expected to grow at a CAGR of 21%, surpassing that of the software and hardware market segments. It's also predicted to grow faster than the overall market CAGR of 15.2 % during the period, to US $500 billion, in 2025.

AI has emerged as an essential component of the future enterprise, fuelling demand for services partners to help organisations clear the many hurdles standing between pilot projects and enterprise AI.

Overall, the competitive landscape in both services markets for AI remains highly fragmented where many players from across the services value chain continue to invest in technology assets, innovation resources and expertise in applying AI to solve industry- and domain-specific problems for clients.

Client demand for expertise in developing production-grade AI solutions and establishing the right organisation, platform, governance, business process, and talent strategies to ensure sustainable AI adoption at scale drives expansion across both IT services and business services segments.

Breaking down the two subsegments of IT services and business services, the IT services market is larger, making up nearly 80 % of all AI services revenue. Like the overall AI services market segment, both these subsegments also have CAGRs for the period of 21%.

Source: https://www.reseller.co.nz/article/690369/global-ai-services-market-hit-50b-by-2025/

Global IT industry Outlook

The global information technology market is expected to grow at a CAGR of 6.6% for 2021. The growth is mainly due to companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach $11866.34 billion in 2025 at a CAGR of 9%.

North America was the largest region in the global information technology market, accounting for 34% of the market in 2020. Asia Pacific was the second largest region accounting for 32% of the global market.

Through all the confusion, Digital operations are more important than ever, with many transformative changes accelerating over the past year.

Source: https://www.thebusinessresearchcompany.com/report/information-technology-global-market-report-2020-30-covid-19-impact-and-recovery

HUMAN RESOURCES MANAGEMENT

Nurturing a sustainable performance culture in an organisation is essential to remain competitive in an ever-changing world. The **COVID-19** had called for rapid crises responses and emphasises on keeping the workforce engaged, productive and resilient. While the world was focussing on the pandemic, AGC was channelling all its energy and efforts to acquire more brands under its feathers. During FY2021, the integration of Fujisoft in UAE and Pyrios in Australia & New Zealand was concluded to strengthen our global network hence being culturally diverse and building a more inclusive work environment.

Various HR interventions were driven to serve as an important roadmap to guide the workforce re-integration into the new normal. **HR Systems and People Processes** were streamlined to ensure they contribute to the achievement of organisational goals and the development of organisational culture. With a more dispersed workforce, it became all the more crucial to present a single platform for all the processes which will be managed and optimized to its best capacity globally. The objective was also to draw data-driven insights, which will be important to maintain oversight of employees' performance, engagement and well-being.

In **Talent Acquisition**, people diversity was the cornerstone for our success. In FY2021, the Company has hired around 500 employees in upcoming technology quadrants across the globe. The focus has been to build internal talent pool in business priorities technologies such as Application Development, Unified Communications, Cyber Security, Sales, SAP, etc.

In the attempt to enhance organisation productivity and building a **learning culture** that contributes to overall development. The training landscape consists of Avaya Interaction Centre, WFH CC Solutions with Cisco and Genesys, Cloud Computing Overview & Fundamentals, Conversational BoT- Avaya imparted round the clock. A shift from a fixed to liquid workforce and increased remote working has created pressing need for innovative learning strategies which gives employees access to content anywhere and anytime. In today's scenarios reskilling plays a key role in helping close talent gaps while keeping employees engaged to their jobs. Employees extensively were engaged with trainings & certifications this year to keep them relevant in the market and business requirements.

Talent Management & Employee Engagement – Employee branding, enhancing employee's experience and connectivity have taken on whole new meanings this year. Communication is key to managing uncertainty and formulating action. It also keep workforce engaged and motivated in order to enable them to remain productive. Diverse Engagement programs are scheduled round the year towards building & sustaining a superior employee connect and a high level of engagement in the organization. Company's robust Reward and Recognition Program focuses on building a healthy competitive environment and a rich performance driven culture throughout the Organisation.

RISKS

a) **Geographical Concentration:**

The world economy today is deeply interconnected with any surprises or shocks in one region quickly ricocheting to other economies. Though the Company has spread its portfolio worldwide with large focus in the United States of America, it still has to penetrate its existing clients globally and source for more and newer pools of clients to shield itself from the impact of a downturn in connected regions.

b) **Competition:**

The threat of competition is persistent and serious in the lucrative IT industry. The Company is motivated to stay ahead of competitors through continued research and innovation. Furthermore, it is key to stay updated on latest technology advancements and offerings to ensure the business model of the Company stays relevant with customer needs.

c) **Financing Activities:**

There is a requirement for steady cash flow in sufficient quantum in order to support the Company's operations and operate its business model with efficiency. Thus, the Company has over the years extensively evaluated various funding options provided by the banking as well as non-banking segments. After studying the available options using updated analytical tools, the Company has successfully tapped financial resources, which demand comparatively favourable servicing and capital structure as well as are best suited to the Company's need from time to time.

d) **Foreign Currency Fluctuation:**

The spread of revenues around the globe increases the Company's exposure to currency risk. The Company performs due diligence by keeping up-to-date with current affairs in the regional and global economy. This enables the Company to take steadfast measures in hedging against currency volatility and protecting its revenues.

e) **Employee Retention:**

The Company values its employees as its key capital and asset. Skilled employees who feel valued are better engaged with the goals of the Company and will deliver better performance. The Company thus emphasizes on skills upgradation through regular trainings and certifications to align employees skillsets keeping your Company's customers ahead of the technology curve. Furthermore, the Company monitors the Employee Engagement Score to ensure all employees are constantly motivated and delivering performance.

f) **Staff Attrition:**

Over the past few years, the IT Industry has particularly faced a high attrition rate mainly attributable to the highly volatile nature of this industry and the resultant demand for constant skill updation & development from the employees by companies belonging to this industry. The Company being no stranger to this risk, has over the years taken appropriate measures to facilitate cultivation of long-standing relation and loyalty amongst talented and highly competitive employees contributing majorly to the performance of the Company over the years.

g) **Talent Acquisition:**

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

INTERNAL CONTROL SYSTEMS

AGC has an adequate system of internal controls to ensure that the assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly.

The Company engages a detailed process of internal audits, reviews by management, and documented policies, guidelines and procedures to ensure that the financial records are relevant and reliable.

The Company has implemented an integrated SAP and SFDC business management system for AGC entities including Black Box Corporation US, providing system-based checks and controls. This results in increased efficiency and effectiveness of AGC's internal control systems. Implementation of ERP project to have SAP for rest of the Black Box entities is currently underway and we expect to go live with SAP by end of FY2022 with integration of SFDC, Oracle and Service now. This newly implemented SAP would be integrated with overall AGC SAP to have one platform as planned for FY2022.

The Company management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Regulation 17 of SEBI LODR Regulations 2015) as on March 31, 2021.

M/s. Walker Chandiok & Co LLP, the Statutory Auditors of the Company, has audited the financial statements included in this Annual Report and has issued a report on our internal control over financial reporting (as defined under section 143 of the Companies Act 2013).

The Company's internal audit systems independently oversees the operations of the organization regularly.

The top management and the Audit Committee of the Board reviews internal audit findings and recommendations. The Audit Committee is authorized by the Board to investigate any matter pertaining to the internal control and audit. The Committee also ensures compliance of internal control systems in addition to the quarterly, half-yearly and annual financial statements before submission to the Board.

RESPONSE TO COVID-19

The Company responded to the situation swiftly and activated business continuity plans focusing primarily on employee safety, mitigation of operational and financial impact and sustaining normal operations. AGC took various initiatives related to awareness of all stakeholders including tools for work-for-home (WFH), guidance on masks and other personal protective equipment as per requirements of customer and local jurisdiction guidelines. By activating WFH, providing tools to its employees to perform the work which can be done remotely in consultation with our customers, AGC continued to serve its customers as best as possible. The Company hasn't seen significant or material impact of COVID-19 on its operations and financial results for the year ended March 31, 2021. The Company continues to monitor opening of various countries as per respective guidelines and relevant changes in evolving economic situation across the geographies it operates in.

FINANCIAL PERFORMANCE (CONSOLIDATED)

REVENUE BREAK-UP

The segment-wise break-up of revenue is given below:

₹ in Crores

Business Segments	FY2021	FY2020
System Integration	3,879	4,067
Technology Product Solution	729	821
Consulting	66	106
Total	**4,674**	**4,994**

Offerings under the System Integration include Unified Communication, Data Center & Edge IT, Cyber Security, Digital Solutions & Applications and Seamless Customer Support and managed services.

Offerings under the Technology Product Solution include IT infrastructure, specialty networking, multimedia and keyboard/video/mouse ("KVM") switching.

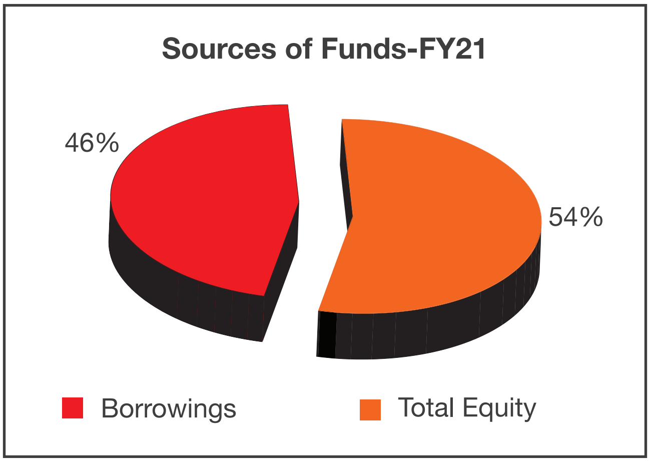
Consulting business is related to providing consulting services for performance improvement and customer experience.

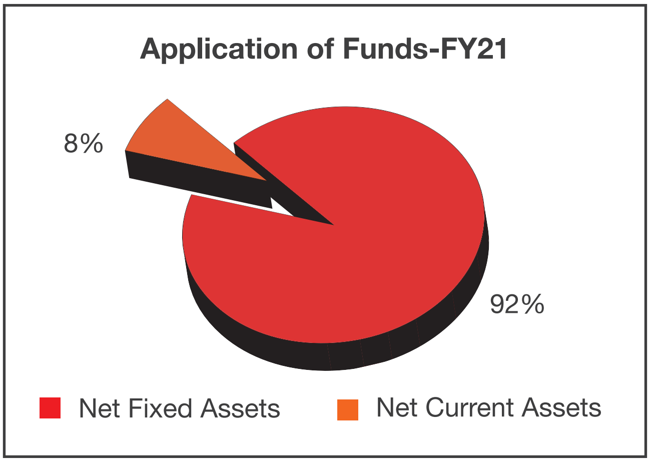
SHARE CAPITAL

As on March 31, 2021, the Issued, Subscribed and Paid-up Equity Share Capital of the Company is ₹ 32,52,88,300/- divided into 3,25,28,830 Equity Shares having face value of ₹ 10/- each. The Company has not issued any other class of shares.

OTHER EQUITY

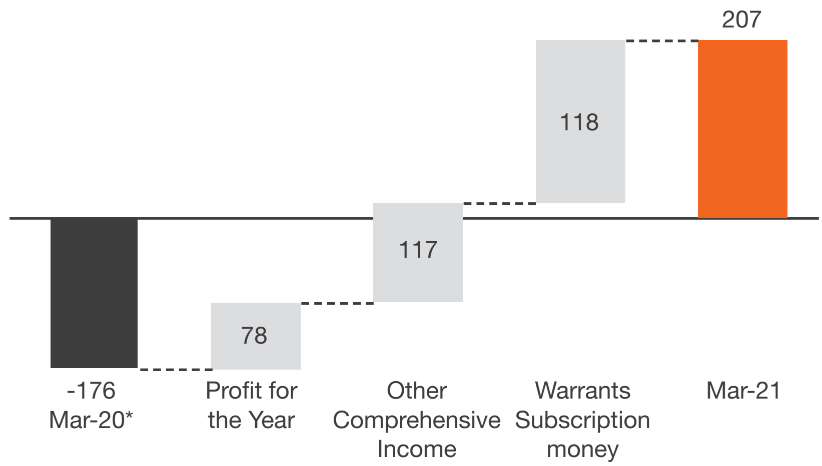
Total Other Equity stands at ₹ 174.17 Crores which mainly comprises of Capital Reserve of ₹ 38.04 Crores, Security Premium Reserves of ₹ 220.36 Crores, General Reserves of ₹ 100.59 Crores, accumulated losses of ₹ 207.60 Crores and other item of ₹ 22.76 Crores as at March 31, 2021.





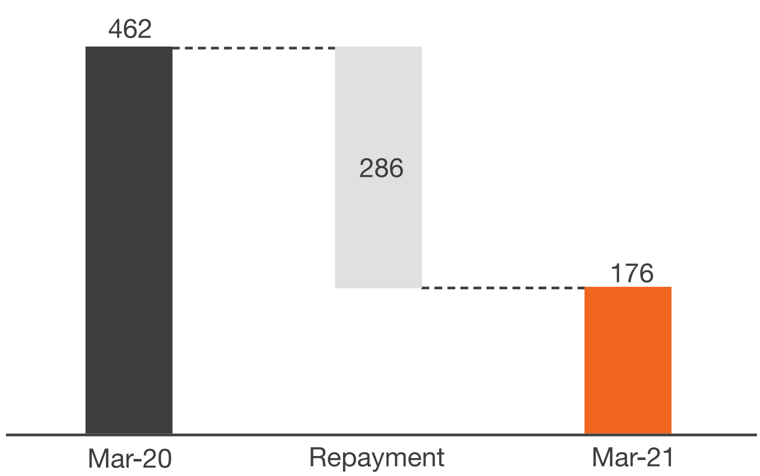
An overview of the Net Worth movement of the consolidated financial statement from FY2020 and FY2021

Net-worth



BORROWINGS

The Borrowings of the Company stands at ₹ 176.20 Crores as on March 31, 2021 against ₹ 462.38 Crores as on March 31, 2020. The Company has done repayment of ₹ 286 Crores in FY2021 to its lenders from its internal accruals and equity infusion by promoters.



FIXED ASSETS

The fixed assets (net block including PPE and intangible) is at ₹ 207.42 Crores as on March 31, 2021. The total Goodwill stands at ₹ 269.18 Crores. In addition, during the current year ended March 31, 2021, the Company has recognized Right of use assets for ₹ 145.65 Crores.

OPERATING RESULTS

On Consolidated basis, the Company for the year ended March 31, 2021, recorded gross turnover of ₹ 4,674.02 Crores as against ₹ 4,993.92 Crores for the period ended March 31, 2020 registering reduction of 7% over previous year, primarily reflecting impact of COVID-19.

On Consolidated basis, the Company has incurred a net profit of ₹ 78.09 Crores for FY2021 against a net loss of ₹ 79.96 Crores for the FY 2019-20, reflecting the impact of transformation measures taken by the Company.

On Consolidated basis, Gross Margin has improved from 30.4% in FY2020 to 32.0% in FY2021 which is mainly attributable for better realizations and better traction in the market. This improvement is in spite of Covid situation continuing throughout the year FY2021.

Finance Cost stood at ₹ 97.91 Crore for the FY2021 as against ₹ 131.72 Crores in the previous year due to significant reduction of debt by ₹ 286 Crores.

KEY RATIOS

Particulars	FY2021	FY2020	% Change
Revenue from Operations (₹ in Crores)	4,674.02	4,993.92	-6.4%
EBITDA (%)	7.53%	6.58%	0.9%
EBITDA (excluding lease) (%)	6.07%	5.68%	0.4%
Operating Profit Margin (%)	4.15%	1.18%	3.0%
Net Profit Margin before exceptional item (%)	3.24%	2.11%	1.1%
Return on Net Worth (%)	37.78%	-45.41%	83.2%
Return on Net worth (Excluding re-measurement of defined benefit obligation) (%)	37.15%	-83.79%	120.9%
Interest Coverage Ratio	1.98	0.45	344.1%
Debtors Turnover	3.89	2.04	90.6%
Inventory Turnover	2.70	2.62	3.1%
Current Ratio	0.92	0.78	18.2%
Debt Equity Ratio	0.85	-2.63	132.5%
Debt Equity Ratio (Excluding re-measurement of defined benefit obligation)	0.84	-4.84	117.30%

Details / reason of significant changes:

On a consolidated basis, EBITDA has improved by 0.9% mainly on account of better cost Management i.e. reduction in employee cost, finance cost and depreciation. Further, Return on Net Worth saw drastic improvement of 83.2% as compared to previous year due to better profitability and margin improvement.

ISSUANCE OF CONVERTIBLE WARRANTS TO PROMOTERS AND PROMOTER GROUP

On January 8, 2021, the Company issued and allotted 33,33,334 (Thirty Three Lakh Thirty Three Thousand Three Hundred and Thirty Four) Convertible Warrants ("Warrants") to Promoter shareholders on Preferential basis, at a price of ₹ 675/- (Rupees Six Hundred and Seventy Five Only) per Warrant with a right to the Warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 10/- (Rupees Ten only) each of the Company ("Equity Shares") at a Premium of ₹ 665/- (Rupees Six Hundred and Sixty Five Only) per share, for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of the Warrants.

On March 02, 2021 and March 20, 2021 the Company allotted 16,34,828 and 9,63,823 Equity Shares of ₹ 10/- (Rupees Ten only) each respectively on conversion of equal no. of Warrants.

The funds raised through Preferential Issue have been utilised to meet the growth requirements of the company, reduction in liabilities and general corporate purposes.

ACQUISITION OF MAJORITY STAKE IN Z SERVICES HQ DMCC

Z Services HQ is a Cyber security cloud services provider, having presence in the Middle East region. Black Box has acquired 86% equity for a cash consideration of US$ 3.44 Million.

CAUTIONARY STATEMENT

This report contains forward looking statements that involve risks and uncertainties including, but not limited to, risk inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

CORPORATE GOVERNANCE REPORT

Corporate Governance is a systematic process having strong foundation by which Corporates are directed and controlled to enhance their wealth-generating capacity. It provides the structure through which corporations set and pursue their objectives while reflecting the context of the social, regulatory and market environment. Governance is a mechanism for monitoring the actions, policies and decisions of corporations. Governance involves the alignment of interests among the stakeholders. Corporate governance is the system of structures, rights, duties and obligations by which corporations are directed and controlled, keeping in mind long-term interest of stakeholders which encourages and moves a viable and accessible financial reporting structure and enables a transparent system. The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation such as the board of directors, employees, shareholders, creditors, auditors, regulators and other stakeholders and specifies the rules and procedures for making decisions in corporate affairs.

We, at AGC, are driven by the six major characteristics of Corporate Governance which are Transparency, Independence, Accountability, Responsibility, Fairness and Social Responsibility.

CORPORATE GOVERNANCE AT AGC

The Company's philosophy of Corporate Governance is aimed at maximizing the shareholders' value and protection of the interest of other stakeholders. The Company aims to achieve this through proper & full disclosure of material facts and achievement of the highest levels of transparency, accountability and equity in all facets of its operations.

Over the years we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account before making any business decision. We believe, Corporate Governance is not just a destination but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Regulations" or "LODR Regulations", as applicable, with regard to Corporate Governance.

BOARD OF DIRECTORS

As on March 31, 2021, the Board of Directors of the Company ("the Board") consists of Eight (8) members comprising of Three (3) Independent Directors of which One (1) is a Woman Director; Three (3) Executive Directors of which One (1) is a Woman Director and Two (2) Non-Executive Non-Independent Director of which One (1) is a Promoter Director. The composition of the Board is in conformity with Regulation 17 of the LODR Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). In addition to its primary role of monitoring corporate performance, the functions of the Board also include:

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

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

The required details related to the Board as on March 31, 2021 are listed below:

Name and DIN of Director	Designation and Category	Directorship in other companies	Name of the other Companies in which Directorship held (including category of Directorship)	Chairmanship in Committees of Boards of other companies	Membership in Committees of Boards of other companies
Mr. Sujay R. Sheth DIN: 03329107	Chairperson-Independent Director	1	Black Rose Industries Limited (Independent Director)	1	2
Mr. Sanjeev Verma DIN: 06871685	Whole-time Director	None	-	-	-
Mr. Dilip Thakkar DIN: 00007339	Independent Director	10	Premier Limited (Independent Director)	-	1
			Poddar Housing and Development Limited (Non-Executive Director)	-	-
			Indo Count Industries Limited (Independent Director)	-	1
			Walchandnagar Industries Limited (Independent Director)	1	3
			Hamlet Constructions (India) Private Limited (Independent Director)	-	-
			Windmere Hospitality (India) Private Limited (Independent Director)	-	-
			Starrock Investments and Trading Private Limited (Independent Director)	-	-
			Rajsvi Properties and Holdings Private Limited (Independent Director)	-	-
			Universal Trustees Private Limited (Independent Director)	-	-
			Essar Ports Limited (Independent Director)	1	2
Mrs. Mahua Mukherjee DIN: 08107320	Executive Director	1	Black Box Network Services India Private Limited (Executive Director)	-	-

Name and DIN of Director	Designation and Category	Directorship in other companies	Name of the other Companies in which Directorship held (including category of Directorship)	Chairmanship in Committees of Boards of other companies	Membership in Committees of Boards of other companies
Mr. Naresh Kothari DIN: 00012523	Non-Executive Director	4	B L Kashyap And Sons Limited (Non-Executive Director)	-	2
			Soul Space Projects Limited (Non-Executive Director)	-	-
			Alpha Alternatives Holdings Private Limited (Executive Director)	-	-
			Provincial Finance and Leasing Co Private Limited (Executive Director)	-	-
Mr. Deepak Kumar Bansal DIN: 07495199	Executive Director	1	Fed On-Demand Technology Private Limited (Non-Executive Director)	-	-
Ms. Neha Nagpal DIN: 08842400	Independent Director	2	Fliplearn Education Private Limited (Non-Executive Director)	-	-
			Skillcation Private Limited (Non-Executive Director)	-	-
Mr. Anshuman Ruia DIN: 00008501	Non-Executive Director	None	-	-	-

The above information is presented as per the latest annual disclosures submitted by the Directors. Further, none of the Directors of the Company are related inter-se.

Certificate by Practising Company Secretary

In accordance with the applicable provisions of Regulation 34(3) of the LODR Regulations read with Schedule V to the said Regulations, M/s. S. K. Jain & Co., Practicing Company Secretaries, have issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of any Company by Securities Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other regulatory/statutory authority. The said certificate has been attached as **"Annexure A"** to this Report.

BOARD MEETINGS

During the FY2021, Six (6) Board meetings were held on the following dates:

June 30, 2020, August 21, 2020, September 10, 2020, October 19, 2020, November 11, 2020, and February 11, 2021.

The attendance of the directors at the board meetings held during the year is given below:

Name of the Director	Number of meetings held during FY2020-21	Number of Board meetings attended	Attended Last AGM	Shareholding in the Company as on March 31, 2021
Mr. Sujay R. Sheth	6	6	Yes	NIL
Mr. Sanjeev Verma	6	6	Yes	1,76,136 Equity Shares

Name of the Director	Number of meetings held during FY2020-21	Number of Board meetings attended	Attended Last AGM	Shareholding in the Company as on March 31, 2021
Mr. Dilip Thakkar	6	6	Yes	NIL
Mrs. Mahua Mukherjee	6	6	Yes	NIL
Mr. Naresh Kothari	6	6	Yes	6,45,525 Equity Shares held beneficially
Mr. Deepak Kumar Bansal	6	6	Yes	6,903 Equity Shares held by relative
Ms. Neha Nagpal[1]	6	3	Yes	NIL
Mr. Anshuman Ruia[1]	6	3	Yes	NIL

NOTE:

1 *Mr. Anshuman Ruia was appointed as Non-Executive Additional Director of the Company and Ms. Neha Nagpal was appointed as Independent Additional Director w.e.f. September 10, 2020. Further, at the 34th AGM of the Company, the Members approved the appointment of Mr. Anshuman Ruia as Non- Executive Director and Ms. Neha Nagpal as the Independent Director of the Company w.e.f. November 18, 2020.*

DIRECTORS APPOINTMENT/RE-APPOINTMENT

Mr. Naresh Kothari shall retire by rotation at the ensuing 35th Annual General Meeting ("AGM") of the Company. Further, Mr. Kothari is proposed to be re-appointed as Non-Executive Director of the Company at the said AGM, on the existing terms of appointment as approved by the Members at the 33rd AGM of the Company held on September 26, 2019.

Ms. Neha Nagpal was originally appointed as an Independent Additional Director by the Board of the Company with effect from September 10, 2020 and was re-appointed as an Independent Director in the 34th AGM held on November 18, 2020.

Mr. Anshuman Ruia was originally appointed as a Non-Executive Additional Director by the Board of the Company with effect from September 10, 2020 and was re-appointed as a Non-Executive Director in the 34th AGM held on November 18, 2020.

The Board at its meeting held on September 20, 2021 has approved to change the designation of Mr. Anshuman Ruia from Non-Executive Director to Executive Director who shall be liable to retire by rotation. The appointment of Mr. Anshuman Ruia as Executive Director is subject to approval of the Central Government pursuant to Schedule V of the Companies Act, 2013 and subject to approval of the shareholders at the ensuing AGM of the Company.

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

INDEPENDENT DIRECTORS

At present, the Board of the Company consists of Three (3) Independent Directors, One (1) of which is a Woman Director and the strength of Independent Directors on the Board is 37.5% which is in conformity with the requirements of Regulation 17 of the LODR Regulations. All the Independent Directors of the Company have submitted declarations stating that they meet the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the LODR Regulations and that they are not aware of any circumstance/situation, which exists or may be reasonably anticipated, that could impair/impact their ability to discharge the duties of an Independent Director with objective independent judgment or without any external influence. Based on the above declaration, the Board is of the opinion that the Independent Directors of the Company fulfill the conditions specified in these regulations and are independent of the management.

The Company's Independent Directors are required to meet at least once in every Financial Year without the presence of Executive Directors or management personnel. The exclusive meeting of Independent Directors was held on July 30, 2021.

The Performance Evaluation for the FY2021 was dully undertaken by the Board through questionnaire based assessment system. The Company provided the Independent Directors (as well as all other Directors of the Company) the means to review the performance of the Chairperson of the Company (taking into account the views of Executive Directors and Non-Executive Directors); the performance of the Board as a Whole (including Committees thereof); the performance of the Non-Independent Directors & assess the quantity and timeliness of flow of information between the Company's management and the Board, by way of a questionnaire based assessment mechanism. The remarks of every Director including Independent Directors as well as the outcome of the said evaluation conducted through questionnaires was circulated to all Directors. Thereafter, such remarks and outcome were reviewed and after deliberation taken as noted by the Independent Directors and the Board.

During the year under review, there was no instance of resignation of any Independent Director of the Company.

FAMILIARIZATION PROGRAMS FOR BOARD MEMBERS

All Directors of the Company, including the Independent Directors, are provided with necessary documents/ brochures, reports and internal policies to facilitate their familiarization with the procedures and practices followed by the Company. Further, periodic presentations are made at the meetings of the Board of Directors and its various Committee, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on new amendments, circulars and notifications issued by the regulatory authorities including ROC, RBI and SEBI which mandates further compliances for the Company and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

Further, at the time of appointment of any Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The Familiarization Policy for Independent Directors is accessible on the website of the Comany at https://www.agcnetworks.com/in/wp-content/uploads/2021/02/Familiarization-Policy-of-Independent-Directors.pdf.

BOARD PERFORMANCE EVALUATION

In terms of the requirement of the Act and LODR Regulations and pursuant to the corresponding relaxations granted by the relevant Regulators, the annual performance evaluation of each members of the Board, the Chairperson, Board of Directors as a whole and the Committees thereof was undertaken.

The process of performance evaluation of each member of the Board, the Chairperson, the Board of Directors as a whole and the Committees thereof was undertaken through a questionnaire based rating assessment mechanism where the evaluators were requested to give rating for each criteria set for evaluating the performance of the Director or the Committee, the performance of which was being evaluated. The Board Evaluation process was focused around how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks. The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with Management. Additionally, during the evaluation process, the Board also focused on the contribution being made by the Board as a whole, individually as well as through Committees. The overall assessment of the Board was that it was functioning as a cohesive body (including the Committees thereof which were functioning effectively as well).

BOARD DIVERSITY POLICY

In compliances with the provision of the LODR Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity.

The objective of the Policy is to ensure that the Board comprises of adequate number of members with diverse experience and skills such that it best serves the governance and strategic needs of the Company. The Board composition at present meets with the above objective.

KEY BOARD ATTRIBUTES, SKILLS AND EXPERTISE

The Board of the Company comprises of qualified members who bring in requisite and diverse knowledge, skills and experience, which enables them to make effective contribution to the Board and its Committees as well as best serve the governance and strategic needs of the Company.

The below table summarizes the key attributes, skills and expertise which are taken into consideration while nominating candidate to serve on the Board of the Company:

DEFINITION OF DIRECTOR QUALIFICATIONS/SKILLS

Areas of Skills/ Expertise	Definition of Expertise/Skills	Name of Director possessing Skill/expertise
Financial	Expertise to deal in complex financial market by having a deep understanding of its behavior and consequent effects on various industries. Skillsets to handle financial management, capital allocation and financial reporting process or experience in performing similar functions.	Sujay R. Sheth; Dilip Thakkar; Naresh Kothari; Sanjeev Verma and Deepak Kumar Bansal
Technology	Significant background in technology industry resulting in knowledge of how to anticipate industry trends, generate disruptive innovation and expand/create new business models.	Sanjeev Verma; Deepak Kumar Bansal and Anshuman Ruia
Leadership	Extended experience in holding leadership roles in a significant enterprise generating practical understanding of organizations, process, strategic planning and risk management. Demonstrates strengths in developing talents, planning succession and driving change and long-term growth.	Sujay R. Sheth; Dilip Thakkar; Naresh Kothari; Sanjeev Verma; Deepak Kumar Bansal; Mahua Mukherjee and Anshuman Ruia
Global Outlook	Experience in managing business activities across various GEOs resulting in better understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and a broad perspective on global opportunities.	Sanjeev Verma; Deepak Kumar Bansal; Mahua Mukherjee and Anshuman Ruia

Areas of Skills/ Expertise	Definition of Expertise/Skills	Name of Director possessing Skill/expertise
Strategy and Expansion	Experience in leading the effort of an organisation for acquisition and other forms of corporate restructuring, ability to analyze the compatibility of the acquisition targets with the Company's strategy and culture, negotiation skills & accuracy in valuation of said transaction and ability to formulate & effectively implement integration plans post restructuring.	Sanjeev Verma; Deepak Kumar Bansal and Anshuman Ruia
Governance	Experience of service on the board of companies belonging to various industries/sectors (including public companies), to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.	Sujay R. Sheth; Dilip Thakkar; Naresh Kothari and Sanjeev Verma
Sales & Marketing	Experience in developing sale and marketing strategies aimed at generating higher sale with better margins, increasing market share, building strong business relations with desired vendors and customer base, building brand awareness and equity as well as enhancing enterprise reputation.	Sanjeev Verma
Industry specific Expertise	Experience in managing or leading operations of an enterprise engaged providing IT Solutions Integration services; Possesses understanding of Integrated Real-Time Communications Solutions, Data Center Technology (including its networking and security requirements), Cyber Security Solutions & various IT Solutions services offered in the industry such as Remote maintenance of IT Infrastructure & applications etc. Ability to analyze the current industry trends, its implications on the Company's business and accordingly devise strategic business plans to bank on opportunities or overcome challenges presented by the industry.	Sanjeev Verma and Deepak Kumar Bansal
Legal Expertise	Possessing knowledge and understanding of varied industry specific or generic laws/acts applicable on the Company and its business operations, keeping update-to-date with landmark judgements and latest amendments, modifications or repealment of such applicable laws/acts; Ability to evaluating the legal implications and accordingly provide requisite advise, guidance or opinion to the management, whereever sought, on the comprehensive legal overview/implications of any major strategic business plans/transactions undertaken or proposed to be undertaken including restructuring transactions such as M&A, Demergers, Foreign collaborations, JVs etc., market/ product growth or expansion strategies etc	Neha Nagpal

BOARD COMMITTEES

As of March 31, 2021, the Company has following Board Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Ethics and Compliance Committee
4. Stakeholders Relationship Committee
5. Corporate Social Responsibility Committee

MEETINGS OF VARIOUS COMMITTEES OF THE BOARD HELD DURING THE YEAR AND ATTENDANCE OF THE MEMBERS OF SUCH COMMITTEES:

During the FY2021, Four (4) Audit Committee meetings, Six (6) Nomination and Remuneration Committee meetings, Four (4) Stakeholders Relationship Committee meetings, Four (4) Ethics & Compliance Committee meetings and One (1) Corporate Social Responsibility Committee meeting were held on the following dates:

- **Audit Committee:** June 30, 2020, August 21, 2020, November 11, 2020 and February 11, 2021.
- **Nomination and Remuneration Committee:** June 30, 2020, August 21, 2020, September 10, 2020, October 19, 2020, November 11, 2020 and February 11, 2021.
- **Stakeholders Relationship Committee:** June 30, 2020, August 21, 2020, November 11, 2020 and February 11, 2021.
- **Ethics & Compliance Committee:** June 30, 2020, August 21, 2020, November 11, 2020 and February 11, 2021.
- **Corporate Social Responsibility Committee:** June 30, 2020.

Board Committees	Audit Committee	Nomination & Remuneration Committee	Ethics and Compliance Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Meetings held	4	6	4	4	1
Directors' Attendance					
Mr. Sujay R. Sheth	4	6	4	4	1
Mr. Dilip Thakkar	4	6	N.A.	4	N.A.
Mr. Sanjeev Verma	N.A.	N.A.	N.A.	3	1
Mrs. Mahua Mukherjee	4	N.A.	4	N.A.	1
Mr. Naresh Kothari	N.A.	6	N.A.	N.A.	N.A.
Mr. Deepak Kumar Bansal	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Anshuman Ruia	N.A.	N.A.	N.A.	N.A.	N.A.
Ms. Neha Nagpal	N.A.	N.A.	N.A.	N.A.	N.A.

TERMS OF REFERENCE AND OTHER DETAILS OF BOARD COMMITTEES:

Audit Committee

Constitution of the Audit Committee as on March 31, 2021:

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

The Committee's composition meets the requirements of Section 177 of the Act and Regulation 18 of the LODR Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure.

Powers of the Audit Committee

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice.

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company. Approving payment to statutory auditors, including cost auditors, for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in draft audit report.
- Reviewing the quarterly financial statements before submission to the Board for approval.
- Monitoring and reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence & performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Examination of the financial statement and the Auditors' report thereon.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

- Evaluation of internal financial controls and risk management systems.
- Establish a vigil mechanism for Directors and Employees to report genuine concerns in such manner as may be prescribed.
- Reviewing, with the management, the performance of statutory auditors & internal auditors and adequacy of internal control systems.
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism.
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Reviewing the utilization of loans and/or advances from/investments made by the Company in its subsidiary exceeding ₹ 100 crores or 10% of the asset size of such Subsidiary, whichever is lower.
- Reviewing the following information:
  - The Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letter/letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor / internal auditor(s); and
  - Quarterly Statement of Deviations including reports of Monitoring Agency, if applicable, submitted to the Stock Exchange(s) in accordance with Regulation 32(1) of the said Regulations or Annual Statement of Utilisation of Funds for purposes other than those stated in the Offer documents/prospectus/notice pursuant to Regulation 32(7) of the said Regulations.

NOMINATION AND REMUNERATION COMMITTEE

Constitution of the Nomination and Remuneration Committee as on March 31, 2021:

Mr. Dilip Thakkar	Independent Director (Chairperson)
Mr. Sujay R. Sheth	Independent Director (Member)
Mr. Naresh Kothari	Non-Executive Director (Member)

The Committee's composition meets the requirements of Section 178 of the Act, Regulation 19 of the LODR Regulations and SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.

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

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

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

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

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

e) To devise a policy on Board diversity.

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

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

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

i) To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:

- the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
- the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
- the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- the right of an employee to exercise all options vested in him at one time or various points of time
- within the exercise period;
- the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
- the granting, vesting and exercising of options in case of employees who are on long leave; and
- the procedure for cashless exercise of options.

REMUNERATION TO DIRECTORS

The Company does not pay remuneration to any of its Non-Executive Directors (including Independent Directors) except the sitting fee for attendance during the meeting(s) of the Board of Directors and its various Committees.

The details of remuneration paid to the Executive Directors during the period from April 1, 2020 to March 31, 2021 are as follows:

₹ in Crores

Sr. No.	Name of Director	Fixed Salary	Bonus/Incentives/ Variable pay	Perquisites on account of Stock Options exercised[(a)]	Commission	Total
1.	Mrs. Mahua Mukherjee	0.74	0.14	-	-	0.88
2.	Mr. Sanjeev Verma	-	-	9.88[(b)]	-	9.88
Total		**0.74**	**0.14**	**9.88**	**-**	**10.76**

a) *In accordance with the definition of perquisites under the Income-tax Act, 1961, the remuneration includes the value of stock options only on those shares that have been exercised during the period. Accordingly, the value of stock options granted during the period has not been included.*

b) *Perquisites value of stock options on account of exercise of 1,76,136 vested options under ESOP Scheme 2015.*

The details in respect of the remuneration paid to the Non-Executive Directors (including Independent Directors) during the period from April 1, 2020 to March 31, 2021 are as under:

In ₹

Name	Designation	Particulars of Remuneration	Gross Amount
Mr. Sujay R. Sheth	Independent Director and Chairperson	Sitting Fees	13,50,000
Mr. Dilip Thakkar	Independent Director	Sitting Fees	11,00,000
Ms. Neha Nagpal	Independent Director	Sitting Fees	2,50,000
Total			**27,00,000**

ETHICS AND COMPLIANCE COMMITTEE

Constitution of the Ethics and Compliance Committee as on March 31, 2021:

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

The Committee, at its meeting(s), sets forth the policies relating to and oversees the implementation of the 'Code of Conduct', adopted by the Board of Directors, at its meeting held on 23rd October, 2002, pursuant to the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, takes on record the status reports prepared by the Compliance Officer detailing the dealings in securities by the specified persons and decides penal action in respect of violation of the Regulations / the Code by any specified person. The Committee also overviews the 'Code of Conduct' of the Company and related matters (including review of complaints received under Whistle Blower Policy of the Company, any violations, penal actions, etc.).

STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution of the Stakeholders Relationship Committee as on March 31, 2021:

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

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

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

a) Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of the shares, non-receipt of the Annual Report, non-receipt of dividend declared, issue of new/duplicate share certificates, general meetings etc.

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

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

d) Review of the measures and initiative taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrant/annual report/statutory notices by the shareholders of the Company.

The Board has designated Mr. Aditya Goswami, Company Secretary, as the Compliance Officer.

The total number of correspondence (including complaints / queries) received and replied to the satisfaction of shareholders during the period April 1, 2020 to March 31, 2021, were 37. There was no outstanding complaint / query or request for transfer as on March 31, 2021.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution of the Corporate Social Responsibility Committee as on March 31, 2021:

Mr. Sujay R. Sheth	Independent Director (Chairperson)
Mr. Sanjeev Verma	Whole-Time Director (Member)
Mrs. Mahua Mukherjee	Executive Director (Member)

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility (CSR) Policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's constitution and terms of reference meet with the requirements of the Act.

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

a) To formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder.

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

c) To monitor the implementation of the CSR Policy of the Company from time to time.

PREVENTION OF INSIDER TRADING

The Company has adopted a policy to regulate, monitor and report trading by insider under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Regulations"). The policy includes practices and procedures for fair disclosure of unpublished price sensitive information ("UPSI"), initial and continual disclosure by identified designated employee or specified persons and the Board reviews the policy on a need basis. The Company Secretary cum Compliance Officer is responsible for implementation of the Code/Policy.

The Company has established an online IT portal which shall be used by the insiders (including specified employee of the Company) for submission of application for obtaining pre-clearance of trades and reporting of trades executed by the insiders in the securities of the Company. The said portal shall also assist in maintaining a structured digital database of such persons/entities with whom UPSI is shared in accordance with the provisions of the Insider Regulations. The Company has ensured that adequate internal controls and checks are incorporated to the portal, to ensure security and non-tampering of any data, information or database.

CODE OF CONDUCT

In compliance with Regulation 26(3) of the LODR Regulations and the Act, the Company has framed and adopted the Code of Conduct. The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code for FY2021. The below given is the declaration made by Mr. Sanjeev Verma, Whole-Time Director, with respect to the said affirmation by Directors and member of Senior Management of the Company, pursuant to the applicable provisions of Schedule V of LODR Regulations:

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

To,
The Members
AGC Networks Limited

Sub: Declaration on compliance with Code of Conduct of the Company during F.Y.2020-2021

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

I, Sanjeev Verma, Whole-Time Director of the Company, based on the affirmations received from the members of the Board of Directors and Senior Management of the Company, hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the 'Code of Conduct for Directors & Senior Management' of the Company during the F.Y. 2020-2021.

Yours Sincerely,

Sd/-
Sanjeev Verma
Whole-Time Director
DIN: 06871685

Place: Dallas, Texas, US
Date: June 30, 2021

RECONCILIATION OF CAPITAL AUDIT

A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted Equity Share Capital with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total issued and Listed Equity Share Capital. The Secretarial Audit Report confirms that the total Issued / Paid-up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

SHARE TRANSFER SYSTEM

The Shares of the Company, being in the compulsory demat list, are transferable through the Depository System. Shares in physical & dematerialized form are processed through M/s. Datamatics Business Solutions Limited, Registrar & Share Transfer Agent ("RTA") of the Company. The RTA of the Company (i.e. specified official(s) of the RTA) is duly authorised by the Board of Directors of the Company to approve and process the requests lodged for transfer of shares at the Registrar's address. All requests for dematerialization of Shares are processed and the confirmation is given to the Depositories within the stipulated timeline (in line with relaxations granted by regulators with respect to the period under review, if any). Grievance received from members & other miscellaneous correspondence on change of address etc. is processed by the Registrar at the earliest within the prescribed time frame.

NOMINATION

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders. Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's RTA.

GENERAL BODY MEETINGS

The particulars of last three (3) Annual General Meetings (AGM) of the Company are as under. The shareholders passed all the resolutions set out in the respective notices.

Date	Location	Time	No. of Special Resolution(s)
November 18, 2020	Through Video Conferencing	10:00 AM	NIL
September 26, 2019	Yashwantrao Chavan Centre, General Jagannath Bhosle Road, Nariman Point, Mumbai – 400021	11:15 AM	3
August 1, 2018	Banquet Hall, Equinox Business Park, Off B.K.C, LBS Marg, Kurla West, Mumbai 400070	11:15 AM	4

Particulars of Extra-Ordinary General Meeting (EOGM) held during the FY2021. The shareholders passed all the resolutions set out in the notice of EOGM.

Date	Location	Time	No. of Special Resolution(s)
December 11, 2020	Through Video Conferencing	10:00 AM	2

RESOLUTION PASSED BY POSTAL BALLOT

During the year, the Company has passed a special resolution by way of postal ballot as set out in the Postal Ballot Notice dated January 20, 2021, on February 21, 2021.

DISCLOSURES

1. **Disclosure of material financial and commercial transactions where management has personal interest that may have a potential conflict with the interest of the Company at large:**

   During the year, there were no material financial and commercial transactions where management had personal interest that may have a potential conflict with the interest of the Company at large. Details with regards to Related Party Transactions have been provided under notes to accounts section of the Annual Report.

2. **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years:**

   During the year, there was an unintentional delay in appointment of Woman Independent Director on the Board of the Company w.e.f. April 1, 2020 in terms of Regulation 17(1) of SEBI LODR Regulation. While BSE had waived the penalty on written reasons provided by the Company for such delay, NSE imposed a penalty of ₹ 8,10,000/- plus taxes on the Company for delay in such appointment.

   Further, there was a delay of 2 days in filing Listing application in respect of shares allotted on conversion of 16,34,828 Convertible warrant on Preferential Basis. In terms of Schedule XIX of (Issue of Capital and Disclosure Requirements) Regulations, 2018, both the Exchanges i.e. NSE and BSE had imposed a penalty of ₹ 40,000/- (plus taxes) each on the Company.

   Except for the above, there has not been any non-compliance by the Company and no penalties or strictures have been imposed / passed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

3. **Disclosure relating to establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:**

   The Company has established a Vigil Mechanism through the Whistle Blower Policy/Policy on Vigil Mechanism and no personnel have been denied access to the Audit Committee of the Company. The said policy is accessible on the website of the Company at https://www.agcnetworks.com/in/wp-content/uploads/2016/10/Whistle-Blower-Policy.pdf

4. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

   The Company has complied with all the mandatory requirements as specified under the LODR Regulations. Further, the Company has adopted the following non-mandatory requirements:

   (i) Separate personnel are appointed to the post of Chairman and WTD/Managing Director/CEO,

   (ii) Company strives to move towards a regime of unqualified financial statements, and

   (iii) Internal Auditor of the Company reports directly to Audit Committee of the Company.

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

   Pursuant to the provisions of Regulation 16(c) of LODR Regulations, the Company has adopted a Policy for determination of Material Subsidiaries of the Company. The said policy is accessible on the website of the Company at https://www.agcnetworks.com/in/wp-content/uploads/2016/10/Policy-for-Determining-Material-Subsidiary.pdf

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

   Pursuant to the provisions of Regulation 23(1) of LODR Regulations and applicable provisions of the Companies Act, 2013, the Company has adopted a policy on determining materiality of RPTs as well as for dealing with RPTs.

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

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

   The Familiarization Policy for Independent Directors is accessible on the website of the Comany at https://www.agcnetworks.com/in/wp-content/uploads/2021/02/Familiarization-Policy-of-Independent-Directors.pdf.

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

   Not Applicable.

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

   In accordance with the provisions of Regulation 34(3) of LODR Regulations read with Schedule V therein and pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018, the Company makes the following disclosure regarding Commodity Risk faced by it and the corresponding hedging activities undertaken by the Company during the year under review:

   i. Risk Management Policy: The Company has adopted a Risk Management Policy for the purpose of identification, analysis & mitigation of all present and future risk exposures of the Company, establishing a framework for risk management and thereby assuring business growth and stability. The said Policy is accessible on the website of the company at https://www.agcnetworks.com/in/wp-content/uploads/2021/02/Risk-Management-Policy.pdf

   ii. Commodity Risk Exposure:

      a) Total Exposure of the Company to commodities (in ₹): **Nil**

      b) Commodity-wise break-up of exposure: **Not Applicable**

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

      The nature of business of the Company and the investment activities undertaken by the Company, if any, has not resulted in any commodity risk exposure. Thus, during the year under review there was no need for the Company to undertake mitigation measures with respect to Commodity Risk.

   iii. Foreign Exchange Risk: The foreign exchange risk borne by the Company has been disclosed in Note 35.3 to the Standalone Financial Statements of the Company provided in this Annual Report.

10. **Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placement ("QIP"):**

    The Company has received ₹ 187.81 Crore pursuant to Preferential Allotment of Convertible warrants during the FY2021. The proceeds have been utilized in the following manner;

₹ in Crores

Particulars	Amount
A. Funds received as on 31.03.2021	
1. Issue of 33,33,334 warrants (Initial subscription)	73.39
2. Issue of 16,34,828 Equity shares on Conversion of Warrants	65.63
3. Issue of 9,63,823 Equity shares on Conversion of Warrants	48.79
Total (A)	**187.81**

₹ in Crores

Particulars	Amount
B. Utilisation of Funds as on 31.03.2021	
1. Investment in Wholly-owned Subsidiary (ODI)	160.26
2. Repayment of Loan to Indian Banks	27.53
Total (B)	**187.79**
Balance yet to be utilised (A-B)	**0.02**

11. **Details of total fees paid to Statutory Auditors:**

The details of the total fees paid by the Company or its Subsidiaries, on consolidated basis, to the Statutory Auditor (including its network entities) with respect to all services provided by them, is given below:

In ₹

Sr. No.	Particulars of Services	Amount of Fees paid to Statutory Auditor	Amount of Fees paid to entities belonging to Statutory Auditor's network	Total Amount of Fees paid
1	Audit Services	99,35,731	16,69,644	1,16,05,375
2	Other Services	1,24,87,538	4,67,05,653	5,91,93,191
	Total	**2,24,23,269**	**4,83,75,297**	**7,07,98,566**

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

Particular	No. of Complaints received during the FY2021	No. of Complaints disposed during the FY2021	No. of Complaints pending at the end of FY2021
No. of Complaints	Nil	Nil	Nil

13. **Disclosure of shareholding of Non-Executive Directors:**

As on March 31, 2021, Mr. Naresh Kothari, Non-Executive Director of the Company beneficially holds alongwith Persons acting in concert 1.98% shareholding in the Company.

MEANS OF COMMUNICATION

The quarterly results (including half-yearly and annual results) are usually published in ''The Free Press Journal' (English Daily) and 'Nav Shakti' (Marathi Daily). The results are also promptly forwarded to the Bombay Stock Exchange ("BSE") Limited and The National Stock Exchange of India ("NSE") Limited where the securities of the Company are listed. The Company has developed a section dedicated for Investors on the Company's website at https://www.agcnetworks.com/in/investors/ to display latest annual, half-yearly & quarterly results. The official news releases and the presentations made to the Investors / Analysts, if any, are also displayed on the said website. The Management Discussion and Analysis Report is attached to and forms part of the Annual Report. All financial and other important information is promptly communicated to BSE Limited and NSE Limited where the securities of the Company are listed.

CERTIFICATE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS BY PRACTICING COMPANY SECRETARY

In accordance with the applicable provisions of Regulations 34(3) of LODR Regulations read with Schedule V to the said regulations, M/s. S. K. Jain & Co., Practicing Company Secretaries, has issued the certificate on compliance by the Company with conditions of Corporate Governance specified under the LODR Regulations, which is given in this Annual Report on page no. 67.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM)

The AGM of the Company for FY2021 shall be held on Wednesday, October 27, 2021 at 10:00 A.M. through Video Conferencing ("VC").

Following are the other general shareholder information:

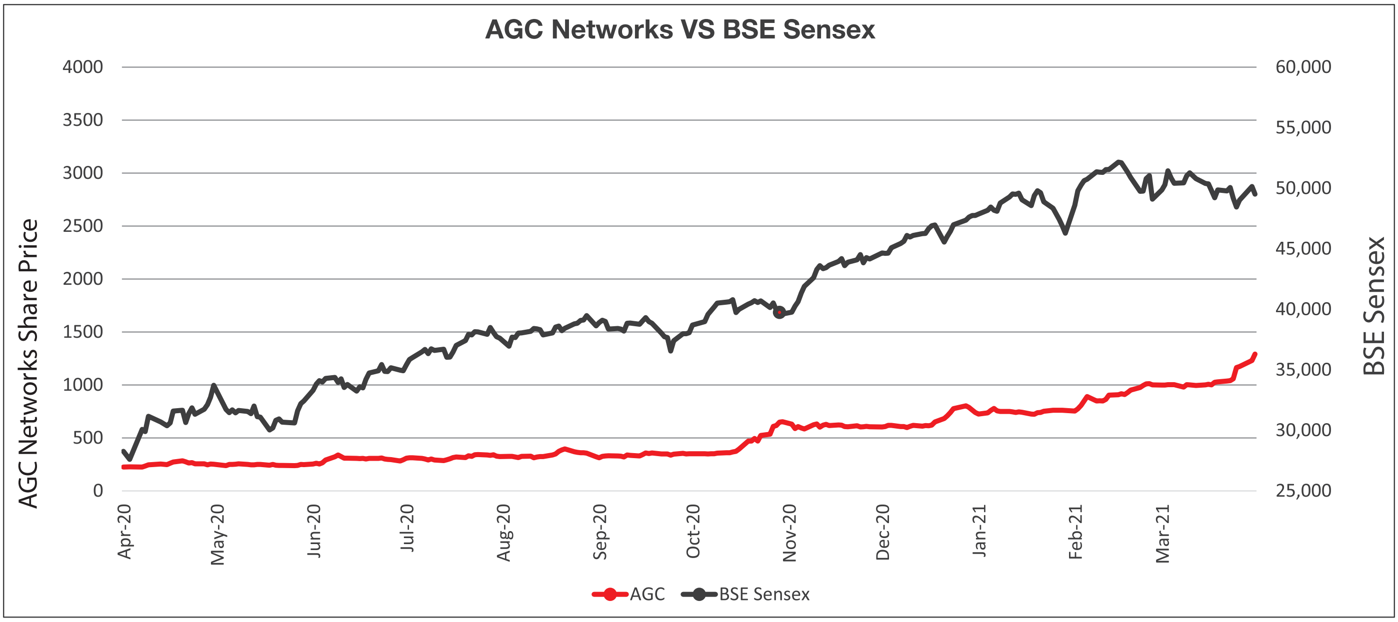
Financial Year	April 1 to March 31
Dates of Book Closure	October 21, 2021 (Thursday) till October 27, 2021 (Wednesday)(both days inclusive)
Dividend Payment Date	No dividend is recommended by Directors of the Company on Equity Shares for the current Financial Year.
Name and Address of the Stock Exchanges where the securities of the Company are listed	**Bombay Stock Exchange (BSE) Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 **The National Stock Exchange of India (NSE) Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 The Company has paid the annual listing fees to the Stock Exchanges.
Stock Code / Symbol **Demat ISIN Numbers in NSDL & CDSL for Equity Shares**	BSE – 500463, NSE – AGCNET ISIN - INE676A01019
Market price Data : High, Low during each month in the FY2021 and stock performance comparison with BSE Sensex & NSE Nifty 50	See Table No.1 below
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	Not Applicable
Registrar and Share Transfer Agents	Datamatics Business Solutions Limited, Plot No. B-5, MIDC, Part B, Cross Lane, Andheri (East), Mumbai – 400093 to whom the authority has been delegated by the Board to attend share transfer formalities etc.
Share Transfer System	Share Transfers are registered and returned within the specified period from the date of receipt, if the documents are clear in all respects. The Company ensures that the half yearly Compliance Certificate pursuant to Regulations 40(9) and 40(10) of the LODR Regulations are filed with the Stock Exchanges.
Distribution of shareholding & Category- wise distribution	See Table No. 2 & 3
Dematerialization of shares and liquidity as on March 31, 2021	See Table No. 4

Credit Rating(s)	During the year under review, credit rating(s) were subject to periodic review by CARE Ratings and the ratings assigned to the credit facilities of the Company were revised as below: On September 02, 2020, Credit Rating for Long Term Bank Facilities (Fund-Based Facility) was revised from CARE C; Stable (Single C; Stable Outlook) to CARE BB+; Stable (Double B Plus; Stable) and Credit Rating for Short Term Banking Facilities was revised from CARE A4 (A Four) to CARE A4+ (A Four Plus). On March 01, 2021, Credit Rating for Long Term Bank Facilities (Fund-Based Facility) was revised from CARE BB+; Stable (Double B Plus; Stable) to CARE BBB-; Stable (Triple B Minus; Stable) and Credit Rating for Short Term Banking Facilities was revised from CARE A4+ (A Four Plus) to CARE A3 (A Three). On March 24, 2021, CARE reaffirmed and withdrawn the outstanding ratings of CARE BBB-; Stable (Triple B Minus; Stable) / CARE A3' [Triple B minus; Outlook: Stable/ CARE A3 (A Three) with immediate effect. This action was taken at the request of the company. During the year under review, credit rating(s) were subject to review by new credit rating agency CRISIL Ratings as well and the ratings assigned to the credit facilities of the Company on January 06, 2021 were as below: Credit Rating for Long Term Bank Facilities (Term Loan) was assigned at CRISIL BBB-/Stable (Triple B Minus / Stable) and Credit Rating for Short Term Banking Facilities was assigned at CRISIL A3 (A Three) during the year under review. The Company intimated the Stock Exchanges about the aforesaid Credit Rating revisions, pursuant to applicable provision of Regulation 30 of LODR Regulations.
Address for correspondence	Registered Office: Essar House, 11, Keshavrao Khadye Marg, Opposite Race Course, Mahalaxmi, Mumbai - 400034

Table No. 1: Market price Data - High, Low during each month in the FY2021 and stock performance comparison with BSE Sensex & NSE Nifty 50

Month	BSE		NSE	
	High	Low	High	Low
April 2020	297.00	205.20	287.00	213.25
May 2020	266.00	228.10	260.00	226.55
June 2020	350.90	253.95	354.90	241.15
July 2020	357.00	286.30	357.35	278.05
August 2020	400.25	300.55	400.00	297.35
September 2020	370.00	305.50	372.00	302.00
October 2020	668.65	323.90	669.50	328.05
November 2020	660.00	571.60	659.00	570.20
December 2020	823.95	590.05	819.60	585.05
January 2021	799.90	700.00	794.90	689.20
February 2021	1,031.00	735.00	1,051.00	725.00
March 2021	1,282.25	965.60	1,290.90	931.00

Stock performance comparison with BSE Sensex & NSE Nifty 50



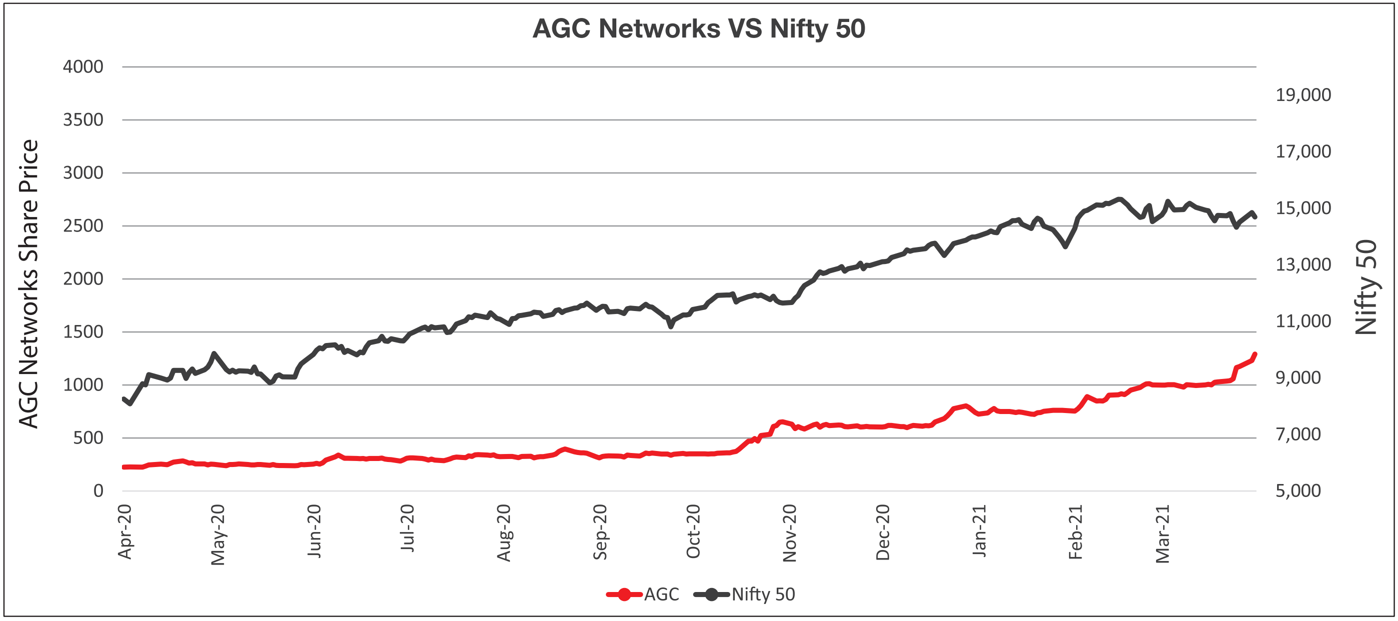


Table No. 2: Distribution of shareholding as on March 31, 2021

Sr. No.	Shares Range		No. of Shares	% of Total Shares	No. of Shareholders	% of Total Shareholders
	From	To				
1	1	100	157648	0.48	3869	50.25
2	101	500	766175	2.36	2896	37.62
3	501	1000	385602	1.19	550	7.14

Sr. No.	Shares Range		No. of Shares	% of Total Shares	No. of Shareholders	% of Total Shareholders
	From	To				
4	1001	5000	574671	1.77	280	3.64
5	5001	10000	242015	0.74	33	0.43
6	10001	100000	1573410	4.84	54	0.70
7	100001 & above		28829309	88.62	17	0.22
	TOTAL		**32528830**	**100.00**	**7699**	**100.00**

Table No. 3: Category-wise distribution as on March 31, 2021

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Shares held	% to Capital
1	Promoter & Promoter Group Companies	2	23153603	71.18
2	Foreign Institutional Investors & OCB	13	1938701	5.96
3	Banking/Financial Institutions/Insurance Companies	6	2673	0.01
4	Central Government/State Government	3	188967	0.58
5	Mutual Funds/UTI	6	2814	0.01
6	Bodies Corporate/Trusts/Clearing Members	195	2820107	8.67
7	Non-Resident Individuals	161	142796	0.44
8	Resident Individuals	7175	4279169	13.15
	TOTAL	**7561**	**32528830**	**100.00**

Shareholding pattern as on March 31, 2021

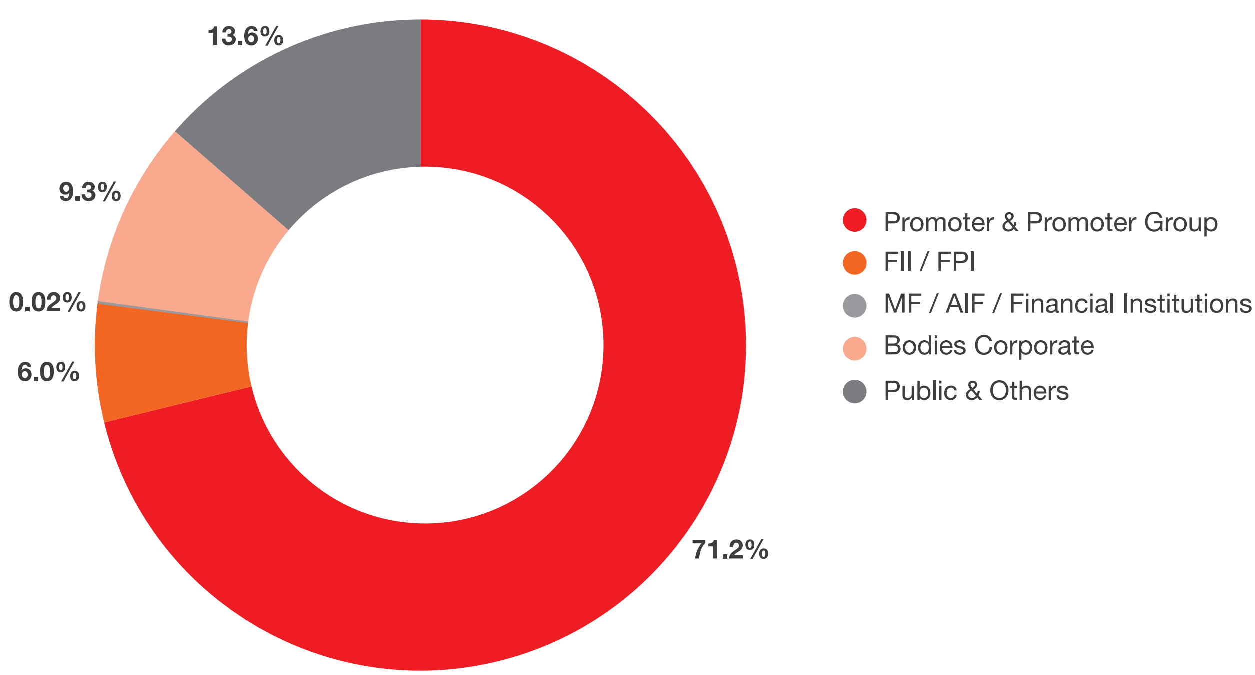


Table No. 4: Dematerialization of shares and liquidity as on March 31, 2021

Description	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
NSDL	4295	55.79	21753698	72.68
CDSL	2177	28.28	7830519	26.16
Physical	1227	15.94	345962	1.16
TOTAL	**7699**	**100.00**	**29930179**	**100.00**

Note: 25,98,651 equity shares issued to promoters pursuant to conversion of warrants were pending to be listed as on March 31, 2021 and hence have not been included in the above table.

Sd/-
Sanjeev Verma
Whole-time Director
DIN: 06871685

Place: Dallas, Texas, USA
Date: September 20, 2021

ANNEXURE "A" TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
AGC NETWORKS LIMITED
Mumbai Maharashtra 400034

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AGC NETWORKS LIMITED** having **CIN L32200MH1986PLC040652** and having registered office at **Mumbai Maharashtra - 400034** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1.	Mr. Dilip Jayantilal Thakkar	00007339	08/02/2018
2.	Mr. Anshuman Shashikant Ruia	00008501	10/09/2020
3.	Mr. Naresh Lakshman Singh Kothari	00012523	17/01/2019
4.	Mr. Sujay Rajababu Sheth	03329107	21/05/2011
5.	Mr. Sanjeev Verma	06871685	15/05/2014
6.	Mr. Deepak Kumar Bansal	07495199	14/08/2019
7.	Mrs. Mahua Mukherjee	08107320	05/04/2018
8.	Ms. Neha Nagpal	08842400	10/09/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S. K. JAIN & CO.
Sd/-
Dr. S. K. JAIN
PCS
FCS 1473
COP No. 3076
UDIN: F001473C000480325

Place: Mumbai
Date: June 17, 2021

WTD AND CFO CERTIFICATE

To,
The Board of Directors
AGC Networks Limited

Sub: WTD & CFO Certificate

[Issued in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

Dear Members of the Board,

We, Sanjeev Verma, Whole-Time Director and Deepak Kumar Bansal, Executive Director & Chief Financial Officer of the Company hereby certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2021 and to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors as well as the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There was no instance of significant change in internal control over financial reporting during the year under reference;

   ii) There were no instances of any significant change in accounting policies during the year under reference; and

   iii) During the year under reference, we are not aware of any instance of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

Sd/-
Sanjeev Verma
Whole-Time Director
DIN: 06871685

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

Place: Dallas, Texas, USA
Date: July 30, 2021

SECRETARIAL COMPLIANCE REPORT

FOR THE YEAR ENDED MARCH 31, 2021

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

(a) all the documents and records made available to us and explanation provided by **AGC NETWORKS LIMITED** (hereinafter referred to as "the Listed Entity"),

(b) the filings/submissions made by the listed entity to the Stock Exchanges,

(c) website of the Listed Entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this Certification,

For the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of:

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

ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI")

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations,2018; **(Not applicable as the Listed Entity has not bought back/propose to Buy-back any of its securities during the Financial Year under review)**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; **(Not applicable as the Listed Entity has not listed it Debt securities)**

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013; **(The Listed Entity has not issued any Non- Convertible and Redeemable Preference Shares during the financial year under review)**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

and circulars/ guidelines issued thereunder;

and based on the above examination, **I hereby Report that, during the Review Period:**

1. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17(1) of SEBI (LODR) Regulations, 2015	The Company was required to appoint one Independent Woman Director on its Board of Directors w.e.f. 1st April, 2020 as per Regulation 17(1) of SEBI (LODR) Regulations, 2015	There was a delay in appointment of Independent Women Director by the Company. The Company has appointed the Woman Independent Director on September 10, 2020.

2. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

3. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE and NSE	Non-appointment of Independent Woman Director as per Regulation 17(1) of SEBI (LODR) Regulations, 2015.	Fine ₹ 5,000 per day (Computed till September 9, 2020) i.e. ₹ 8,10,000 plus GST paid to NSE. BSE has waived the fine based on the written reasons provided by the Company for delay in compliance.	The Company appointed Ms. Neha Nagpal as an Independent Woman Director on 10th September, 2020 and paid the fine to NSE whereas BSE has waived the fine based on the written reasons provided by the Company for delay in compliance.

4. The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31st March, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
N.A.				

For S.K. JAIN & Co.

Sd/-
CS. Dr. S. K. Jain
Practicing Company Secretary
Membership No.1473
COP No. 3076
UDIN: F001473C000480303

Place: Mumbai
Date: June 17, 2021

BUSINESS RESPONSIBILITY REPORT OF AGC NETWORKS LIMITED

FOR THE YEAR ENDED MARCH 31, 2021

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

SECTION A: GENERAL INFORMATION

Corporate Identification Number (CIN):	L32200MH1986PLC040652
Name of the Company:	AGC Networks Limited
Registered Office Address:	Essar House, 11, Keshavrao Khadye Marg, Opposite Race Course, Mahalaxmi, Mumbai – 400034.
Website:	www.agcnetworks.com
Email id:	investors@agcnetworks.com
Financial Year Reported:	April 1, 2020 to March 31, 2021
Sector(s) that the Company is engaged in (Industrial activity code-wise):	Class 620 (Computer Programming, Consultancy and Related activities); Sub-Class: 62011, 62013 and 62020
List key products/services that the Company manufactures/provides (as in balance sheet):	1. Solutions related to Connected Buildings, Digital Workplace and Customer Experience 2. Enabling technology for In-building 5G/CBRS, Edge Networking, Data centers and Cyber security 3. Technology Products such as KVM, AV, IOT and Networking products
Total number of Locations where business activities are undertaken by the Company:	a. Number of National Locations: **Eight (8)** b. Number of International Locations (Name 5 major locations): **Twenty Nine (29) countries; Majorly in North America, Europe, Asia Pacific, Middle East and Latin America**
Markets served by the Company (Local/State/National/International):	All

SECTION B: FINANCIAL INFORMATION AS ON MARCH 31, 2021

Paid-up Capital:	₹ 32,52,88,300/-
Total Turnover:	₹ 2,49,54,48,292/-
Total Profit/(Loss) after Tax:	₹ (1,85,92,843/-)
Total spending on Corporate Social Responsibility (CSR) as % of Profit after Tax:	₹ 20,00,000/- (approx. 2% of Profit After Tax)
List of activities in which CSR expenditure has been incurred:	Kindly refer to Report on Corporate Social Responsibility i.e. **Annexure VII** of the Directors' Report section of this Annual Report.

SECTION C: OTHER DETAILS

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

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

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

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

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

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

SECTION D: BUSINESS RESPONSIBILITY ("BR") INFORMATION

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

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

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

   The details of BR Head alongwith their contact details:

   Mahua Mukherjee, Executive Director & Chief People Officer

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

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

   - P1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.
   - P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
   - P3: Businesses should promote the well-being of all employees.
   - P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
   - P5: Businesses should respect and promote human rights.
   - P6: Business should respect, protect and make efforts to restore the environment.

- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8: Businesses should support inclusive growth and equitable development.
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

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

***Notes:**

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

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

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

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

5 It has been Company's practice to upload policies on Company's website for the information of all the stakeholders. The Code of Conduct for Directors and Senior Management, the Code of Conduct for Individuals, Whistle Blower Policy, Corporate Social Responsibility Policy and Policy on Prevention of Gender Harassment are available on the Company's website at https://www.agcnetworks.com/in/investors/investors-update/?termid=109#policies.

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

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

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

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

3. Governance related to BR:

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

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

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

The Company's BR Reports will be uploaded on the Company's website at https://www.agcnetworks.com/in/investors/ as a part of the Annual Report for each respective Financial Year.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPAL 1:

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

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

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

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

c. **How many Stakeholder Complaints have been received in the current Financial Year i.e. FY2021 and what % was satisfactorily resolved by the management?**

During FY2021, the Company has not received any complaints from any of its Stakeholders (other than Shareholders).

The total number of complaints/requests received and replied to the satisfaction of Shareholders during the period April 1, 2020 to March 31, 2021 was 37. There was no outstanding Shareholders complaint or request as on March 31, 2021.

PRINCIPAL 2:

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

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

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

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

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

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

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

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

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

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

The Company has established appropriate Waste Management systems and procedures which enable minimization, management and proper disposal of wastes. Under the said system specific emphasis has been given to disposal of wastes (including hazardous waste) in a responsible manner and in accordance with the applicable regulatory/statutory requirements or procedures in the geographies we operate. With a view to reduce its carbon footprint, the Company has adopted various Recycling practices specifically for consumable resources such as papers, computer hardware, accessories, other electronic goods etc. As a part of such Recycling initiatives in India, the Company actively participated in paper and electronic goods recycle campaign in association with Evergreen Recycle Karo (I) Pvt. Ltd., an organisation approved by Maharashtra Pollution Control Board. Through such initiative, the Company collected and donated for recycling purposes approx. 700 kgs of waste papers. Also, with a view to minimise waste generation, wherever possible, the use of paper is actively discouraged across the organisation and internal procedures have been aligned to process various admin/accounts transactions through electronic submissions of vouchers, receipts and other documents.

PRINCIPAL 3:

a. Total no. of employees: **379**

b. Total no. of employees hired on temporary/contractual/casual basis: **5**

c. Total no. of permanent Women employees: **50**

d. Total no. of permanent employees with disabilities: **4**

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

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

g. **Details of complaints relating to Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment in the FY2021:**

Sr. No.	Category	No of complaints filed during FY2021	No of complaints pending as on the end of FY2021
1.	Child Labour/Forced Labour/Involuntary Labour	Nil	Nil
2.	Sexual Harassment	Nil	Nil
3.	Discriminatory Employment	Nil	Nil
	TOTAL	**Nil**	**Nil**

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

a) Permanent Employees: **58%**

b) Permanent Women: **5%**

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

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

PRINCIPAL 4:

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

Yes.

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

Yes.

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

Yes. At AGC Networks we believe an organisation's growth must be in sync with social, economic growth of communities around us. This belief translates into our purpose and commitment to promote a culture of care, inclusiveness and responsibility towards different stakeholders of AGC through our CSR initiatives. It is an attempt in making our society inclusive by providing opportunities for economically, socially and physically disadvantaged sections through programs around education and healthcare.

Through its Corporate Social Responsibility (CSR) initiatives, AGC launched a Program of rejuvenating 2 schools in Delhi and Gwalior (financially impacted by COVID-19) by providing sponsorship to 67 differently abled students. The schools run multiple skill development centres which teach students specific skills to ensure that students can find meaningful employment and are socially and financially secure. AGC also extended support in aiding a better lifestyle to 27 differently abled individuals suffering from spine injuries. 27 wheelchairs were custom made and gifted to the individuals. As part of our initiative of extending support to vulnerable individuals, AGC launch health drives for expecting Mother and Children in the tribal villages of Maharashtra.

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

PRINCIPAL 5:

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

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

b. **How many stakeholder complaints have been received in the current Financial Year and what percent was satisfactorily resolved by the management?**

During FY2021, the Company has not received any complaints from any of its Stakeholders (other than Shareholders).

The total number of complaints/requests received and replied to the satisfaction of Shareholders during the period April 1, 2020 to March 31, 2021 was 37. There was no outstanding Shareholders complaint or request as on March 31, 2021.

PRINCIPAL 6:

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

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

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

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

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

Yes.

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

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

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

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

f. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for FY2021 being reported?**

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

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

The Company has not received any show cause / legal notice from CPCB / SPCB as on Financial Year ended on March 31, 2021.

PRINCIPLE 7:

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

No.

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

No.

PRINCIPLE 8:

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

Yes. AGC aims in creating a community of inclusiveness while striving for diversity. We believe in creating a culture of equality irrespective of economic, social and physical difference. AGC is committed towards creating a sustainable future, creating a platform of equality for all and a healthier lifestyle for disadvantaged individuals. These objectives were met through 3 initiatives last year- School Improvement & Education, Sponsorship for Differently abled patients and Mother & Child Malnutrition Project.

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

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

The aforesaid initiatives have been implemented in collaboration with Essar Foundation which can provide requisite guidance to Company to identify Socially Responsible (CSR) projects as well as effective implement such programs/projects/initiatives to reach the right audience.

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

The company in collaboration with Essar foundation ensured the funds are utilised appropriately and through due diligence evaluated progress/outcomes during the course of the program through reports submitted by these organisation.

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

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

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

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

PRINCIPLE 9:

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

During FY2021, the Company has received a total of 16,680 service requests. Significant number of these requests aggregating to 92.28%, were resolved within a period of 3 days from the date of receipt of the requests itself whereas only 0.24% service requests were pending as on March 31, 2021. Further, no consumer cases were pending against the Company as on the end of the Financial Year.

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

Not Applicable.

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

None.

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

No.

INDEPENDENT AUDITOR'S REPORT

To the Members of AGC Networks Limited

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of **AGC Networks Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the standalone financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTERS

4. **Impact of COVID-19**

   We draw your attention to note 46 to the accompanying standalone financial statements, which describes the impact of COVID-19 pandemic on the Company's operations and on accompanying standalone financial statements 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.

5. **Non-compliance with laws and regulations**

   We draw attention to note 45 to the accompanying standalone financial statements, which describes the delay in remittance of import payments and repatriation of proceeds of export of goods and services, aggregating to

₹ 2.10 Crores and ₹ 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 standalone financial statements in respect of the fine / penalties that may be levied on account of such delays.

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

Key Audit Matter

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

7. We have determined that there are no key audit matters to communicate in our report.

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

8. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

9. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the standalone financial statements, Board of Directors are 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 02 August 2021 as per Annexure II expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 33 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 21106815AAAACR3162

Place : Mumbai
Date : 02 August 2021

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF AGC NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under sections 185 and 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF AGC NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD)

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid under Protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	13.01	13.01	Assessment year 2005-06	Deputy Commissioner of Income Tax
Income-tax Act, 1961	Income tax	2.13	2.13	Assessment year 2006-07	Deputy Commissioner of Income Tax
Income-tax Act, 1961	Income tax	5.12	5.12	Assessment year 2007-08	Deputy Commissioner of Income Tax
Income-tax Act, 1961	Income tax	0.28	0.28	Assessment year 2008-09	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	0.55	0.55	Assessment year 2009-10	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	5.53	5.53	Assessment year 2010-11	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	2.22	0.44	Assessment year 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	0.55	0.54	Assessment year 2015-16	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	0.04	-	Assessment year 2016-17	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	0.29	0.29	Assessment year 2018-19	Assistant Director of Income Tax, CPC
West Bengal Sales Tax, 1994	Sales tax	0.03	-	2003-04, 2005-06 and 2006-07	Sr. Joint Commissioner of Commercial Tax, West Bengal
The Kerala Value Added Tax Act, 2003	Value added tax	0.08	-	2008-09	Kerala VAT Tribunal
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	0.28	0.08	2008-09	Additional Commissioner (Appeals) of Commercial Tax, Lucknow
The Kerala Value Added Tax Act, 2003	Value added tax	0.05	0.02	2011-12	Assistant Commissioner (Appeals)
The Kerala Value Added Tax Act, 2003	Value added tax	0.03	0.01	2009-10	Assistant Commissioner (Appeals)
The Gujarat Value added Tax Act, 2003	Value added tax	0.74	0.26	2011-12	Gujarat VAT Tribunal
The Gujarat Value added Tax Act, 2003	Value added tax	1.58	0.44	2012-13	Gujarat VAT Tribunal

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF AGC NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD)

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid under Protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
The Gujarat Value added Tax Act, 2003	Value added tax	0.20	0.06	2013-14	Gujarat VAT Tribunal
The Maharashtra Value Added Tax Act, 2002	Value added tax	0.47	0.03	2013-14	Joint Commissioner of (Appeals)
The Gujarat Value added Tax Act, 2003	Value added tax	0.54	0.07	2015-16	Joint Commissioner (Appeals), Ahmedabad
Tamil Nadu Value Added Tax Act, 2006	Value added tax	0.10	-	2015-16	Deputy Commissioner (Appeals), Chennai
The Kerala Value Added Tax Act, 2003	Value added tax	1.15	-	2013-14, 2014-15, 2015-16 and 2016-17	State Tax Officer
The Haryana Value Added Tax Act, 2003	Value added tax	1.90	-	2015-16	Joint Excise & Tax Commissioner (Appeals), Haryana
The Maharashtra Value Added Tax Act, 2002	Value added tax	0.51	-	2015-16	Deputy Commissioner of State Tax
The Gujarat Value added Tax Act, 2003	Value added tax	2.50	-	2016-17	Commissioner of State Tax, Ahmedabad
The Haryana Value Added Tax Act, 2003	Value added tax	0.21	-	2014-15	Excise and Taxation Officer, Gurgaon
The Gujarat Value Added Tax Act, 2003	Value added tax	0.60	0.02	2017-18	Joint Commissioner of Commercial Tax, Ahmedabad
The Maharashtra Value Added Tax Act, 2002	Value added tax	1.09	-	2016-17	Deputy Commissioner of Sales Tax, Mumbai
Finance Act,1994	Service tax	0.50	0.05	2006-07, 2007-08 and 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Finance Act,1994	Service tax	4.17	0.35	2003-04 to 2006-07	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Finance Act,1994	Service tax	0.74	0.04	2004-05 to 2006-07	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Finance Act,1994	Service tax	4.73	0.05	2003-04 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Finance Act,1994	Service tax	5.40	0.50	2004-05 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF AGC NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD)

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid under Protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
The Customs Act,1962	Custom duty	6.60	-	Various financial years	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad (Order also passed by Supreme Court)
Finance Act,1994	Service tax	0.06	0.03	2005-06	Commissioner of Central Excise and Service Tax - Appeals

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank. Further, the Company has no loans or borrowings payable to a financial institution or government. Also, the Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) In our opinion, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the company did not make preferential allotment or private placement of fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under section 192 of the Act.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 21106815AAAACR3162

Place : Mumbai
Date : 02 August 2021

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF AGC NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our audit of the standalone financial statements of **AGC Networks Limited** ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 21106815AAAACR3162

Place : Mumbai
Date : 02 August 2021

STANDALONE BALANCE SHEET as at 31 march 2021

₹ in Crores

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	5.68	6.51
Right of use assets	4	4.88	17.04
Other intangible assets	5	0.70	0.60
Financial assets			
Investments	6	194.48	48.72
Loans	7	2.00	1.63
Other financial assets	8	0.92	0.99
Deferred tax assets (net)	9	-	-
Tax assets (net)		48.94	71.10
Other non-current assets	10	4.89	5.92
Total non-current assets		**262.49**	**152.51**
Current assets			
Inventories	11	11.86	10.00
Financial assets			
Trade receivables	12	66.88	77.11
Cash and cash equivalents	13	3.69	1.09
Bank balances other than cash and cash equivalents	13	2.61	1.83
Loans	7	1.46	19.02
Other financial assets	8	27.88	18.43
Other current assets	10	52.65	56.92
Total current assets		**167.03**	**184.40**
TOTAL ASSETS		**429.52**	**336.91**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	32.53	29.75
Other equity		244.11	59.20
Total equity		**276.64**	**88.95**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	15	3.08	14.20
Other financial liabilities	16	-	0.14
Provisions	17	7.18	6.85
Other non-current liabilities	18	2.66	9.94
Total non-current liabilities		**12.92**	**31.13**
Current liabilities			
Financial liabilities			
Borrowings	19	16.43	93.82
Trade payables	20		
Total outstanding dues to micro enterprises and small enterprises		11.15	17.17
Total outstanding dues to creditors other than micro enterprises and small enterprises		50.38	46.14
Lease liabilities	15	2.05	5.16
Other financial liabilities	16	31.89	22.72
Other current liabilities	18	27.40	31.25
Provisions	17	0.66	0.57
Total current liabilities		**139.96**	**216.83**
TOTAL LIABILITIES		**152.88**	**247.96**
TOTAL EQUITY AND LIABILITIES		**429.52**	**336.91**

The accompanying notes form an integral part of the standalone financial statements
This is the standalone balance sheet referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

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STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

₹ in Crores

	Notes	31 March 2021	31 March 2020
INCOME			
Revenue from operations	21	249.54	309.35
Other income	22	8.47	6.26
Total income (I)		**258.01**	**315.61**
EXPENSES			
Purchase of stock-in-trade		71.19	114.73
Changes in inventories of work-in-progress and stock-in-trade	23	(1.97)	5.52
Service charges		104.57	103.92
Employee benefits expense (net)	24	32.21	36.43
Finance costs	25	17.01	18.50
Depreciation and amortisation expense	26	5.39	7.46
Other expenses	27	31.47	30.68
Total expenses (II)		**259.87**	**317.24**
Loss before tax (I - II)		**(1.86)**	**(1.63)**
Tax expenses		-	-
Net loss for the year		**(1.86)**	**(1.63)**
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plan		0.32	(0.51)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income / (Loss) for the year		**0.32**	**(0.51)**
Total Comprehensive Loss for the year		**(1.54)**	**(2.14)**
Loss per equity share (Face value of ₹ 10 each)	28		
Basic (in ₹)		(0.62)	(0.55)
Diluted (in ₹)		(0.62)	(0.55)

The accompanying notes form an integral part of the standalone financial statements

This is the standalone statement of profit and loss referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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Company Secretary

Place : Indore
Date : 02 August 2021

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

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2021

₹ in Crores

	31 March 2021	31 March 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)
Net loss on foreign currency translation	1.33	0.37
Finance costs	17.01	18.50
Interest income on bank deposits	(0.23)	(0.21)
Expenses on / (reversal of) share based payments	0.31	(0.17)
Interest income on inter corporate deposit	(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**

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2021

₹ in Crores

	31 March 2021	31 March 2020
Cash flows from financing activities		
Proceeds from issue of equity shares	2.14	0.01
Proceeds from issue of share warrants	73.38	-
Securities premium received on issue of equity shares and conversion of warrants	113.40	0.05
Repayment of working capital loan	-	(7.03)
(Repayment) / availment of cash credit facilities	(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**
Components of cash and cash equivalents		
Balances with banks:		
– In current accounts	0.35	0.36
– In deposit accounts	3.33	0.31
Cheques on hand	-	0.38
Cash on hand	0.01	0.04
Total cash and cash equivalents	**3.69**	**1.09**

The accompanying notes form an integral part of the standalone financial statements

The above standalone cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS-7, "Statement of Cash Flows" specified under section 133 of the Companies Act, 2013 ('the Act').

This is the standalone cash flow statement referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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Whole-time Director
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Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

EQUITY SHARE CAPITAL

Particulars	Note	Number of shares	₹ in Crores
As at 1 April 2019	**14**	**29,737,649**	**29.74**
Changes during the year		7,000	0.01
As at 31 March 2020	**14**	**29,744,649**	**29.75**
Changes during the year		2,784,181	2.78
As at 31 March 2021	**14**	**32,528,830**	**32.53**

OTHER EQUITY

₹ in Crores

Particulars	Reserves and surplus					Other Comprehensive Income	Money received against share warrants	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Stock options outstanding	Remeasurement of defined benefit obligation		
As at 1 April 2019	**22.64**	**45.83**	**100.58**	**(108.68)**	**2.35**	**0.33**	**-**	**63.05**
Impact on account of adoption of Ind AS 116 - Leases	-	-	-	(1.59)	-	-	-	(1.59)
Loss for the year	-	-	-	(1.63)	-	-	-	(1.63)
Remeasurement of defined benefit obligation	-	-	-	-	-	(0.51)	-	(0.51)
Reversal of expenses on employee stock option scheme	-	-	-	-	(0.17)	-	-	(0.17)
Transferred to securities premium	-	0.02	-	-	(0.02)	-	-	-
Issue of share capital on exercise of employee stock option	-	0.05	-	-	-	-	-	0.05
As at 31 March 2020	**22.64**	**45.90**	**100.58**	**(111.90)**	**2.16**	**(0.18)**	**-**	**59.20**
Loss for the year	-	-	-	(1.86)	-	-	-	(1.86)
Remeasurement of defined benefit obligation	-	-	-	-	-	0.32	-	0.32
Expenses on employee stock option scheme	-	-	-	-	0.31	-	-	0.31
Transferred to general reserve	-	-	0.01	-	(0.01)	-	-	-
Transferred to securities premium	-	0.72	-	-	(0.72)	-	-	-
Issue of equity shares, net of transaction costs	-	173.74	-	-	-	-	-	173.74
Money received against share warrants	-	-	-	-	-	-	12.40	12.40
As at 31 March 2021	**22.64**	**220.36**	**100.59**	**(113.76)**	**1.74**	**0.14**	**12.40**	**244.11**

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

Nature and purpose of reserves:

Capital reserve

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

Securities premium reserve

Amount received (on issue of shares) in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Act.

General reserve

This represents appropriation of profit by the Company.

Retained earnings

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

Stock option outstanding

The stock option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to the securities premium account upon exercise of stock options by employees, as applicable. In case of forfeiture, corresponding balance is transferred to general reserve.

The accompanying notes form an integral part of the standalone financial statements

This is the standalone statement of changes in equity referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

For and on behalf of the Board of Directors of
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Date : 02 August 2021

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

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

1 CORPORATE INFORMATION

AGC Networks Limited ('the Company') or 'AGC' is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. Its shares are listed on two stock exchanges in India, Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company's registered office is located at Essar House, 11 Keshavrao Khadye Marg, Opposite Race Course, Mahalaxmi, Mumbai – 400034. The Company, along with its foreign and Indian subsidiaries, is a global information, communications technology (ICT) solutions provider and Integrator seamlessly delivering technology based solutions across global markets and verticals layered with a spectrum of applications and services. The Company is the leader in Enterprise Communications in India with global footprint in locations spanning India, Middle East / Africa, North America, Australia, New Zealand, Singapore and Europe.

2 BASIS OF PREPARATION AND PRESENTATION

A. Statement of compliance

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

All amounts included in the financial statements are reported in Indian Rupees (INR) in Crores except share and per share data unless otherwise stated and "0" denotes amounts less than fifty thousands rupees.

B. Basis of preparation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Share based payment transactions; and

iii. Defined benefit and other long-term employee benefits.

C. Use of estimate and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Income tax: Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

(ii) **Deferred tax:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) **Defined benefit plan and compensated absences:** The cost of the defined benefit plan, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) **Share-based payments:** The grant date fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employees become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "stock options outstanding". The amount recognised as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vest, in the standalone statement of profit and loss with a corresponding adjustment to equity.

(v) **Property, plant and equipment:** Property, plant and equipment (PPE) represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of the PPE's expected useful life and the expected residual value at the end of its life. Depreciation of PPE is calculated on straight-line basis over the useful life estimated by the management either based on technical evaluation or those prescribed under schedule II of the Act.

(vi) **Expected credit losses on financial assets:** On application of Ind AS 109 "Financial Instruments", the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(vii) **Provisions:** Provisions are recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit plan and compensated absences) are not discounted to their present value and are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(viii) **Leases:** Ind AS 116, Leases, requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

D. Summary of significant accounting policies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in INR, which is the functional and presentation currency of the Company.

(ii) Foreign currency transactions and translations

Foreign currency transactions of the Company are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the balance sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the standalone statement of profit and loss.

(iii) Financial instruments

a. Initial recognition and measurement

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

b. Subsequent measurement

Non derivative financial instruments

a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. **De-recognition of financial instruments**

The Company derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

d. **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(iv) Current versus non-current classification

(i) An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or

b. Held primarily for the purpose of trading, or

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

d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) All other assets are classified as non-current.

(iii) Liability is considered as current when it is:

a. Expected to be settled in the normal operating cycle, or

b. Held primarily for the purpose of trading, or

c. Due to be settled within twelve months after the reporting period, or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(vi) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products / services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

(v) Property, plant and equipment (PPE)

PPE are stated at historical cost, less accumulated depreciation and impairment losses, if any. Historical costs include expenditure directly attributable to acquisition which are capitalised until the PPE are ready for use, as intended by management.

An item of PPE and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposals of assets are measured as the difference between the net disposal proceeds and the carrying value of the asset on the date of disposal and are recognised in the statement of profit and loss, in the period of disposal.

The Company depreciates PPE over their estimated useful lives using the straight-line method. The estimated useful lives of PPE are as follows:

Assets	Number of years
Plant and equipment	3 to 15 years
Furniture and fixtures	5 years
Office equipment	3 to 5 years
Buildings	30 to 60 years
Vehicles	4 years
Computers and servers	3 to 4 years
Electrical installations	5 years

In case of certain PPE, the Company uses different useful life than those specified in Schedule II of the Act which is duly supported by technical evaluation.

Depreciation on addition to property, plant and equipment or on disposal of property, plant and equipment is calculated pro-rata from the month of such addition or up to the month of such disposal as the case may be.

(vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Computer software is amortised on a straight line basis over the estimated useful economic life which is expected as four years. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised.

(vii) Leases

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

(i) Company as a lessee

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Lease liabilities and ROU assets have been separately presented in the standalone balance sheet and lease payments have been classified as financing cash flows.

(ii) The Company as a lessor

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

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

(viii) Impairment of assets

a. Non-financial assets

Intangible assets, right of use assets and PPE are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the standalone statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

b. Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing component. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the lifetime credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ix) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of these investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the standalone statement of profit and loss.

(x) Employee benefits

a. Long-term employee benefits

(i) Defined contribution plan

The Company has defined contribution plan for post employment benefits in the form of provident fund, employees' state insurance and labour welfare fund. Under the defined contribution plan, the Company has no further obligation beyond making the contributions. Such contributions are charged to the standalone statement of profit and loss as incurred.

(ii) Defined benefit plan

The Company has defined benefit plan for post employment benefits in the form of gratuity for its employees in India. Liability for defined benefit plan is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in standalone statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurement of net defined benefit liability or asset through other comprehensive income.

Remeasurement comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) are not reclassified to standalone statement of profit and loss in subsequent periods.

(iii) Other long-term employee benefits

The employees of the Company are also entitled to other long-term employee benefits in the form of compensated absences as per the policy of the Company. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains / loss are recognised in the standalone statement of profit and loss during the period in which they arise.

b. **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits include performance incentives.

(xi) Share based payments

The Company determines the compensation cost based on the fair value method using Black-Scholes-Merton formula, in accordance with Ind AS 102 “Share based payment”. The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on graded basis over the vesting period. The share based payment expense is determined based on the Company’s estimate of equity instrument that will eventually vest.

(xii) Unamortised cost for maintenance contracts

Contractual obligation relating to maintenance contracts, benefits of which will be consumed in subsequent years, have been recognised as unamortised cost for maintenance contracts and disclosed under “other assets”.

(xiii) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

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

(xiv) Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty-related costs is reviewed annually.

(xv) Borrowing costs

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

(xvi) Inventories

Inventories of materials and components, work-in-progress and stock-in-trade are valued at cost or net realisable value, whichever is lower. The cost is determined on weighted average basis, and includes all costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress, cost also includes costs of conversion.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Further, inventory contains service spares which are used as replacement stocks by the Company for servicing the customers repairs and maintenance requirements during the service period. Adequate allowances are recognised as a measure of consumption over their expected life based on their usage.

(xvii) Income recognition

(a) Revenue recognition

Revenue is recognised to depict the transfer of promised products or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products or services. The following specific recognition criteria must also be met before revenue is recognised:

Sale of products

Revenue from sale of product is recognised when control of the product is transferred to the buyer which generally coincides with acknowledgement of delivery pending which the sale is disclosed as “Contract liabilities”.

The Company collects goods and services tax (GST) and other indirect taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company and are accordingly excluded from the revenue.

Sale of services

1. Revenue from implementation services (including installation and commissioning) related to products supplied or on a standalone basis are recognised when services are rendered, as the performance obligations are met.
2. Revenue from maintenance contracts is recognised based on time elapsed and revenue is straight lined over the period of the performance or on the performance of services as specified in the contract.

3. Service income of a periodic nature which is billed but has not accrued during the year is disclosed as "Contract liabilities".

4. The Company collects GST and other indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the Company and are accordingly excluded from the revenue.

(b) Other operating revenue

It includes revenue arising from the reversal of operating liabilities / provisions no longer required or revenue arising from Company's ancillary revenue-generating activities. Revenue from these activities are recorded only when Company is reasonably certain of such income.

(c) Other income

Other income comprises

a. Interest income on deposits: Interest income is recognised using the effective interest method and on time proportion basis.

b. Commission income: It is accounted on accrual basis, except where receipt of income is uncertain.

(xviii) Income tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xix) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xx) Cash and cash equivalents

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

(xxi) Equity shares

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

(xxii) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

(xxiii) Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

Further, on 24 March 2021, MCA through a notification, amended Schedule III of the Act. These amendments are applicable from 1 April 2021. The Company is currently evaluating the impact of these amendments on the financial statements.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are as follows:

1. Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
2. Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
3. Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
4. Specified format for disclosure of shareholding of promoters.
5. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

6. Additional disclosures relating to corporate social responsibility, undisclosed income and crypto or virtual currency.
7. Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio in excess of 25% compared to preceding year.
8. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
9. If a company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose whether the quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of account and if not, summary of reconciliation and reasons for material discrepancies, if any to be disclosed.
10. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

3 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Building	Plant and equipment	Computers and servers	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount								
As at 1 April 2019	0.09	19.27	11.39	1.09	2.26	10.01	0.07	44.18
Additions	-	0.09	0.02	0.04	0.06	0.02	-	0.23
Disposals	-	-	0.17	-	-	0.02	-	0.19
As at 31 March 2020	**0.09**	**19.36**	**11.24**	**1.13**	**2.32**	**10.01**	**0.07**	**44.22**
Additions	-	0.17	0.05	-	-	-	-	0.22
Disposals	-	4.15	3.52	0.89	1.98	8.19	0.07	18.80
As at 31 March 2021	**0.09**	**15.38**	**7.77**	**0.24**	**0.34**	**1.82**	**-**	**25.64**
Accumulated depreciation								
As at 1 April 2019	0.08	14.36	9.74	0.95	1.90	9.38	0.07	36.48
Charge for the year	0.00	0.55	0.57	0.04	0.08	0.13	-	1.37
Disposals	-	-	0.12	-	-	0.02	-	0.14
As at 31 March 2020	**0.08**	**14.91**	**10.19**	**0.99**	**1.98**	**9.49**	**0.07**	**37.71**
Charge for the year	0.00	0.55	0.25	0.05	0.08	0.12	-	1.05
Disposals	-	4.15	3.52	0.89	1.98	8.19	0.07	18.80
As at 31 March 2021	**0.08**	**11.31**	**6.92**	**0.15**	**0.08**	**1.42**	**-**	**19.96**
Net carrying amount								
As at 31 March 2020	**0.01**	**4.45**	**1.05**	**0.14**	**0.34**	**0.52**	**-**	**6.51**
As at 31 March 2021	**0.01**	**4.07**	**0.85**	**0.09**	**0.26**	**0.40**	**-**	**5.68**

Footnotes:

1 Building includes those constructed on leasehold land.

2 For capital commitments, refer note 33(B).

3 Refer note 19(a) for information on property, plant and equipment maintained as security by the Company.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

4 RIGHT OF USE ASSETS

₹ in Crores

	Buildings
Gross carrying amount	
As at 1 April 2019	19.06
Additions	3.84
As at 31 March 2020	**22.90**
Additions	1.33
Disposals	15.53
As at 31 March 2021	**8.70**
Accumulated depreciation	
Charge for the year	5.86
As at 31 March 2020	**5.86**
Charge for the year	4.28
Disposals	6.32
As at 31 March 2021	**3.82**
Net carrying amount	
As at 31 March 2020	**17.04**
As at 31 March 2021	**4.88**

Notes:

1 Disposals includes lease reassessments in the nature of pre-termination of lease arrangements.

2. Refer note 37(c) for disclosure on leased assets

5 OTHER INTANGIBLE ASSETS

₹ in Crores

	Computer software
Gross carrying amount	
As at 1 April 2019	12.83
Additions	0.05
Disposals	-
As at 31 March 2020	**12.88**
Additions	0.16
Disposals	1.56
As at 31 March 2021	**11.48**

₹ in Crores

	Computer software
Accumulated amortisation	
As at 1 April 2019	12.05
Charge for the year	0.23
Disposals	-
As at 31 March 2020	**12.28**
Charge for the year	0.06
Disposals	1.56
As at 31 March 2021	**10.78**
Net carrying amount	
As at 31 March 2020	**0.60**
As at 31 March 2021	**0.70**

6 NON-CURRENT INVESTMENTS

	31 March 2021				31 March 2020			
	No. of shares	Currency	Face value	₹ in Crores	No. of shares	Currency	Face value	₹ in Crores
Investment in equity instruments (at cost)								
Unquoted (fully paid-up)								
Investment in subsidiaries								
AGC Networks Pte. Limited (refer note 1 below)	100	SGD	1	34.22	100	SGD	1	34.22
	4	SGD	481,111		4	SGD	481,111	
	10	SGD	607,870		10	SGD	607,870	
	3	SGD	4,385,872	73.00	-	-	-	-
	3	SGD	4,020,000	65.52	-	-	-	-
	1	SGD	4,035,000	21.74	-	-	-	-
AGC Networks Australia Pty Limited (refer note 2 below)	-	-	-	-	4,224,993	AUD	1	14.50
				194.48				48.72
Aggregate amount of unquoted investments (at cost)				**194.48**				**48.72**
Aggregate amount of impairment in value of investments				**-**				**-**

Notes:

1. The Company has made additional investment amounting to ₹ 160.26 Crores equivalent to USD 22.01 million in AGC Networks Pte. Limited, wholly-owned subsidiary of the Company, through Overseas Direct Investment route during February and March 2021.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

2. During the year ended 31 March 2021, the Company has sold all the shares held in AGC Networks Australia Pty Limited, wholly-owned subsidiary of the Company, to Black Box Corporation of Pennsylvania, step-down subsidiary of the Company, for a total purchase consideration of ₹ 16.35 Crores equivalent to AUD 2.88 million with effect from 1 January 2021. The name of AGC Networks Australia Pty Limited has changed to Black Box Technologies Australia Pty Limited effective from 3 May 2021 [refer note 32(II)].

7 LOANS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured, considered good				
Deposits	2.00	1.63	1.46	1.72
Inter corporate deposit (refer note 40)	-	-	-	17.30
	2.00	**1.63**	**1.46**	**19.02**

Refer note 35 for information on credit risk and market risk.

8 OTHER FINANCIAL ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured, considered good				
Margin money deposits with banks *	0.92	0.80	-	-
Receivable against sale of property, plant and equipment	-	-	-	1.46
Receivable from related parties [refer note 32(III)]	-	0.14	27.69	11.40
Interest accrued on inter corporate deposit (refer note 40)	-	-	-	5.52
Interest accrued on margin money deposits	-	0.05	0.19	0.05
	0.92	**0.99**	**27.88**	**18.43**

Refer note 35 for information on credit risk and market risk.

* As lien against bank guarantees issued amounting to ₹ 12.02 Crores (31 March 2020: ₹ 12.17 Crores).

9 DEFERRED TAX ASSETS (NET)

₹ in Crores

	31 March 2021	31 March 2020
Deferred tax assets arising on account of *		
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	0.05	0.18
Provision for employee benefits	0.04	0.12
Allowance for expected credit loss	0.39	0.99
Lease liabilities	0.03	0.34
Brought forward tax losses	0.72	2.66
	1.23	**4.29**
(Deferred tax liability) arising on account of		
Right of use assets	(1.23)	(4.29)
	(1.23)	**(4.29)**
Deferred tax assets (net)	-	-

* Deferred tax assets have been recognised to the extent of deferred tax liability as there is no reasonable certainty of future taxable income against which such deferred tax assets can be realised.

(a) Movement in deferred tax assets and deferred tax liability from 1 April 2020 to 31 March 2021

₹ in Crores

	Opening balance as on 1 April 2020	Recognised in the statement of profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Closing balance as on 31 March 2021
Deferred tax assets arising on account of					
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	0.18	(0.13)	-	-	0.05
Provision for employee benefits	0.12	(0.07)	(0.01)	-	0.04
Allowance for expected credit loss	0.99	(0.60)	-	-	0.39
Lease liabilities	0.34	(0.31)	-	-	0.03
Brought forward tax losses	2.66	(1.94)	-	-	0.72
	4.29	**(3.05)**	**(0.01)**	**-**	**1.23**
(Deferred tax liability) arising on account of					
Right of use assets	(4.29)	3.06	-	-	(1.23)
	(4.29)	**3.06**	**-**	**-**	**(1.23)**
Deferred tax assets (net)	**-**	**0.01**	**(0.01)**	**-**	**-**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(b) Movement in deferred tax assets and deferred tax liability from 1 April 2019 to 31 March 2020

₹ in Crores

	Opening balance as on 1 April 2019	Recognised in the statement of profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Closing balance as on 31 March 2020
Deferred tax assets arising on account of					
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	-	0.18	-	-	0.18
Provision for employee benefits	-	0.11	0.01	-	0.12
Allowance for expected credit loss	-	0.99	-	-	0.99
Lease liabilities	-	0.34	-	-	0.34
Brought forward tax losses	-	2.66	-	-	2.66
	-	**4.28**	**0.01**	**-**	**4.29**
(Deferred tax liability) arising on account of					
Right of use assets	-	(4.29)	-	-	(4.29)
	-	**(4.29)**	**-**	**-**	**(4.29)**
Deferred tax assets (net)	**-**	**(0.01)**	**0.01**	**-**	**-**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off tax assets and tax liabilities and deferred tax assets and deferred tax liabilities related to the income taxes levied by the same tax authorities.

Brought forward tax losses and other temporary differences on which no deferred tax asset is recognised in standalone balance sheet :

₹ in Crores

	31 March 2021	31 March 2020
Brought forward tax losses	109.69	139.60
Temporary differences	83.14	86.60
	192.83	**226.20**

10 OTHER ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Advances other than capital advances				
Advance to vendors *	-	-	5.27	1.44
Prepaid expenses	0.01	0.03	0.56	1.31
Balances with statutory / government authorities	4.88	5.89	15.33	10.66
Unamortised cost for maintenance contracts	-	-	31.41	36.62
Other receivables	-	-	0.08	6.89
	4.89	**5.92**	**52.65**	**56.92**

* It includes trade advances to related parties amounting to ₹ 1.44 Crores (31 March 2020 : ₹ 0.23 Crores) [refer note 32(III)]

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

11 INVENTORIES

₹ in Crores

	31 March 2021	31 March 2020
Work-in-progress (refer footnote of note 23)	-	0.02
Stock-in-trade (includes in transit ₹ Nil) (31 March 2020: ₹ 0.59 Crores) (refer footnote of note 23)	10.53	8.54
Stores and spares	1.33	1.44
	11.86	**10.00**

12 TRADE RECEIVABLES

₹ in Crores

	31 March 2021	31 March 2020
Unsecured		
Considered good	125.17	131.28
Less: Allowance for expected credit loss	(58.29)	(54.17)
Credit impaired	5.44	2.23
Less: Allowance for expected credit loss	(5.44)	(2.23)
	66.88	**77.11**
Includes due from related parties [refer note 32 (III)]	11.76	6.51

Notes:

1. Trade receivables are non-interest bearing and are generally on credit terms in line with applicable industry norms.
2. Refer note 35 for information on credit risk and market risk.

13 CASH AND CASH EQUIVALENTS AND BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

	31 March 2021	31 March 2020
Cash and cash equivalents		
Balances with banks:		
– In current accounts	0.35	0.36
– In deposit accounts *	3.33	0.31
Cheques on hand	-	0.38
Cash on hand	0.01	0.04
	3.69	**1.09**
Bank balances other than cash and cash equivalents		
Margin money deposits with maturity of more than 3 months and less than 12 months*	2.61	1.83
	2.61	**1.83**

* As lien against bank guarantees issued amounting to ₹ 12.02 Crores (31 March 2020 : ₹ 12.17 Crores).
There are no repatriation restrictions with regard to cash and cash equivalents and bank balances other than cash and cash equivalents, as at the end of the reporting period and prior periods.
Refer note 35 for information on credit risk and market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

14 EQUITY SHARE CAPITAL

₹ in Crores

	31 March 2021	31 March 2020
Authorised share capital		
45,000,000 (31 March 2020: 45,000,000) equity shares of ₹10 each	45.00	45.00
5,000,000 (31 March 2020: 5,000,000) Cumulative or Non-cumulative redeemable preference shares of ₹ 100 each	50.00	50.00
5,000,000 (31 March 2020: 5,000,000) Convertible preference shares of ₹ 100 each	50.00	50.00
Issued, subscribed and fully paid-up share capital		
32,528,830 (31 March 2020 : 29,744,649) equity shares of ₹ 10 each	32.53	29.75
Total issued, subscribed and fully paid-up share capital	**32.53**	**29.75**

Notes:

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

Equity shares

	31 March 2021		31 March 2020	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	29,744,649	29.75	29,737,649	29.74
Shares issued on exercise of employee stock option plan (refer note 30)	185,530	0.18	7,000	0.01
Shares issued on conversion of share warrants issued on preferential basis (refer footnote below)	2,598,651	2.60	-	-
Outstanding at the end of the year	**32,528,830**	**32.53**	**29,744,649**	**29.75**

Footnote:

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 ₹ 10 each at a premium of ₹ 665 per warrant to Essar Telecom Limited and Onir Metallics Limited on 8 January 2021. As at 31 March 2021, the Company has received money aggregating to ₹ 187.81 Crores against convertible warrants. Each warrant is convertible into 1 equity share of ₹ 10 each of the Company within 18 months from the date of allotment subject to payment of balance subscription amount. Out of total 3,333,334 convertible warrants, 2,598,651 warrants have been converted into equity shares. Subsequent to 31 March 2021, Onir Metallics Limited has merged with Essar Steel Metal Trading Limited.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(b) Rights, preference and restriction on equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per equity share. The Company declares and pays dividends in INR. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of fully paid-up equity shares held by the shareholders.

(c) Essar Telecom Limited (ETL) is the holding company with effect from 20 March 2021. As at 31 March 2021, ETL is holding 16,346,336 (31 March 2020 : 14,082,055) equity shares of ₹ 10 each fully paid-up amounting to ₹ 16.35 Crores (31 March 2020 : ₹ 14.08 Crores).

(d) Aggregate number of bonus shares issued or buy back of shares during the period of five years immediately preceding the reporting date

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2021.

(e) Shares issued for consideration other than cash

The Company has allotted 1,271,185 fully paid-up equity shares of ₹ 10 each on conversion of compulsorily convertible preference shares during the year ended 31 March 2019.

(f) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	31 March 2021		31 March 2020	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid-up				
- Essar Telecom Limited	16,346,336	50.25%	14,082,055	47.34%
- Onir Metallics Limited #	6,807,267	20.93%	6,472,897	21.76%

This company has merged with Essar Steel Metal Trading Limited with effect from 7 July 2021.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(g) Shares reserved for issue under options

The Company has reserved 734,683 shares (31 March 2020 : Nil) for issue on conversion of warrants, refer footnote to note (a) above.

For details of shares reserved for issue under the employee stock option plan of the Company, refer note 30.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

15 LEASE LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Lease liabilities	3.08	14.20	2.05	5.16
	3.08	**14.20**	**2.05**	**5.16**

Notes:

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

(b) Refer note 37(c) for disclosure on leased assets.

(c) Refer note 35 for information on credit risk, market risk and liquidity risk.

16 OTHER FINANCIAL LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Employee related payables	-	-	0.96	3.95
Payables for expenses	-	-	14.28	11.60
Interest accrued on borrowings	-	-	0.18	0.97
Guarantee liability (refer note 39)	-	0.14	0.14	0.38
Payables for letter of credit	-	-	16.33	5.82
	-	**0.14**	**31.89**	**22.72**

Refer note 35 for information on credit risk, market risk and liquidity risk.

17 PROVISIONS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits				
Provision for gratuity [refer note 29(b)]	6.63	6.28	0.34	0.17
Provision for compensated absences [refer note 29(c)]	0.55	0.57	0.04	0.03
	7.18	**6.85**	**0.38**	**0.20**
Other provision				
Provision for warranties [refer note (a) below]	-	-	0.28	0.37
	-	**-**	**0.28**	**0.37**
	7.18	**6.85**	**0.66**	**0.57**

(a) Provision for warranties

A provision is recognised for expected warranty claims on products sold during the last one year, based on the past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within a year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one-year warranty period for all products sold. The table below gives information about movement in warranty provision.

₹ in Crores

	31 March 2021	31 March 2020
At the beginning of the year	0.37	0.38
Recognised during the year	0.28	0.37
Unused amounts reversed	(0.37)	(0.38)
At the end of the year	**0.28**	**0.37**

18 OTHER LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Contract liabilities [refer note 38(b)]	2.66	9.94	24.32	24.73
Advances from customers *	-	-	0.87	1.82
Statutory dues payable	-	-	2.17	2.15
Other payables	-	-	0.04	2.55
	2.66	**9.94**	**27.40**	**31.25**

* It includes trade advances from related parties amounting to ₹ 0.25 Crores (31 March 2020 : ₹ 0.34 Crores) [refer note 32(III)]

19 CURRENT BORROWINGS

₹ in Crores

	31 March 2021	31 March 2020
Secured		
Loans repayable on demand	16.43	93.82
Cash credit facilities from banks	**16.43**	**93.82**

Cash flow changes in liabilities arising from financial activities:

₹ in Crores

Particulars	Borrowings
As at 1 April 2019	**98.04**
Cash flows (net)	(4.22)
As at 31 March 2020	**93.82**
Cash flows (net)	(77.39)
As at 31 March 2021	**16.43**

Notes:

(a) Cash credit facilities from banks are secured by first pari-passu charge on entire current assets of the Company (present and future) including inventory of material and components, work-in-progress, stock-in-trade, trade receivables, insurances etc. and by second pari-passu charge on all moveable PPE of the Company.

Cash credit carry an effective interest rate of 11.75% to 14.50% p.a. (31 March 2020 : 13.00% to 15.00% p.a.).

(b) In view of COVID-19 pandemic, the Reserve Bank of India had, vide Circular No. RBI/2019-20/186 dated 27 March 2020 and Circular No. RBI/2019-20/244 dated 23 May 2020, inter-alia, permitted the lending institutions to defer the recovery of interest in respect of working capital facility during the period 1 March 2020 to 31 August 2020. In addition to above, the latter circular permitted the conversion of accumulated interest for the period up to 31 August 2020 into a funded interest term loan (FITL) which shall be repayable not later than 31 March 2021. The Company had applied for the aforementioned moratorium benefits for all the cash credit facilities. Further, during the year ended 31 March 2021, the accumulated interest for the period up to 31 August 2020 was converted into FITL and repaid in full on or before 31 March 2021 by the Company.

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

(d) Refer note 35 for information on credit risk, market risk and liquidity risk.

20 TRADE PAYABLES

₹ in Crores

	31 March 2021	31 March 2020
Dues to micro enterprises and small enterprises (refer note 34)	11.15	17.17
Dues to creditors other than micro enterprises and small enterprises	50.38	46.14
	61.53	**63.31**
Includes due to related parties [refer note 32(III)]	1.21	1.18

Notes:

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

2. Refer note 35 for information on credit risk, market risk and liquidity risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

21 REVENUE FROM OPERATIONS

₹ in Crores

	31 March 2021	31 March 2020
Revenue from contracts with customer		
Sale of products (refer footnote of note 23)	89.08	143.06
Sale of services [refer note (a) below]	156.82	165.44
	245.90	**308.50**
Other operating revenue		
Liabilities / provisions for earlier years no longer required written back / reversed [refer note (b) below]	3.64	0.85
	249.54	**309.35**

Notes:

(a) Details of sale of services

₹ in Crores

	31 March 2021	31 March 2020
- Maintenance services	66.45	76.90
- Implementation services	90.37	88.54
	156.82	**165.44**

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

₹ in Crores

	31 March 2021	31 March 2020
- pertaining to provision for expenses	2.14	0.07
- pertaining to employee stock option expense	-	0.17
- pertaining to employee related payables	0.03	-
- pertaining to trade payables	-	0.23
- pertaining to goods receipt / invoice receipt balances	1.13	0.15
- pertaining to advance from customers	0.34	0.23
	3.64	**0.85**

22 OTHER INCOME

₹ in Crores

	31 March 2021	31 March 2020
Interest income on		
Bank deposits	0.23	0.21
Income tax refund	3.18	0.96
Inter corporate deposit	1.67	3.63
Others	-	0.22
Corporate guarantee commission [refer note 32(II)]	0.78	0.75
Gain on sale of investment in subsidiary	1.85	-
Gain on remeasurement of lease	0.59	-
Miscellaneous income	0.17	0.49
	8.47	**6.26**

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

₹ in Crores

	31 March 2021	31 March 2020
Inventories at the end of the year		
Stock-in-trade	10.53	8.54
Work-in-progress	-	0.02
	10.53	**8.56**
Inventories at the beginning of the year		
Stock-in-trade	8.54	13.59
Work-in-progress	0.02	0.49
	8.56	**14.08**
	(1.97)	**5.52**

Footnote: The Company is a global ICT solution provider and integrator operating in various quadrants and the solutions sold to customers are configured as per specific customer requirements. The heterogeneous mix of components in solutions offered to customers makes it difficult to establish a meaningful / homogenous relationship for providing breakup of products purchased / sold during the year and the stock position. Consequently, it is neither feasible nor meaningful to give the category-wise details of products purchased and sold during the year and stock position for all its product solutions.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

24 EMPLOYEE BENEFITS EXPENSE (NET)

₹ in Crores

	31 March 2021	31 March 2020
Salaries and wages *	28.34	33.89
Contribution to provident fund and other funds [refer note 29(a)] *	2.06	1.08
Share based payment to employees	0.31	-
Staff welfare expenses	1.50	1.46
	32.21	**36.43**

* Includes amount paid to key managerial personnel amounting to ₹ 1.03 Crores (31 March 2020: ₹ 1.29 Crores) [refer note 32(IV)].

25 FINANCE COSTS

₹ in Crores

	31 March 2021	31 March 2020
Interest on borrowings	12.21	12.90
Guarantee commission	0.14	0.17
Interest on lease liabilities	1.72	2.99
Other borrowing costs	2.94	2.44
	17.01	**18.50**

26 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

	31 March 2021	31 March 2020
Depreciation of property, plant and equipment (refer note 3)	1.05	1.37
Depreciation of right of use assets (refer note 4)	4.28	5.86
Amortisation of other intangible assets (refer note 5)	0.06	0.23
	5.39	**7.46**

27 OTHER EXPENSES

₹ in Crores

	31 March 2021	31 March 2020
Consumption of stores and spares	0.89	1.23
Power and water charges	0.65	0.98
Rent (net) (refer note 37)	0.51	0.79
Rates and taxes	0.37	0.49
Insurance	0.13	0.11

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

	31 March 2021	31 March 2020
Repairs and maintenance - others	2.92	3.61
Travelling and conveyance	5.22	8.61
Communication expenses	0.70	0.84
Legal and professional fees	3.35	4.34
Advertisement and sales promotion	0.25	0.44
Outward freight, clearing and forwarding charges	0.24	0.36
Commission on sales	0.26	0.13
Directors' sitting fees [refer note 32(IV)]	0.27	0.27
Contribution towards corporate social responsibility (refer note 43)	0.20	0.11
Auditor's remuneration [refer note (a) below]	1.09	1.22
Net loss on foreign currency transactions and translations	1.25	0.09
Allowance for expected credit loss	9.16	5.62
Sundry balances written off	2.08	-
Miscellaneous expenses	1.93	1.44
	31.47	**30.68**

Note:

(a) Auditor's remuneration (excluding goods and services tax)

₹ in Crores

	31 March 2021	31 March 2020
As auditors:		
Audit fee and limited review fees (including consolidation)	0.99	1.10
In other capacity:		
Other services (certification fees)	0.07	0.02
Reimbursement of expenses	0.03	0.10
	1.09	**1.22**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

28 LOSS PER EQUITY SHARE

₹ in Crores

		31 March 2021	31 March 2020
The components of basic and diluted loss per share are as follows:			
(a)	**Net loss attributable to equity shareholders**		
	Net loss for the year (₹ in Crores)	(1.86)	(1.63)
(b)	**Weighted average number of outstanding equity shares**		
	Considered for basic EPS	29,978,277	29,738,548
	Add : Effect of dilutive potential equity shares arising from outstanding stock options (refer note 1 below)	436,915	328,211
	Add : Effect of dilutive potential equity shares arising from convertible share warrants (refer note 2 below)	-	-
	Considered for diluted EPS	30,415,192	30,066,759
(c)	**Loss per equity share (Face value of ₹ 10 each)**		
	Basic (in ₹)	(0.62)	(0.55)
	Diluted (in ₹)	(0.62)	(0.55)

Notes:

1. 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 loss per share.
2. The effect of 734,683 convertible share warrants outstanding as at 31 March 2021 (31 March 2020: Nil), considered as potential equity shares, is anti-dilutive and thus these shares are not considered in determining diluted loss per share.

29 EMPLOYEE BENEFITS PLAN

(a) Defined contribution plan - The following amount is recognised in the statement of profit and loss for the year ended:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Contribution to provident fund	0.79	0.92

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

(b) Defined benefit plan - The Company has an unfunded defined benefit plan i.e. Gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following tables summarise the components of employee benefits expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet for the gratuity plan.

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

₹ in Crores

Particulars	31 March 2021	31 March 2020
Current service cost	0.64	0.58
Interest expense	0.43	0.46
Employee benefit expense recognised in profit and loss	**1.07**	**1.04**
Actuarial (gain) / loss charged to Other Comprehensive Income (OCI)		
Actuarial (gain) due to demographic assumptions	-	(0.00)
Actuarial (gain) due to experience adjustment	(0.32)	(0.05)
Actuarial loss due to change in financial assumptions	-	0.56
Net employee benefits (income) / expense recognised in OCI	**(0.32)**	**0.51**

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

Benefit liability

₹ in Crores

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation (net)	6.97	6.45
Net liability recognised in balance sheet	**6.97**	**6.45**

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

₹ in Crores

Particulars	31 March 2021	31 March 2020
Opening defined benefit obligation (net)	6.45	5.91
Current service cost	0.64	0.58
Interest cost	0.43	0.46
Benefits paid	(0.23)	(1.01)
Remeasurement (gain) / loss	(0.32)	0.51
Closing defined benefit obligation (net)	**6.97**	**6.45**

Bifurcation of defined benefit obligation:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Current	0.34	0.17
Non-current	6.63	6.28
	6.97	**6.45**

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

₹ in Crores

Particulars	31 March 2021		31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- /+ 1%)	0.63	(0.54)	0.63	(0.52)
Salary growth rate (- / + 1%)	(0.47)	0.53	(0.46)	0.53
Attrition rate	(0.01)	0.02	0.00	0.02
(- /+ 50% of attrition rates provided in principal assumption table)				
Mortality rate (- /+ 10%)	0.00	0.01	0.01	0.02

The sensitivity analysis presented above may not be a representation of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be related to each other.

Following are the principal assumptions used as at the balance sheet date:

Particulars	31 March 2021	31 March 2020
Discount rate (% per annum)	6.65%	6.65%
Salary growth rate (% per annum)	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement age (in years)	58 years	58 years
Average future service (in years)	19.22 years	19.72 years
Attrition rate, based on age:		
Up to 26 years	5.00%	5.00%
27 - 34 years	12.00%	12.00%
35 - 44 years	5.00%	5.00%
Above 44 years	1.00%	1.00%

These assumptions were developed by the management with the assistance of independent actuarial appraiser. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The estimates of future salary growth rate considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Maturity profile of defined benefit obligation:

₹ in Crores

Particulars	31 March 2021	31 March 2020
One year	0.34	0.18
Two to five years	2.67	2.06
Six years and above	10.37	10.54

The weighted average duration of the defined benefit obligation at the end of the reporting period is 8 years (31 March 2020 : 9 years)

(c) **Compensated absences:** With effect from 1 January 2017, the Company has decided to restrict the balance of un-availed privilege leave (PL) to a maximum of 42 days from erstwhile limit of 90 days. Further, PL cannot be en-cashed or accumulated and shall lapse every year in the month of December. The balance as at 31 December 2016 is entitled to be en-cashed only during separation from the Company based on the basic salary as at 31 December 2016.

30 EMPLOYEES STOCK OPTION PLAN

The Company provides share based payment schemes to its employees. Since the year ended 31 March 2016, an employee stock option plan (ESOP) was in existence i.e. ESOP scheme 2015. The relevant details of the scheme and the grant are as below.

The shareholders of the Company through postal ballot on 21 April 2015 approved the equity settled ESOP scheme 2015 for issue of stock options to key employees and directors of the Company setting aside 1,423,323 options under this scheme. The Company had previously granted 1,004,866, 320,248 and 170,799 stock options on 14 May 2015, 19 May 2016 and 15 June 2018, respectively. On 19 October 2020, the Company has granted 63,000 stock options. According to the scheme, the employees selected by the Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grants are as below:

Grant date	19 October 2020	15 June 2018	19 May 2016	14 May 2015
Number of options granted	63,000	170,799	320,248	1,004,866
Vesting period (in years)	3 to 5 years	3 to 5 years	3 to 5 years	3 to 5 years
Exercise period (in years)	2 years from the end of vesting period	2 years from the end of vesting period	2 years from the end of vesting period	2 years from the end of vesting period
Exercise price (₹)	425.00	107.00	55.00	80.00
Fair value at grant date (₹)	215.65	71.65	42.84	32.85

The options are granted at an exercise price, which is in accordance with the relevant Securities and Exchange Board of India (SEBI) guidelines in force, at the time of such grants.

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

Particulars	31 March 2021		31 March 2020	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	619,262	74.51	626,262	74.58
Granted during the year	63,000	425.00	-	-
Forfeited during the year	69,633	107.00	-	-
Exercised during the year	185,530	65.76	7,000	80.00
Expired during the year	2,394	80.00	-	-
Outstanding at the end of the year	424,705	124.97	619,262	74.51
Exercisable at the end of the year	151,655	-	187,924	-

* WAEP denotes weighted average exercise price of the option

The following tables summarises the information about the options as at 31 March 2021 and 31 March 2020, respectively.

Grant	31 March 2021		
	Grant date	No. of options outstanding	Weighted Average life*
Series 1	14 May 2015	45,973	1.12
Series 2	19 May 2016	214,566	1.64
Series 3	15 June 2018	101,166	3.22
Series 4	19 October 2020	63,000	5.57

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

* Weighted average of remaining contractual life of options outstanding at the end of year

The weighted average fair value of the stock options outstanding as at 31 March 2021 is ₹ 74.26 (31 March 2020: ₹ 48.72). Options were priced using Black-Scholes-Merton formula.

Inputs into the model:

Particulars	Grant date			
	19 October 2020	15 June 2018	19 May 2016	14 May 2015
Dividend yield (%)	0.00%	0.00%	0.00%	9.60%
Expected volatility (%)	59.69 - 61.22%	60.04 - 61.19%	55.71 - 60.74%	54.42 - 57.57%
Risk-free interest rate (%)	5.05 - 5.62%	7.87 - 8.04%	7.30 - 7.46%	7.77 - 7.82%
Weighted average share price (₹)	394.30	116.25	68.20	104.15
Exercise price (₹)	425.00	107.00	55.00	80.00
Expected life of options granted (in years)	4.00 - 6.00	4.00 - 6.01	4.00 - 6.00	4.00 - 6.01

Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility used in Black-Scholes-Merton formula is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of Company's stock price on NSE over a period prior to the date of grant, corresponding with the expected life of the options.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Expected life of the options : Expected life of the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company has calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield: Expected dividend yield has been calculated by dividing the last declared dividend per share by the market price per share as on the date of grant.

31 SEGMENT INFORMATION

The Company has presented data related to its segments in its consolidated financial statements. No disclosures regarding segments are therefore presented in these financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

32 RELATED PARTY DISCLOSURE

In accordance with the requirement of Ind AS 24 "Related Party Disclosures", name of the related parties, their relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

(I) List of related parties and relationship

(i) Ultimate Holding Company:

Essar Global Fund Limited

(ii) Holding Company:

Essar Telecom Limited (w.e.f. 20 March 2021)

(iii) Subsidiary companies (including step-down subsidiaries):

AGC Networks Pte. Limited
AGC Networks LLC, USA (formerly known as AGC Networks Inc.)
AGC Networks Philippines, Inc.
AGC Networks & Cyber Solutions Limited
AGC Networks LLC, Dubai
AGC Networks LLC, Abu Dhabi
AGC Networks New Zealand Limited (Dissolved on 30 October 2020)
RevealCX LLC (Dissolved on 31 August 2020)
BBX Main Inc.
BBX Inc.
Black Box Corporation
ACS Communications, Inc. (Dissolved on 31 March 2021)
ACS Dataline, LP
ACS Investors, LLC
BB Technologies, Inc.
BBOX Holdings Mexico LLC
BBOX Holdings Puebla LLC
Black Box Corporation of Pennsylvania
Black Box Network Services, Inc. – Government Solutions
Black Box Services Company
CBS Technologies Corp. (Dissolved on 10 September 2020)
Delaney Telecom, Inc.
Norstan Communications, Inc.
Nu-Vision Technologies, LLC
Black Box Network Services Australia Pty Ltd
Black Box GmbH

Black Box Network Services NV
Black Box do Brasil Industria e Comercio Ltda.
Black Box Canada Corporation
Norstan Canada, Ltd./Norstan Canada, Ltée
Black Box Holdings Ltd.
Black Box Chile S.A.
Black Box E-Commerce (Shanghai) Co., Ltd.
Black Box A/S
Black Box Network Services (UK) Limited
Black Box Finland OY
Black Box France
Black Box Deutschland GmbH
Black Box Network Services India Private Limited
Black Box Network Services (Dublin) Limited
Black Box Software Development Services Limited
Black Box Network Services S.r.l.
Black Box Network Services Co., Ltd.
Black Box Network Services Korea Limited
Black Box Network Services SDN. BHD.
Black Box de Mexico, S. de R.L. de C.V.
Black Box International B.V.
Black Box International Holdings B.V.
Black Box Network Services New Zealand Limited
Black Box Norge AS
Black Box P.R. Corp.
Black Box Network Services Singapore Pte Ltd
Black Box Comunicaciones, S.A.
Black Box Network Services AB
Black Box Network Services AG
Black Box Network Services Corporation
Servicios Black Box S.A. de C.V.
Black Box Network Services Hong Kong Limited
Black Box Network Services Philippines Inc. (w.e.f. 01 January 2021)
Black Box Technologies Australia Pty Limited (formerly known as AGC Networks Australia Pty Limited)
AGCN Solutions Pte. Limited
COPC Holdings Inc.
COPC Inc.
COPC International Inc.
COPC Asia Pacific Inc.

COPC International Holdings LLC
COPC India Private Limited
COPC Consultants (Beijing) Co. Limited
Service Journey Strategies Inc. (w.e.f. 20 January 2021)

W.e.f. 1 July 2020
Pyrios Limited
Pyrios Pty Limited
Fujisoft Security Solutions LLC, Dubai
Black Box Technologies LLC (formerly known as Fujisoft Technology LLC, Dubai)
Fujisoft Technology LLC, Abu Dhabi

Related parties with whom transactions have taken place

(iv) Entities under common control:

Essar Bulk Terminal (Salaya) Limited
Essar Bulk Terminal Limited
Essar Bulk Terminal Paradip Limited
Essar Oil UK Limited
Essar Shipping Limited
Essar Projects Limited
Essar Power Gujarat Limited
Essar Power Orissa Limited
Essar Power M P Limited
Essar Power Hazira Limited
Ibrox Aviation And Trading Private Limited
Arcelormittal Nippon Steel India Limited
The Mobilestore Limited (up to 31 March 2020)
Essar Electric Power Development Corporation Limited
Essar Oil and Gas Exploration and Production Limited
Arkay Logistics Limited
Mesabi Metallics Company LLC
EPC Constructions India Limited
Essar Constructions India Limited
Essar Power Transmission Company Limited
Essar Projects PNG Limited
Essar Steel Metal Trading Limited (Onir Metallics Limited merged with Essar Steel Metal Trading Limited w.e.f. 07 July 2021)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(v) Key Managerial Personnel:

Mr. Sanjeev Verma, Whole-time Director
Mr. Sujay R Sheth, Independent Director
Mr. Dilip Thakkar, Independent Director
Ms. Neha Nagpal, Independent Director (w.e.f 10 September 2020)
Mrs. Mahua Mukherjee, Executive Director
Mr. Naresh Kothari, Non-executive Director
Mr. Anshuman Ruia, Non-executive Director (w.e.f 10 September 2020)
Mr. Deepak Kumar Bansal, Chief Financial Officer and Executive Director
Mr. Aditya Goswami, Company Secretary

(II) Transactions during the year with related parties :

₹ in Crores

Nature of transaction	Holding company and subsidiary companies (including step-down subsidiaries)		Entities under common control	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Sale of products *				
AGC Networks Pte. Limited	-	1.26	-	-
AGC Networks LLC, USA	0.75	0.26	-	-
AGC Networks LLC, Dubai	0.62	0.48	-	-
AGC Networks & Cyber Solutions Limited	0.07	0.01	-	-
Black Box Network Services India Private Limited	1.06	0.81	-	-
Black Box Services Company	1.94	12.33	-	-
Black Box Network Services (UK) Limited	1.05	-	-	-
Essar Oil UK Limited	-	-	0.32	2.19
Essar Power Hazira Limited	-	-	0.54	-
Essar Power Gujarat Limited	-	-	0.35	-
Essar Power Orissa Limited	-	-	0.01	-
Essar Bulk Terminal (Salaya) Limited	-	-	0.01	-
Essar Bulk Terminal Limited	-	-	0.81	-
Essar Bulk Terminal Paradip Limited	-	-	0.02	-
Essar Power Transmission Company Limited	-	-	0.08	-
Mesabi Metallics Company LLC	-	-	2.59	-
EPC Constructions India Limited	-	-	1.18	-
Arkay Logistics Limited	-	-	0.09	-
	5.49	**15.15**	**6.00**	**2.19**
Sale of services*				
Black Box Technologies Australia Pty Limited	1.01	0.51	-	-
AGC Networks LLC, Dubai	0.04	0.07	-	-

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

Nature of transaction	Holding company and subsidiary companies (including step-down subsidiaries)		Entities under common control	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
AGC Networks Philippines, Inc.	0.22	0.12	-	-
AGC Networks LLC, USA	0.77	0.62	-	-
AGC Networks & Cyber Solutions Limited	0.13	-	-	-
Black Box Network Services India Private Limited	0.06	-	-	-
Black Box Services Company	6.56	-	-	-
Essar Oil UK Limited	-	-	3.66	3.86
Essar Shipping Limited	-	-	1.06	-
Essar Power M P Limited	-	-	0.01	0.57
Essar Projects Limited	-	-	0.97	-
Essar Power Orissa Limited	-	-	0.35	-
Essar Power Transmission Company Limited	-	-	0.71	-
Essar Projects PNG Limited	-	-	0.20	-
Essar Electric Power Development Corporation Limited	-	-	0.12	-
Essar Oil and Gas Exploration and Production Limited	-	-	1.30	-
Essar Constructions India Limited	-	-	0.99	-
Essar Bulk Terminal Limited	-	-	0.00	0.00
	8.79	**1.32**	**9.37**	**4.43**
Purchase of stock-in-trade				
AGC Networks LLC, USA	0.05	0.92	-	-
AGC Networks Philippines, Inc.	0.03	-	-	-
AGC Networks Pte. Limited	0.18	-	-	-
Black Box Network Services India Private Limited	0.00	0.07	-	-
	0.26	**0.99**	**-**	**-**
Lease rental income				
Black Box Network Services India Private Limited	0.02	0.03	-	-
COPC India Private Limited	0.01	-	-	-
	0.03	**0.03**	**-**	**-**
Expenses reimbursement recoveries				
Black Box Technologies Australia Pty Limited	0.47	0.50	-	-
AGC Networks Pte. Limited	19.79	18.71	-	-
AGC Networks Philippines, Inc.	0.18	0.10	-	-
AGC Networks LLC, USA	0.08	1.10	-	-
AGC Networks LLC, Dubai	0.76	0.29	-	-
AGC Networks & Cyber Solutions Limited	0.17	0.23	-	-
Black Box Network Services Philippines Inc.	0.02	-	-	-
	21.47	**20.93**	**-**	**-**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

	Holding company and subsidiary companies (including step-down subsidiaries)		Entities under common control	
Nature of transaction	**31 March 2021**	**31 March 2020**	**31 March 2021**	**31 March 2020**
Reimbursement of expenses incurred by				
AGC Networks LLC, USA	0.37	0.90	-	-
AGC Networks LLC, Dubai	-	0.05	-	-
Arcelormittal Nippon Steel India Limited	-	-	-	0.02
	0.37	**0.95**	**-**	**0.02**
Commission received on corporate guarantee				
AGC Networks Pte. Limited	0.78	0.75	-	-
	0.78	**0.75**	**-**	**-**
Issue of equity shares (including securities premium)				
Essar Telecom Limited	152.84	-	-	-
Essar Steel Metal Trading Limited	-	-	22.57	-
	152.84	**-**	**22.57**	**-**
Money received against share warrants				
Essar Telecom Limited	3.98	-	-	-
Essar Steel Metal Trading Limited	-	-	8.42	-
	3.98	**-**	**8.42**	**-**
Investment in equity shares				
AGC Networks Pte. Limited	160.26	-	-	-
	160.26	**-**	**-**	**-**
Sale of investment in equity shares				
Black Box Corporation of Pennsylvania	16.35	-	-	-
	16.35	**-**	**-**	**-**

* Sale of products and services represent invoices raised during the year and it includes invoices where revenue recognition has been deferred.

Notes:

1. Transactions up to the date of cessation / from the date of establishment of related party relationship have been considered for disclosure.
2. Foreign currency transactions are reported in INR using exchange rate at the transaction date.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(III) Amount due to / from related parties (as at year-end)

₹ in Crores

Nature of balances	Subsidiary companies (including step-down subsidiaries)		Entities under common control	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Amount payable by Company **				
AGC Networks Pte. Limited	1.18	1.07	-	-
AGC Networks LLC, Dubai	-	0.07	-	-
AGC Networks Philippines, Inc.	0.03	-	-	-
Black Box Network Services India Private Limited	-	0.27	-	-
Black Box Network Services (UK) Limited	0.25	-	-	-
Arcelormittal Nippon Steel India Limited	-	-	-	0.11
	1.46	**1.41**	**-**	**0.11**
Trade receivables				
Black Box Technologies Australia Pty Limited	-	0.13	-	-
AGC Networks Pte. Limited	-	1.26	-	-
AGC Networks Philippines, Inc.	0.17	0.12	-	-
AGC Networks LLC, USA	0.53	0.50	-	-
AGC Networks LLC, Dubai	0.31	0.48	-	-
AGC Networks & Cyber Solutions Limited	0.13	-	-	-
Black Box Network Services India Private Limited	0.11	-	-	-
Black Box Services Company	2.81	-	-	-
Arcelormittal Nippon Steel India Limited	-	-	-	0.14
Essar Shipping Limited	-	-	1.15	0.53
Essar Bulk Terminal Limited	-	-	0.04	0.00
Essar Oil UK Limited	-	-	0.58	0.91
Essar Power Hazira Limited	-	-	0.10	-
Essar Power M P Limited	-	-	0.00	0.18
Essar Projects Limited	-	-	0.64	-
Essar Constructions India Limited	-	-	0.99	-
Essar Oil and Gas Exploration and Production Limited	-	-	0.75	-
Essar Power Transmission Company Limited	-	-	0.79	-
Essar Projects PNG Limited	-	-	0.07	-
EPC Constructions India Limited	-	-	0.00	-
Mesabi Metallics Company LLC	-	-	2.59	-
Ibrox Aviation And Trading Private Limited	-	-	-	2.26
	4.06	**2.49**	**7.70**	**4.02**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

Nature of balances	Subsidiary companies (including step-down subsidiaries) 31 March 2021	Subsidiary companies (including step-down subsidiaries) 31 March 2020	Entities under common control 31 March 2021	Entities under common control 31 March 2020
Advances and other receivables				
Black Box Technologies Australia Pty Limited	0.12	0.11	-	-
AGC Networks Pte. Limited	22.18	6.73	-	-
AGC Networks Philippines, Inc.	0.62	0.44	-	-
AGC Networks LLC, USA	3.40	2.30	-	-
AGC Networks LLC, Dubai	1.96	1.14	-	-
AGC Networks & Cyber Solutions Limited	0.67	0.47	-	-
Black Box Network Services Philippines Inc.	0.02	-	-	-
The Mobilestore Limited	-	-	-	0.02
	28.97	**11.19**	**-**	**0.02**

Foreign currency balances are restated in INR using year end exchange rate.

** These amounts include trade payables and advance from customers.

(IV) Key Management Personnel (KMP) compensation:

The following table provides the total amount of transactions that have been entered into with KMP for the relevant financial year:

During the year, 63,000 (31 March 2020 : Nil) ESOPs are granted to KMP and Nil (31 March 2020 : Nil) ESOPs granted to KMP have lapsed.

₹ in Crores

Particulars	31 March 2021	31 March 2020
Remuneration *		
Salary and contribution to provident fund	1.03	1.29
Directors' sitting fees	0.27	0.27

Note: The remuneration to the KMP does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.

* No remuneration has been paid to Mr. Sanjeev Verma, Whole-time Director.

33 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(A) Contingent liabilities

₹ in Crores

Particulars			31 March 2021	31 March 2020
I)	In respect of disputed demands in respect of matters under appeal with			
	(a)	Income tax authorities	29.72	50.54
	(b)	Excise, service tax and customs authorities	22.20	22.20
	(c)	Sales tax authorities	12.06	10.15
	(d)	Corporate guarantee (refer note 39)	43.59	44.88
	(e)	Claims against the Company not acknowledged as debt	0.60	0.71
II)	(F)	Forms pending receipt	0.83	0.83

Notes:

1. The Company is contesting all of the above demands in respect of Income tax, Excise duty, Service tax, Customs duty and Sales tax and the management believes that its positions are likely to be upheld at the appellate stage. No expense has been accrued in the financial statements for the aforesaid demands. The management believes that the ultimate outcome of these proceedings are not expected to have a material adverse effect on the Company's financial position and results of operations and hence no provision has been made in this regard.
2. Refer note 45 for penalty unascertained on account of non-compliance with provisions of Foreign Exchange Management Act, 1999.

(B) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 0.08 Crores (31 March 2020 : ₹ 0.28 Crores)

34 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Trade payables include:

₹ in Crores

Particulars		31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises		11.15	17.17
Details of amounts due under the MSMED Act, 2006 are as under:			**₹ in Crores**
1) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	a) Principal	10.10	16.76
	b) Interest	1.05	0.41
	Total	**11.15**	**17.17**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

Particulars			31 March 2021	31 March 2020
2)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	a) Principal	9.26	5.43
		b) Interest	-	-
		Total	**9.26**	**5.43**
3)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		0.09	0.23
4)	The amount of interest accrued and remaining unpaid at the end of the year.	a) Total Interest accrued	1.05	0.41
		b) Total Interest unpaid	1.05	0.41
5)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Includes ₹ 0.41 Crores being interest on dues outstanding to MSMEs as at 31 March 2020 beyond the appointed date. Company has made payment to certain MSMEs during the current year beyond the appointed date. Such payments were made without adding interest specified under MSMED Act, 2006.		

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under the MSMED Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at year end has been made in the financial statements based on the information received and available with the Company and has been relied upon by the statutory auditors.

35.1 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

₹ in Crores

Particulars	Carrying value and fair value	
	As at 31 March 2021	As at 31 March 2020
Financial assets (other than non-current investments)		
Measured at amortised cost		
Non-current		
(a) Loans	2.00	1.63
(b) Other financial assets	0.92	0.99
Current		
(a) Trade receivables	66.88	77.11
(b) Cash and cash equivalents	3.69	1.09
(c) Bank balances other than cash and cash equivalents	2.61	1.83
(d) Loans	1.46	19.02
(e) Other financial assets	27.88	18.43
Financial liabilities		
Measured at amortised cost		
Non-current		
(a) Lease liabilities	3.08	14.20
(b) Other financial liabilities	-	0.14
Current		
(a) Borrowings	16.43	93.82
(b) Trade payables	61.53	63.31
(c) Lease liabilities	2.05	5.16
(d) Other financial liabilities	31.89	22.72

b) Fair value hierarchy and method of valuation

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values:

1. Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, other current financial assets / liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter-party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values for deposits and financial guarantee contract were calculated based on cash flows discounted using lending rate on the date of initial recognition. The lease liability is initially measured at amortised cost at the present value of the future lease payments and are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Accordingly, all these are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

35.2 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, foreign currency payables and borrowings.

b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations.

Exposure to interest rate risk

₹ in Crores

Particulars	As at 31 March 2021	As at 31 March 2020
Variable-rate instruments		
Cash credit facilities	16.43	93.82

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit or loss before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Crores

	Gain / (loss) on profit or loss before tax	
Particulars	31 March 2021	31 March 2020
Interest rate increase by 50 basis points	(0.08)	(0.47)
Interest rate decrease by 50 basis points	0.08	0.47

c) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets as well as credit exposures to customers including outstanding receivables.

The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, forward looking macroeconomic information, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The expected credit loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically and there is no single customer contributing more than 10% of outstanding trade receivables.

Outstanding customer receivables are regularly monitored.

Other financial assets

The Company periodically monitors the recoverability and credit risks of its other financial assets. The Company evaluates 12 months expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

The credit risk for cash and cash equivalents, bank balances other than cash and cash equivalents and loans is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Expected credit loss for trade receivables

₹ in Crores

As at 31 March 2021	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables	**42.89**	**5.29**	**1.25**	**75.74**	**5.44**
Less: Trade receivables from group companies	8.29	0.99	0.48	2.00	-
Net trade receivables	**34.60**	**4.30**	**0.77**	**73.74**	**5.44**
Expected loss rates	0.71%	1.31%	2.88%	78.60%	100.00%
Expected credit loss	**0.25**	**0.06**	**0.02**	**57.96**	**5.44**

₹ in Crores

As at 31 March 2020	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables	**31.09**	**5.18**	**9.41**	**85.60**	**2.23**
Less: Trade receivables from group companies	1.63	0.30	1.60	3.94	-
Net trade receivables	**29.46**	**4.88**	**7.81**	**81.66**	**2.23**
Expected loss rates	0.87%	1.63%	3.59%	65.58%	100.00%
Expected credit loss	**0.26**	**0.08**	**0.28**	**53.55**	**2.23**

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	31 March 2021	31 March 2020
Revenue from top customer	5%	7%
Revenue from top five customers	20%	22%

d) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for financial liabilities as well as forecast cash inflow and outflows due in day to day business. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

Maturity profile of financial liabilities

₹ in Crores

As at 31 March 2021	On Demand	Less than one year	One to five years	More than five years	Total
Borrowings	16.43	-	-	-	16.43
Trade payables	-	61.53	-	-	61.53
Lease liabilities *	-	2.05	3.08	-	5.13
Other financial liabilities	0.18	31.71	-	-	31.89
Total	**16.61**	**95.29**	**3.08**	**-**	**114.98**

₹ in Crores

As at 31 March 2020	On Demand	Less than one year	One to five years	More than five years	Total
Borrowings	93.82	-	-	-	93.82
Trade payables	-	63.31	-	-	63.31
Lease liabilities *	-	5.16	14.15	0.05	19.36
Other financial liabilities	0.97	21.75	0.14	-	22.86
Total	**94.79**	**90.22**	**14.29**	**0.05**	**199.35**

* on discounted basis

35.3 Foreign currency risk

Foreign currency risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company procures goods and services in their respective local currency and in case of imports, it primarily deals in United States Dollars (USD). The Company has mainly foreign currency trade payables and other receivables which are unhedged and exposed to foreign currency risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. There are earnings from customers in foreign currency which act as a natural hedge against foreign currency risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as under:

₹ in Crores

Particulars	31 March 2021			31 March 2020		
	USD	GBP	Other	USD	GBP	Other
Financial assets						
Trade receivables	7.84	0.61	-	6.80	0.90	-
Cash and cash equivalents	0.18	-	-	0.19	-	-
Receivable from related parties	27.54	-	-	11.12	-	-
Exposure to foreign currency risk on financial assets	**35.56**	**0.61**	**-**	**18.11**	**0.90**	**-**
Financial liabilities						
Trade payables	8.09	-	-	17.51	-	0.09
Other financial liabilities *	0.52	-	-	1.06	-	-
Exposure to foreign currency risk on financial liabilities	**8.61**	**-**	**-**	**18.57**	**-**	**0.09**
Net exposure to foreign currency risk	**26.95**	**0.61**	**-**	**(0.46)**	**0.90**	**(0.09)**

Company has accumulated net exposure to foreign currency risk amounting to ₹ 27.56 Crores (31 March 2020 : ₹ 0.35 Crores).

The Company had issued corporate guarantee on behalf of its wholly owned subsidiary, AGC Networks Pte. Limited amounting to USD 5.95 million (31 March 2020: USD 5.95 million), equivalent to ₹ 43.59 Crores (31 March 2020: ₹ 44.88 Crores). It is contingent in nature and Company does not expect any liability against the same in next five years. The aforesaid guarantee has been subsequently discharged on 28 April 2021.

* It includes provision for expenses, billing of which is pending as at reporting date and will be billed in currency other than reporting currency.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the USD, Great Britain Pound (GBP) and other currency with all other variables held constant. The below impact on the Company's profit or loss before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

₹ in Crores

Particulars	Impact on statement of profit or loss for the year ended	
	31 March 2021	31 March 2020
USD sensitivity		
INR / USD		
Increase by 5%	1.35	(0.02)
Decrease by 5%	(1.35)	0.02
GBP sensitivity		
INR / GBP		
Increase by 5%	0.03	0.05
Decrease by 5%	(0.03)	(0.05)
Other sensitivity		
INR / Other		
Increase by 5%	-	(0.00)
Decrease by 5%	-	0.00

36 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Gearing ratio:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Borrowings	16.43	93.82
Other financial liabilities	16.51	6.79
Total debt	**32.94**	**100.61**
Less: Cash and cash equivalents and bank balances other than cash and cash equivalents	6.30	2.92
Net debt #	**26.64**	**97.69**
Total equity	276.64	88.95
Total capital	**276.64**	**88.95**
Gearing ratio (in %)	**10%**	**110%**

Net debt for the above purpose includes borrowings, interest accrued on borrowings and amount payable for letter of credit net of cash and cash equivalents and bank balances other than cash and cash equivalents.

37 LEASES

The disclosures required in accordance with Ind AS 116 are as follows:

a) The Company's leased assets primarily consists of leases for office premises, having different lease terms.

₹ in Crores

b)

Particulars	31 March 2021	31 March 2020
Depreciation of right of use assets	4.28	5.86
Interest expense on lease liabilities	1.72	2.99
Expense relating to short term leases	0.12	0.19
Income from subleases	0.03	0.07
Total cash outflow for leases (including interest)	7.00	7.55
Additions to ROU assets	1.33	3.84

c) Amounts recognised in balance sheet:

₹ in Crores

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amount of ROU assets		
- Buildings	4.88	17.04
Lease liabilities		
Non-current	3.08	14.20
Current	2.05	5.16

The incremental borrowing rate applied to lease liabilities ranges from 13.00% to 14.00% p.a. (31 March 2020 : 14.00% p.a.)

d) The details regarding the contractual maturities of lease liabilities as at reporting date on an undiscounted basis are as follows:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Within one year	2.61	7.51
Later than one year and not later than five years	3.54	16.47
Later than five years	-	0.05

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

38 REVENUE FROM CONTRACTS WITH CUSTOMERS

The outstanding balance of trade receivables is presented in below table:

₹ in Crores

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	66.88	77.11

a) Performance obligations:

The performance obligation of Company is satisfied at a point in time or period of time depending on the nature of products and services provided.

1) **Revenue from sale of products:** It includes unified and voice communication solutions, IP Phones, data products, video conferencing products and cyber security solutions. Revenue is recognised at a point in time, which is generally on the delivery of product.

2) **Revenue from implementation contracts:** It includes implementation services on products (including installation and commissioning). Revenue is recognised in the accounting period in which services are rendered, as the performance obligations are met.

3) **Revenue from maintenance contracts:** Revenue from fixed maintenance contracts is recognised based on time elapsed and revenue is straight lined over the period of the performance or on the performance of services as specified in the contract.

b) Changes in contract liabilities are as follows:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	**34.67**	**42.75**
Net revenue recognised that was included in the balance at the beginning of the year	(24.73)	(30.12)
Net invoicing during the year, excluding amounts recognised as revenue during the year	17.04	22.04
Balance at the end of the year	**26.98**	**34.67**

39 DISCLOSURE UNDER SECTION 186(4) OF THE ACT - CORPORATE GUARANTEE AND INVESTMENT

₹ in Crores

Name of subsidiary	31 March 2021	31 March 2020
AGC Networks Pte. Limited		
Guarantee given	43.59	44.88
Investment made during the year	160.26	-

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Notes:

1. The Company has recognised the financial guarantee contract (corporate guarantee) at its fair value as per Ind AS 109 “Financial Instruments”. The non-current and current portion of financial liability is disclosed under “Other financial liabilities” (refer note 16).
2. The Company had given corporate guarantee of USD 5.95 million (31 March 2020: USD 5.95 million) for the loan availed by AGC Networks Pte. Limited, wholly owned subsidiary and a guarantee commission @ 1.75% (31 March 2020: 1.75%) per annum is charged thereon. The aforesaid guarantee has been subsequently discharged on 28 April 2021.

40 DISCLOSURE UNDER SECTION 186(4) OF THE ACT - INTER CORPORATE DEPOSIT

₹ in Crores

Name of the borrower	Principal	Accrued interest	31 March 2021	Principal	Accrued interest	31 March 2020
Essar Services India Private Limited	-	-	-	17.30	5.52	22.82
	-	**-**	**-**	**17.30**	**5.52**	**22.82**

Notes:

1. Rate of interest is 18.00% p.a. (31 March 2020: 18.00% p.a.) on inter corporate deposit.
2. This inter corporate deposit is unsecured and has been given for meeting business requirements.
3. No inter corporate deposit has been given during the year ended 31 March 2021.
4. During the year ended 31 March 2021, the Company has realised the outstanding inter corporate deposit including accrued interest.

41 As per Ind AS 12 “Income Taxes”, a deferred tax asset (DTA) shall be recognised for the carry forward of unused tax loss, unused tax credits and taxable timing differences to the extent it is probable that future taxable profit will be available against which the unused tax loss, unused tax credits and taxable timing differences can be utilised. Accordingly, DTA has been recognised only to the extent of deferred tax liability.

42 As per the transfer pricing rules, the Company has examined international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustments with regard to the transactions involved.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

43 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of the Act, and rules therein, the Company is required to spend at least 2% of its average net profits for three immediately preceding financial years towards CSR activities. The Company has CSR committee as per the Act. Details of CSR expenditure are as follows:

₹ in Crores

Particulars		31 March 2021	31 March 2020
a)	Gross amount required to be spent by the Company during the year	0.20	0.10
b)	Amount spent during the year on:		
	1. Construction / acquisition of any asset	-	-
	2. On purposes other than (1) above	0.20	0.11

44 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.

45 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 ₹ 2.10 Crores and amount receivable aggregating to ₹ 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 ₹ 1.16 Crores during the financial year and on payables aggregating to ₹ 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 ₹ 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 financial statements do not include any adjustments that may arise due to such delays.

46 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 financial statement, 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 financial statements,

has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of these financial statements.

47 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 ₹ 6.51 Crores (excluding taxes) along with interest of ₹ 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, ₹ 1.00 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 subjudice before NCLT Mumbai, for recovery of balance amount of ₹ 5.51 Crores (excluding taxes) plus interest of ₹ 1.49 Crores from Monitoring Agency representing EPCCIL.

48 Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

INDEPENDENT AUDITOR'S REPORT

To the Members of AGC Networks Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated financial statements of **AGC Networks Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate consolidated financial information and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 17 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters - Impact of COVID-19 on the consolidated financial statements and non-compliance with laws and regulations

4. We draw attention to Note 54 to the accompanying consolidated financial statements, which describes the impact of COVID-19 pandemic on the Group's operations and on accompanying consolidated financial statements 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 51 to the accompanying consolidated financial statements, which describes the delay in remittance of import payments and repatriation of proceeds of export of goods and services, aggregating to ₹ 7.41 Crores and ₹ 4.80 Crores, respectively by the Holding Company, outstanding as at 31 March 2021, beyond the timeline 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 fines / 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 consolidated financial statements 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 and 5 above.

KEY AUDIT MATTERS

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate consolidated financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

7. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition under Ind AS 115, Revenue from Contracts with Customers Refer note 2E(xviii)– 'Income recognition' and note 44– 'Revenue from contracts with customers' to the consolidated financial statements for the related accounting policy on revenue recognition and revenue recognised during the year. Revenue for the Group consists primarily of sale of goods and sale of implementation and maintenance services for networking equipment and communications technology solutions. Owing to the multiplicity of the Group's products and services across multiple geographies, which requires compliance with varied customer specifications, and diverse terms of contracts with customers, revenue is determined to be an area involving significant risk and hence, requiring significant auditor attention.	Our audit included, but was not limited to, the following procedures performed in respect of revenue recognition: • Evaluated the design and tested the operating effectiveness of internal controls relating to the application of revenue accounting standard specifically those relating to identification of the distinct performance obligations and determination of transaction price. Procedures performed included enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and presenting revenue in accordance with the revenue accounting standard.

Key audit matter	How our audit addressed the key audit matter
Further, the application of the revenue accounting standard (Ind AS 115) involves significant judgements / material estimates relating to identification of distinct performance obligations, determination of transaction price, including impact of variable consideration, of the identified performance obligations and the appropriateness of the basis used to measure revenue recognised over a period of time. The Group has also evaluated the impact of COVID – 19 on revenue recognition resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional time and efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements, if any and (iv) termination or deferment of contracts by customers. Considering the materiality of amounts involved, significance of the area to the consolidated financial statements, combined with significant judgements and estimates involved, revenue recognition has been considered to be a key audit matter for the current year audit.	• Selected a sample of continuing and new contracts and performed the following procedures: o Read, analysed and identified the distinct performance obligations in these contracts o Compared such performance obligations with those identified and recorded by the management o Reviewed contract terms to determine the transaction price including variable consideration, if any to determine the appropriate transaction price for computing revenue • Samples in respect of revenue recorded for sale of products were tested through a review of customer acceptances, invoices and historical trend of collections and disputes. Further, tested sample transactions before and after year end to ensure revenue is recorded in the correct period. • In respect of samples relating to fixed maintenance contracts, verified the period of the contract with the customer agreements and verified if the revenue was recognised appropriately over the period of contract as services were being rendered. • Tested a sample of credit notes issued during the year and subsequent to year end to confirm revenue recognised during the period was appropriate. • Performed analytical procedures for reasonableness of revenue recorded such as trend analysis by product and service offering categories, by geographical locations, etc. • Critically reviewed management's assessment relating to impact of Covid 19 on revenue recognition and corroborated the same with relevant information and records. • Assessed the adequacy of disclosures included in consolidated financial statements, in accordance with the requirements of Ind AS 115.

Key audit matter	How our audit addressed the key audit matter
Consolidation process for preparation of the consolidated financial statements of the Group Refer Note 2B –'Basis of consolidation' in the accompanying consolidated financial statements. As at the year-end, the Group comprises of 71 subsidiaries (including step-subsidiaries). The Group's consolidation process is complex on account of its presence in various geographies and multiple businesses through different ownership structures. The consolidation process includes evaluation of the degree of control / significant influence, alignment of group accounting policies and elimination of intercompany transactions and balances which may require a high level of judgement. The entities in the Group have diverse accounting systems and further, the financial statements of each of the overseas subsidiaries are prepared in accordance with the accounting principles generally accepted in their respective countries. For the purpose of preparing consolidated financial statements of the Group, these financial statements of overseas subsidiaries are converted and consolidated using the accounting principles applicable to the Holding Company, by the group management. There was significant risk involved in consolidation of the entities in the Group considering the number of components involved in the preparation of consolidated financial statements of the Group including the acquisitions made during the year, and thereby warranted significant auditor attention during the year ended 31 March 2021. Accordingly, we have determined the above as a key audit matter for the current year audit.	Our audit included, but was not limited to, the following procedures performed on consolidation: • Obtained an understanding of the management's process of preparation of consolidated financial statements comprising of financial statements/ financial information of the Holding Company and its subsidiaries. • Evaluated the design and tested the operating effectiveness of key controls in respect of Group's process of consolidation and management's procedures for alignment of group accounting policies, consolidation adjustments and elimination of inter-company transactions and balances. • Assessed the accounting policy adopted by the management for consolidation and ensured its appropriateness in accordance with the requirements of Ind AS 110, Consolidated Financial Statements. • Reviewed the supporting documents, including agreements and minutes of Board committees relating to significant group entities, where necessary to evaluate management's evaluation of control over such subsidiary companies. • Identified and determined the significant components of the Group based on materiality and our understanding of the group's operations, to develop an appropriate audit plan including scoping of such components for our audit. • Sent out detailed group audit instructions to the respective component auditors of in-scope components which comprised of specific instructions around materiality, audit risks identified at the Group level and a questionnaire to understand the procedures performed by the component auditors with respect to significant transactions and significant risks identified for the respective components.

Key audit matter	How our audit addressed the key audit matter
	• Performed procedures in accordance with the requirements of Standard on Auditing (SA) 600: Using the Work of Another Auditor, which also included meetings held with the component auditors to understand their risk assessment, response to risk and audit findings. • Ensured compliance by the management with the consolidation principles enunciated under Ind AS 110 and the Guidance Note on Audit of Consolidated Financial Statements (Revised 2016), issued by the Institute of Chartered Accountants of India. • Obtained the signed audited financial information of the subsidiaries from the management of the Holding Company and conversion adjustments schedule prepared by the management of the Holding Company in case of overseas subsidiaries and reviewed such conversion adjustments in accordance with the differences between the respective financial reporting frameworks. • Tested significant consolidation adjustments recorded through manual journal entries and reviewed underlying documents to ensure appropriateness of such adjustments. • Evaluated the appropriateness of the disclosures made in Note 2 with respect to the basis of preparation and presentation of these consolidated financial statements.
Restatement on account of prior period errors or omission Refer Note 39 to the accompanying consolidated financial statements – 'Restatement on account of prior period error or omission' which states that during the current year, the Group noted errors in one of its material foreign subsidiary with respect to accounting of warrants, unamortised cost of maintenance contracts and sale and lease back transaction, as fully described in the said note, which were corrected in the accompanying consolidated financial statements in accordance with the requirements of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors ('Ind AS 8').	Our audit included, but was not limited to, the following procedures performed in respect of restatement of prior period errors: • Obtained an understanding of the prior period errors noted by the management including the reasons thereof, and understood management's process for correction of such errors in the financial statements; • Evaluated the design and tested the operating effectiveness of controls put in place by the management for correction of prior period errors noted.

Key audit matter	How our audit addressed the key audit matter
The aforesaid corrections required the management to retrieve certain historical records and information and ensure compliance with the applicable accounting standards governing the accounting treatment of such transactions. The matter required close scrutiny in our audit to understand the reasons as to why such misstatements arose, corroborate management explanations with sufficient and appropriate audit evidence and assess the impact on our audit including reporting requirements. Considering the materiality of amounts, significant judgements and estimates used and complexities involved in restatement of prior period errors, along with the audit efforts required to audit such restatements including in-depth, frequent interactions with the management and those charged with governance, the aforesaid restatement is identified as a key audit matter for the current year audit. Further, considering this matter is fundamental to the understanding of the users of consolidated financial statements, we draw attention to Note 39 of the consolidated financial statements, regarding the restatement of comparative financial information on account of various adjustments, reclassifications and corrections of errors.	• Held discussions with the component auditor to confirm understanding of the errors noted and accounting treatment adopted by the component per the local financial reporting framework. • With respect to correction of error relating to warrants, performed the following additional procedures: o Obtained and reviewed management's assessment of the correct accounting treatment required for the said instruments in accordance with Ind AS 109, Financial Instruments, based on the terms of issue of such instruments. o Obtained the valuation report of the management's valuation specialist involved and performed substantive audit procedures on such valuation, by involving auditor's valuation experts, to evaluate appropriateness of the valuation methodology adopted by the management's expert and tested underling data and evaluated key assumptions, such as future cash flow projections, growth rates, discount rates, etc. o Evaluated the objectivity and professional competence of the management's valuation specialist involved as above. o Performed sensitivity analysis on the key assumptions used in aforesaid valuation to determine estimation uncertainty involved. • With respect to correction of error noted relating to unamortised cost of maintenance contracts, performed the following procedures: o Obtained the management working of the correct amortisation of the service contracts basis the service period of such contracts and performed test of details for a sample of such underlying contracts to test such working.

Key audit matter	How our audit addressed the key audit matter
	o Ensured expenses are charged in the correct period in accordance with applicable accounting standards including guidance given relating to contract costs under Ind AS 115, Revenue from Contracts with Customers. • With respect to correction of error relating to sale and lease back transaction, performed the following procedures: o Held several discussions with management to understand the reasons leading to the misstatement and reviewed the relevant supporting documentation and agreements. o Ensured appropriateness of accounting treatment determined in accordance with the requirements of Ind AS 116, Leases. • With respect to all the errors noted, evaluated if there was any indication of management bias or any other impact on our overall audit approach or risk assessment. • Ensured that all restatement adjustments have been made and disclosed in the accompanying consolidated financial statements in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors as well as the respective accounting standards, as applicable.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation: and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

17. We did not audit the consolidated financial information of one subsidiary, whose consolidated financial information (before eliminating inter-company transactions) reflects total assets of ₹ 2,080.83 Crores and net assets of ₹163.96 Cores as at 31 March 2021, total revenues of ₹ 4,233.92 Crores and net cash inflows amounting

to ₹ 33.63 Crores for the year ended on that date, as considered in the consolidated financial statements. This consolidated financial information has been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the report of the other auditor.

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

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 17, on separate consolidated financial information of the subsidiary, we report that the Holding Company, which is a Company covered under the Act, paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V of the Act are not applicable to two subsidiary companies covered under the Act, since none of these companies are public companies as defined under section 2(71) of the Act.

19. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate consolidated financial information and other financial information of the subsidiary, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, for all the companies covered under the Act, proper books of account, as required by law, relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and the report of the other auditor,

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'. Further, in our opinion and to the best of our information and according to the explanations given to us, the provisions of section 143(3)(i) for reporting on the adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of one subsidiary company covered under the Act, are not applicable; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate consolidated financial information as also the other financial information of the subsidiaries:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 37 to the consolidated financial statements;

   ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021.

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, covered under the Act, during the year ended 31 March 2021; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 21106815AAAACS7587

Place : Mumbai
Date : 2 August 2021

ANNEXURE I

List of entities included in the consolidated financial statements

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)

ANNEXURE II

Independent Auditor's report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of **AGC Networks Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria ('IFC criteria') established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance note') issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the respective company's business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. The audit of internal financial controls with reference to financial statements of one subsidiary, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and one subsidiary based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and one subsidiary, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company has in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2021, based on IFC criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one subsidiary, which is a company covered under the Act, whose financial information reflects total assets of ₹ 48.87 Crores and net assets of ₹ 10.56 Crores as at 31 March 2021, total revenues of ₹ 33.09 Crores and net cash inflows amounting to ₹ 3.31 Crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this subsidiary company, which is a company covered under the Act, is unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the aforesaid subsidiary, which is a company covered under the Act, is solely based

on the corresponding internal financial controls with reference to financial statements report, certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report, certified by the management.

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

Bharat Shetty
Partner
Membership No.: 106815
UDIN: 21106815AAAACS7587

Place : Mumbai
Date : 2 August 2021

CONSOLIDATED BALANCE SHEET as at 31 march 2021

₹ in Crores

	Notes	As at 31 March 2021	As at 31 March 2020 Restated*
ASSETS			
Non-current assets			
Property, plant and equipment	3	164.15	164.37
Right of use assets	4	145.65	115.53
Goodwill	5	269.18	234.24
Other intangible assets	6	43.27	42.60
Financial assets			
Loans	7	3.87	1.93
Other financial assets	8	24.03	23.08
Tax assets (net)		48.66	72.45
Deferred tax assets (net)	9	18.54	20.27
Other non-current assets	10	31.37	84.17
Total non-current assets		**748.72**	**758.64**
Current assets			
Inventories	11	148.75	136.56
Financial assets			
Trade receivables	12	239.76	361.31
Cash and cash equivalents	13	357.04	315.87
Bank balances other than cash and cash equivalents	13	53.25	53.57
Loans	7	1.46	19.37
Other financial assets	8	531.31	385.21
Other current assets	10	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	14	32.53	29.75
Other equity		174.17	(205.87)
Total equity		**206.70**	**(176.12)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	119.39	15.21
Lease liabilities	16	94.18	65.36
Other financial liabilities	17	86.57	157.42
Provisions	18	85.29	197.41
Other non-current liabilities	19	24.75	63.38
Total non-current liabilities		**410.18**	**498.78**
Current liabilities			
Financial liabilities			
Borrowings	20	16.43	241.80
Trade payables	21		
Total outstanding dues to micro enterprises and small enterprises		11.15	17.17
Total outstanding dues to creditors other than micro enterprises and small enterprises		504.46	530.58
Lease liabilities	16	57.77	67.77
Other financial liabilities	17	413.71	569.21
Other current liabilities	19	563.57	471.51
Provisions	18	119.14	84.86
Total current liabilities		**1,686.23**	**1,982.90**
TOTAL LIABILITIES		**2,096.41**	**2,481.68**
TOTAL EQUITY AND LIABILITIES		**2,303.11**	**2,305.56**

* Refer note 39

The accompanying notes form an integral part of the consolidated financial statements

This is the consolidated balance sheet referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

₹ in Crores

	Notes	31 March 2021	31 March 2020 Restated *
INCOME			
Revenue from operations	22	4,674.02	4,993.92
Other income	23	11.13	7.41
Total income (I)		**4,685.15**	**5,001.33**
EXPENSES			
Cost of materials and components consumed	24	5.36	8.93
Purchase of stock-in-trade		1,544.99	1,485.39
Changes in inventories of work-in-progress, stock-in-trade and finished goods	25	(9.36)	11.40
Service charges		601.09	896.26
Employee benefits expense (net)	26	1,825.38	1,894.51
Finance costs	27	97.91	131.72
Depreciation and amortisation expense	28	95.56	91.69
Other expenses	29	354.84	369.02
Total expenses (II)		**4,515.77**	**4,888.92**
Profit before loss on fair value of financial liability, amortisation of debt issuance cost, exceptional items and tax (I - II)		**169.38**	**112.41**
Loss on fair value of financial liability		(41.70)	(36.95)
Amortisation of debt issuance cost		-	(23.39)
Profit before exceptional items and tax		**127.68**	**52.07**
Exceptional items - expenses	30	(31.69)	(125.05)
Profit / (loss) before tax		**95.99**	**(72.98)**
Tax expense / (credit)			
Current tax	31	16.25	(2.59)
Deferred tax	31	1.65	9.57
Total tax expense		**17.90**	**6.98**
Net profit / (loss) for the year		**78.09**	**(79.96)**
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		77.19	(79.41)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		38.31	(27.29)
Other Comprehensive Income / (Loss) for the year		**115.50**	**(106.70)**
Total Comprehensive Income / (Loss) for the year		**193.59**	**(186.66)**
Earnings / (loss) per equity share (Face value of ₹ 10 each)	32		
Earnings per share before exceptional items:			
Basic (in ₹)		36.62	15.16
Diluted (in ₹)		34.43	14.63
Earnings / (loss) per share after exceptional items:			
Basic (in ₹)		26.05	(26.89)
Diluted (in ₹)		24.49	(26.89)

* Refer note 39

The accompanying notes form an integral part of the consolidated financial statements

This is the consolidated statement of profit and loss referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

₹ in Crores

	31 March 2021	31 March 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) 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 / reversed	(33.00)	(14.69)
Net loss / (gain) on foreign currency translation	3.38	(0.82)
Finance costs	97.91	131.72
Interest income on bank deposits	(0.23)	(0.21)
Interest income on inter corporate deposit	(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 deposit	7.19	-
Interest received on bank deposits	0.14	0.33
Net cash used in investing activities (B)	**(130.98)**	**(328.43)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

₹ in Crores

	31 March 2021	31 March 2020 Restated *
Cash flows from financing activities		
Proceeds from issue of equity shares	2.14	0.01
Proceeds from issue of share warrants	73.38	-
Securities premium received on issue of equity shares and 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) / availment of cash credit facilities	(77.39)	53.87
Payment of 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
Unrealised gain / (loss) on foreign currency cash and cash equivalents	47.67	(53.67)
Cash and cash equivalents at the end of the year	**357.04**	**315.87**
Components of cash and cash equivalents		
Balances with banks:		
- Current account	353.48	314.71
- Deposit account	3.54	0.73
Cheques on hand	-	0.38
Cash on hand	0.02	0.05
Total cash and cash equivalents	**357.04**	**315.87**

* Refer note 39

The accompanying notes form an integral part of the consolidated financial statements

The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS-7, "Statement of Cash Flows" specified under section 133 of the Companies Act, 2013 ('the Act').

This is the consolidated cash flow statement referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

EQUITY SHARE CAPITAL

Particulars	Note	Number of shares	₹ in Crores
As at 1 April 2019	**14**	**29,737,649**	**29.74**
Changes during the year		7,000	0.01
As at 31 March 2020	**14**	**29,744,649**	**29.75**
Changes during the year		2,784,181	2.78
As at 31 March 2021	**14**	**32,528,830**	**32.53**

OTHER EQUITY

₹ in Crores

Particulars	Reserves and surplus					Other Comprehensive Income		Money received against share warrants	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Stock options outstanding	Foreign currency translation reserve	Remeasurement of defined benefit obligation		
As at 1 April 2019	**38.04**	**45.83**	**100.58**	**(197.71)**	**2.35**	**1.10**	**(1.27)**	**-**	**(11.07)**
Impact on account of adoption of Ind AS 116 - Leases	-	-	-	(8.02)	-	-	-	-	(8.02)
Loss for the year (restated)	-	-	-	(79.96)	-	-	-	-	(79.96)
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(79.41)	-	(79.41)
Exchange differences on remeasurement of defined benefit obligation	-	-	-	-	-	(2.89)	-	-	(2.89)
Reversal of expenses on employee stock option scheme	-	-	-	-	(0.17)	-	-	-	(0.17)
Transferred to securities premium	-	0.02	-	-	(0.02)	-	-	-	-
Issue of share capital on exercise of employee stock option	-	0.05	-	-	-	-	-	-	0.05
Exchange differences on translation of foreign operations	-	-	-	-	-	(24.40)	-	-	(24.40)
As at 31 March 2020	**38.04**	**45.90**	**100.58**	**(285.69)**	**2.16**	**(26.19)**	**(80.68)**	**-**	**(205.87)**
Profit for the year	-	-	-	78.09	-	-	-	-	78.09
Remeasurement of defined benefit obligation	-	-	-	-	-	-	77.19	-	77.19
Exchange differences on remeasurement of defined benefit obligation	-	-	-	-	-	0.89	-	-	0.89
Expenses on employee stock option scheme	-	-	-	-	0.31	-	-	-	0.31
Transferred to general reserve	-	-	0.01	-	(0.01)	-	-	-	-
Transferred to securities premium	-	0.72	-	-	(0.72)	-	-	-	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

₹ in Crores

Particulars	Reserves and surplus					Other Comprehensive Income		Money received against share warrants	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Stock options outstanding	Foreign currency translation reserve	Remeasurement of defined benefit obligation		
Issue of equity shares, net of transaction costs	-	173.74	-	-	-	-	-	-	173.74
Exchange differences on translation of foreign operations	-	-	-	-	-	37.42	-	-	37.42
Money received against share warrants	-	-	-	-	-	-	-	12.40	12.40
As at 31 March 2021	**38.04**	**220.36**	**100.59**	**(207.60)**	**1.74**	**12.12**	**(3.49)**	**12.40**	**174.17**

Nature and purpose of reserves:

Capital reserve

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

Securities premium reserve

Amount received (on issue of shares) in excess of the par value has been classified as securities premium. The reserve is utilised in accordance with the provisions of the Act.

General reserve

This represents appropriation of profit by the Company.

Retained earnings

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

Stock option outstanding

The stock option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to the securities premium account upon exercise of stock options by employees, as applicable. In case of forfeiture, corresponding balance is transferred to general reserve.

Foreign currency translation reserve

The reserve represents exchange differences arising on account of conversion of foreign operations to the Company's functional currency.

The accompanying notes form an integral part of the consolidated financial statements
This is the consolidated statement of changes in equity referred to in our report of even date

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

1 CORPORATE INFORMATION

AGC Networks Limited ('the Company') or ('AGC') is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. The equity shares of the Company are listed on two stock exchanges in India, Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company's registered office is located at Essar House, 11 Keshavrao Khadye Marg, Opposite Race Course, Mahalaxmi, Mumbai – 400034. The Company, along with its foreign and Indian subsidiaries (collectively referred to as 'Group'), is a global information, communications technology (ICT) solutions provider and integrator seamlessly delivering technology based solutions across global markets and verticals layered with a spectrum of applications and services. The Group is the leader in Enterprise Communications in India with global footprint in locations spanning India, Middle East and Africa, North America, Australia, New Zealand, Singapore and Europe.

2 BASIS OF PREPARATION AND PRESENTATION

A. Statement of compliance

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

All amounts included in the financial statements are reported in Indian Rupees (INR) in Crores except share and per share data unless otherwise stated and 0 denotes amounts less than fifty thousands rupees.

B. Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and on the basis of the separate audited standalone financial statements of AGC Networks Limited and its subsidiaries. Reference in the notes to 'the Company' shall mean AGC Networks Limited and 'Group' shall mean AGC Networks Limited and its subsidiaries consolidated in these financial statements unless otherwise stated.

The financial statements of the Group are combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Ind AS 110.

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, have been made in financial statements.

The comparative period has been restated on account of prior period errors or omissions (refer note 39).

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Subsidiaries considered in the consolidated financial statements

Name of the subsidiary	Name of immediated Parent	Country of incorporation	% holding as at 31 March 2021	% holding as at 31 March 2020
AGC Networks Pte. Limited	AGC Networks Limited	Singapore	100.00%	100.00%
AGC Networks LLC	Norstan Communications, Inc. (up to 31 March 2020 : AGC Networks Pte Limited)	USA	100.00%	100.00%
AGC Networks Philippines, Inc.	AGC Networks Pte. Limited	Philippines	100.00%	100.00%
AGC Networks & Cyber Solutions Limited	AGC Networks Pte. Limited	Kenya	100.00%	100.00%
AGCN Solutions Pte. Limited	AGC Networks Australia Pty Ltd	Singapore	100.00%	100.00%
AGC Networks LLC	AGC Networks Pte. Limited	Dubai	49.00%	49.00%
AGC Networks LLC	AGC Networks Pte. Limited	Abu Dhabi	0.00%	0.00%
AGC Networks New Zealand Limited*	AGC Networks Pte. Limited (up to 30 October 2020)	New Zealand	Not applicable	100.00%
BBX Main Inc.	AGC Networks Pte. Limited	USA	100.00%	100.00%
BBX Inc.	BBX Main Inc.	USA	100.00%	100.00%
Black Box Corporation	BBX Inc.	USA	100.00%	100.00%
ACS Communications, Inc.*	Black Box Corporation (up to 31 March 2021)	USA	Not applicable	100.00%
ACS Dataline, LP	ACS Investors, LLC (up to 31 March 2021 : ACS Communications, Inc)	USA	99.00%	99.00%
ACS Dataline, LP	Norstan Communications, Inc. (up to 31 March 2021: ACS Investors, LLC)	USA	1.00%	1.00%
ACS Investors, LLC	Norstan Communications, Inc. (up to 31 March 2021 : ACS Communications, Inc)	USA	100.00%	100.00%
BB Technologies, Inc.	Black Box Corporation of Pennsylvania	USA	100.00%	100.00%
BBOX Holdings Mexico LLC	Black Box International Holdings B.V.	USA	100.00%	100.00%
BBOX Holdings Puebla LLC	Black Box Corporation	USA	100.00%	100.00%
Black Box Corporation of Pennsylvania	Black Box Corporation	USA	100.00%	100.00%
Black Box Network Services, Inc.– Government Solutions	Black Box Corporation	USA	100.00%	100.00%
Black Box Services Company	Black Box Corporation	USA	100.00%	100.00%
CBS Technologies Corp.*	Black Box Corporation (up to 10 September 2020)	USA	Not applicable	100.00%
Delaney Telecom, Inc.	Black Box Corporation	USA	100.00%	100.00%
Norstan Communications, Inc.	Black Box Corporation	USA	100.00%	100.00%
Nu-Vision Technologies, LLC	Norstan Communications, Inc.	USA	100.00%	100.00%
Black Box Network Services Australia Pty Limited	Black Box Corporation of Pennsylvania	Australia	100.00%	100.00%
Black Box GmbH	Black Box Corporation of Pennsylvania	Austria	100.00%	100.00%
Black Box Network Services NV	Black Box Corporation of Pennsylvania	Belgium	96.62%	96.62%
Black Box Network Services NV	Black Box International B.V.	Belgium	3.38%	3.38%
Black Box do Brasil Industria e Comercio Ltda.	Black Box Corporation of Pennsylvania	Brazil	100.00%	100.00%
Black Box do Brasil Industria e Comercio Ltda.	Black Box Canada Corporation	Brazil	0.00%	0.00%
Black Box Canada Corporation	Black Box Corporation of Pennsylvania	Canada	100.00%	100.00%

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Name of the subsidiary	Name of immediated Parent	Country of incorporation	% holding as at 31 March 2021	% holding as at 31 March 2020
Norstan Canada, Limited / Norstan Canada, Ltée	Norstan Communications, Inc.	Canada	100.00%	100.00%
Black Box Holdings Limited	Black Box Corporation of Pennsylvania	Cayman Islands	100.00%	100.00%
Black Box Chile S.A.	Black Box Corporation	Chile	99.99%	99.99%
Black Box Chile S.A.	Black Box Corporation of Pennsylvania	Chile	0.01%	0.01%
Black Box E-Commerce (Shanghai) Co., Limited	Black Box Holdings Limited	China	100.00%	100.00%
Black Box A/S	Black Box Corporation of Pennsylvania	Denmark	100.00%	100.00%
Black Box Network Services (UK) Limited	Black Box Corporation	England	35.50%	35.50%
Black Box Network Services (UK) Limited	Black Box Corporation of Pennsylvania	England	64.50%	64.50%
Black Box Finland OY	Black Box Corporation	Finland	100.00%	100.00%
Black Box France	Black Box Corporation of Pennsylvania	France	100.00%	100.00%
Black Box Deutschland GmbH	Black Box International Holdings B.V.	Germany	100.00%	100.00%
Black Box Network Services India Private Limited	Black Box Corporation of Pennsylvania	India	99.99%	99.99%
Black Box Network Services India Private Limited	Black Box Corporation	India	0.01%	0.01%
Black Box Network Services (Dublin) Limited	Black Box Corporation	Ireland	100.00%	100.00%
Black Box Software Development Services Limited	Black Box International Holdings B.V.	Ireland	100.00%	100.00%
Black Box Network Services S.r.l.	Black Box Corporation of Pennsylvania	Italy	100.00%	100.00%
Black Box Network Services Co., Limited	Black Box Corporation of Pennsylvania	Japan	100.00%	100.00%
Black Box Network Services Korea Limited	Black Box Corporation of Pennsylvania	Korea	100.00%	100.00%
Black Box Network Services SDN. BHD.	Black Box Corporation	Malaysia	100.00%	100.00%
Black Box de Mexico, S. de R.L. de C.V.	Black Box Corporation	Mexico	4.56%	4.56%
Black Box de Mexico, S. de R.L. de C.V.	BBOX Holdings Mexico LLC	Mexico	84.85%	84.85%
Black Box de Mexico, S. de R.L. de C.V.	BBOX Holdings Puebla LLC	Mexico	10.58%	10.58%
Black Box de Mexico, S. de R.L. de C.V.	Black Box International Holdings B.V.	Mexico	0.01%	0.01%
Black Box International B.V.	Black Box International Holdings B.V.	Netherlands	100.00%	100.00%
Black Box International Holdings B.V.	Black Box Corporation of Pennsylvania	Netherlands	100.00%	100.00%
Black Box Network Services New Zealand Limited	Black Box Network Services Australia Pty Limited	New Zealand	100.00%	100.00%
Black Box Norge AS	Black Box Corporation	Norway	100.00%	100.00%
Black Box P.R. Corp.	Black Box Corporation of Pennsylvania	Puerto Rico	100.00%	100.00%
Black Box Network Services Singapore Pte. Limited	Black Box Corporation	Singapore	100.00%	100.00%
Black Box Comunicaciones, S.A.	Black Box Corporation of Pennsylvania	Spain	100.00%	100.00%
Black Box Network Services AB	Black Box Corporation	Sweden	100.00%	100.00%
Black Box Network Services AG	Black Box Corporation of Pennsylvania	Switzerland	100.00%	100.00%
Black Box Network Services Corporation	Black Box Corporation	Taiwan	100.00%	100.00%
Servicios Black Box S.A. de C.V.	Black Box de Mexico, S. de R.L. de C.V.	Mexico	99.99%	99.99%

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Name of the subsidiary	Name of immediated Parent	Country of incorporation	% holding as at 31 March 2021	% holding as at 31 March 2020
Servicios Black Box S.A. de C.V.	Black Box Corporation of Pennsylvania	Mexico	0.01%	0.01%
Black Box Network Services Hong Kong Limited	Black Box Holdings Limited	Hong Kong	100.00%	100.00%
Pyrios Pty Limited**	Black Box Network Services Australia Pty Limited (w.e.f. 1 July 2020)	Australia	100.00%	Not applicable
Pyrios Limited**	Black Box Network Services New Zealand Limited (w.e.f. 1 July 2020)	New Zealand	100.00%	Not applicable
Fujisoft Security Solutions LLC**	Black Box Holdings Limited (w.e.f. 1 July 2020)	Dubai	49.00%	Not applicable
Black Box Technologies LLC** (formerly known as Fujisoft Technology LLC)	Black Box Holdings Limited (w.e.f. 1 July 2020)	Dubai	49.00%	Not applicable
Fuji Soft Technology LLC**	Black Box Holdings Limited (w.e.f. 1 July 2020)	Abu Dhabi	49.00%	Not applicable
Black Box Network Services Philippines, Inc.**	Black Box International Holdings B.V. (w.e.f. 1 January 2021)	Philippines	99.99%	Not applicable
Black Box Technologies Australia Pty Limited (formerly known as AGC Networks Australia Pty Limited)	Black Box Corporation of Pennsylvania (up to 31 December 2020: AGC Networks Limited)	Australia	100.00%	100.00%
COPC Holdings Inc.	Black Box Corporation (up to 31 March 2020 : AGC Networks LLC, USA and AGC Networks Pte Limited)	USA	100.00%	100.00%
COPC Inc.	COPC Holdings Inc.	USA	100.00%	100.00%
COPC International Inc.	COPC Holdings Inc.	USA	100.00%	100.00%
Service Journey Strategies Inc.**	COPC Holdings Inc. (w.e.f. 20 January 2021)	USA	100.00%	Not applicable
COPC Asia Pacific Inc.	COPC International Inc.	USA	100.00%	100.00%
COPC International Holdings LLC	COPC International Inc.	USA	100.00%	100.00%
COPC India Private Limited	COPC International Inc.	India	99.99%	99.99%
COPC India Private Limited	COPC International Holdings LLC	India	0.01%	0.01%
COPC Consultants (Beijing) Co. Limited	COPC International Inc.	China	100.00%	100.00%
RevealCX LLC*	COPC Holdings Inc. (up to 31 August 2020)	USA	Not applicable	100.00%

* These step-down subsidiaries have been dissolved during the year

** These step-down subsidiaries have been acquired during the year.

C. Basis of preparation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Share based payment transactions and;

iii. Defined benefit and other long-term employee benefits.

D. Use of estimate and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) **Income tax:** Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

(ii) **Deferred tax:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) **Defined benefit plans and compensated absences:** The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) **Share-based payments:** The grant date fair value of options granted to employees is recognised as employee expense, with corresponding increase in equity, over the period that the employees become unconditionally entitled to the option. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under “stock options outstanding”. The amount recognised as expense is adjusted to reflect the impact of the revision estimates based on number of options that are expected to vest, in the consolidated statement of profit and loss with a corresponding adjustment to equity.

(v) **Property, plant and equipment:** Property, plant and equipment (PPE) represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of the PPE’s expected useful life and the expected residual value at the end of its life. Depreciation of PPE is calculated on straight-line basis over the useful life estimated by the management based on technical evaluation or those prescribed under schedule II of the Act.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(vi) **Expected credit loss on financial assets:** On application of Ind AS 109 "Financial Instruments", the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(vii) **Impairment testing:**

(a) Goodwill is not subject to amortisation and is tested annually for impairment or more frequently if events or change in circumstances indicate they might be impaired.

(b) The carrying amount of other non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An asset is treated as impaired when the carrying value exceeds its recoverable value. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the assets. An impairment loss is charged to the consoldiated statement of profit and loss in the year in which an assets is identified as impaired. After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(viii) **Provisions:** Provisions are recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit plans and compensated absences) are not discounted to their present value and are determined based on best estimate of the amount required to settle the obligation to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(ix) **Warranty:** Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(x) **Leases:** Ind AS 116, "Leases", requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

E. Summary of significant accounting policies

(i) Functional and presentation currency

The financial statements are presented in INR, which is also the functional and presentation currency of the Company.

(ii) Foreign currency transactions and translations

Foreign currency transactions of the Group are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the balance sheet date whereas non-monetary assets and liabilities that are measured based on historical cost are not translated. Gains and loss resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss in the year of settlement or translation.

(iii) Financial instruments

a. Initial recognition and measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

b. Subsequent measurement

Non derivative financial instruments

a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instrument

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

c. **De-recognition of financial instruments**

The Group de-recognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

d. **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(iv) Current versus non-current classification

(i) An asset is considered as current when it is:

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or

b. Held primarily for the purpose of trading, or

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

d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) All other assets are classified as non-current.

(iii) Liability is considered as current when it is:

a. Expected to be settled in the normal operating cycle, or

b. Held primarily for the purpose of trading, or

c. Due to be settled within twelve months after the reporting period, or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(vi) All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(v) Property, plant and equipment (PPE)

PPE are stated at historical cost, less accumulated depreciation and impairment losses, if any. Historical costs include expenditure directly attributable to acquisition which are capitalised until the PPE are ready for use, as intended by management.

An item of PPE and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposals of assets are measured as the difference between the net disposal proceeds and the carrying value of the asset on the date of disposal and are recognised in the consolidated statement of profit and loss, in the period of disposal.

The Group depreciates PPE over their estimated useful lives using the straight-line method. The estimated useful lives of PPE are as follows:

Assets	Number of years
Leasehold improvements	Over the period of lease
Plant and equipment	3 to 15 years
Furniture and fixtures	5 years
Office equipment	3 to 5 years
Buildings	25 to 60 years
Vehicles	3 to 5 years
Computers and servers	3 to 7 years
Electrical installations	5 years

In case of certain PPE, the Group uses useful life different from those specified in Schedule II of the Act which is duly supported by technical evaluation.

Depreciation on addition to property, plant and equipment or on disposal of property, plant and equipment is calculated pro-rata from the month of such addition or up to the month of such disposal as the case may be.

(vi) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Computer software is amortised on a straight line basis over the estimated useful economic life which is expected as four years. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the consolidated statement of profit and loss when the asset is de-recognised.

Trademark is not amortised and it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accumulated impairment losses.

The Group amortises intangible assets over their estimated useful lives using the straight line method which are as follows:

Assets	Number of years
Computer software	3 to 5 years
Customer relationships	4 to 20 years
Non-compete fees	4 to 20 years

(vii) Business combinations

(i) The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

(ii) Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

(iii) The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve.

(iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

(v) Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

(vi) Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

(vii) On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(viii) Any goodwill that arises on account of such business combination is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

(ix) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(viii) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of these investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

(ix) Leases

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

(i) The Group as a lessee

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

(ii) The Group as a lessor

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

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

(x) Impairment of assets

a. Non-financial assets:

Intangible assets, ROU assets and PPE are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

b. Financial assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all trade receivables that do not constitute a financing component. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the lifetime credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(xi) Employee benefits

a. Long-term employee benefits

(i) Defined contribution plans

The Group has defined contribution plans for post employment benefits in the form of provident fund, employees' state insurance and labour welfare fund etc. Under the defined contribution plans, the Group has no further obligation beyond making the contributions. Such contributions are charged to the consolidated statement of profit and loss as incurred.

(ii) Defined benefit plans

The Group has defined benefit plans for post employment benefits in the form of gratuity and pension for its employees. Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Actuarial gains or loss are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurement of net defined benefit liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or loss and return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) are not reclassified to profit or loss in subsequent periods.

(iii) Other long-term employee benefits

The employees of the Group are also entitled to other long-term benefits in the form of compensated absences as per the policy of the Group. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains or loss are recognised in the consolidated statement of profit and loss during the period in which they arise.

b. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services. These benefits include performance incentives.

(xii) Share based payments

The Company determines the compensation cost based on the fair value method using Black-Scholes-Merton formula, in accordance with Ind AS 102 “Share based payment”. The Company grants options to its employees which will be vested in a graded manner and are to be exercised within a specified period. The compensation cost is amortised on graded basis over the vesting period. The share based payment expense is determined based on the Company’s estimate of equity instruments that will eventually vest.

(xiii) Unamortised cost for maintenance contracts

Contractual obligation relating to maintenance contracts, benefits of which will be consumed in subsequent years, have been recognised as unamortised cost for maintenance contracts and disclosed under “other assets”.

(xiv) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, only when such reimbursement is virtually certain.

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

(xv) Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is reviewed annually.

(xvi) Borrowing costs

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

(xvii) Inventories

Inventories of materials and components, finished goods, work-in-progress and stock-in-trade are valued at cost or net realisable value, whichever is lower. The cost is determined on weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress, cost also includes costs of conversion.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Further, inventory contains service spares which are used as replacement stocks by the Group for servicing the customers repairs and maintenance requirements during the service period. Adequate allowances are recognised as a measure of consumption over their expected life based on their usage.

(xviii) Income recognition

(a) Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The following specific recognition criteria must also be met before revenue is recognised:

Sale of products

Revenue from sale of product is recognised when control of the product is transferred to the buyer which generally coincides with acknowledgement of delivery pending which the sale is disclosed as "Contract liabilities".

The Group collects goods and services tax (GST) and other indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the Group and are accordingly excluded from the revenue.

Sale of services

1. Revenue from implementation services (including installation and commissioning) related to products supplied or on a standalone basis are recognised when services are rendered, as the performance obligations are met.
2. Revenue from maintenance contracts is recognised based on time elapsed and revenue is straight lined over the period of the performance or on the performance of services as specified in the contract.
3. Service income of a periodic nature which is billed but has not accrued during the year is disclosed as "Contract liabilities".
4. The Group collects goods and services tax (GST) and other indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the Group and are accordingly excluded from the revenue.

(b) **Other operating revenue**

It includes revenue arising from the reversal of operating liabilities / provisions no longer required or revenue arising from Group's ancillary revenue-generating activities. Revenue from these activities are recorded only when Group is reasonably certain of such income.

(c) **Other income**

Other income comprises

a. Interest income on deposits: Interest income is recognised using the effective interest method and on time proportion basis

b. Commission income: It is accounted on accrual basis, except where receipt of income is uncertain.

(xix) Income tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as at the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

(xx) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(xxi) Cash and cash equivalents

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

(xxii) Equity shares

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

(xxiii) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to assist users in understanding the financial performance achieved and in making projections of future financial performance, the nature and amount of such material items are disclosed separately as exceptional items.

(xxiv) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

Further, on 24 March 2021, MCA through a notification, amended Schedule III of the Act. These amendments are applicable from 1 April 2021. The Group is currently evaluating the impact of these amendments on the financial statements.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are as follows:

1. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
2. Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
3. Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
4. Specified format for disclosure of shareholding of promoters.
5. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
6. Additional disclosures relating to corporate social responsibility, undisclosed income and crypto or virtual currency.
7. Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio in excess of 25% compared to preceding year.
8. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
9. If a company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose whether the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account and if not, summary of reconciliation and reasons for material discrepancies, if any to be disclosed.
10. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

3 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

	Leasehold improvement	Freehold land*	Buildings*	Plant and equipment	Computers and servers	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount										
As at 1 April 2019	4.92	17.65	80.86	26.19	62.95	1.13	8.53	26.96	12.64	241.83
Additions	0.58	-	-	3.34	12.29	0.04	1.18	0.68	0.32	18.43
Acquisitions through business combination (refer note 45)	-	-	-	0.26	0.72	-	-	-	-	0.98
Disposals	0.12	-	-	0.33	1.46	-	-	2.65	1.00	5.56
Exchange differences	0.46	1.59	8.35	0.91	6.08	-	1.47	0.39	1.08	20.33
As at 31 March 2020	**5.84**	**19.24**	**89.21**	**30.37**	**80.58**	**1.17**	**11.18**	**25.38**	**13.04**	**276.01**
Additions	2.74	-	-	4.39	17.50	-	0.52	1.88	0.24	27.27
Acquisitions through business combination (refer note 45)	-	-	-	0.17	1.02	-	2.28	-	0.45	3.92
Disposals	-	-	-	4.15	9.44	0.89	1.98	8.20	0.07	24.73
Exchange differences	(0.17)	(0.55)	(1.89)	(0.41)	(0.95)	-	(0.50)	(0.02)	(0.66)	(5.15)
As at 31 March 2021	**8.41**	**18.69**	**87.32**	**30.37**	**88.71**	**0.28**	**11.50**	**19.04**	**13.00**	**277.32**
Accumulated depreciation										
As at 1 April 2019	0.70	-	1.08	15.39	38.46	0.90	7.62	21.06	0.63	85.84
Charge for the year	0.93	-	3.64	2.41	9.31	0.05	1.39	0.44	2.25	20.42
Disposals	0.10	-	-	0.03	0.38	-	-	0.20	0.09	0.80
Exchange differences	0.11	-	0.30	0.21	3.81	-	1.23	0.32	0.20	6.18
As at 31 March 2020	**1.64**	**-**	**5.02**	**17.98**	**51.20**	**0.95**	**10.24**	**21.62**	**2.99**	**111.64**
Charge for the year	1.16	-	4.66	3.53	9.04	0.06	1.40	1.65	2.13	23.63
Disposals	-	-	-	4.15	5.01	0.89	1.98	8.20	0.07	20.30
Exchange differences	(0.04)	-	(0.20)	(0.12)	(0.87)	-	(0.46)	(0.01)	(0.10)	(1.80)
As at 31 March 2021	**2.76**	**-**	**9.48**	**17.24**	**54.36**	**0.12**	**9.20**	**15.06**	**4.95**	**113.17**
Net carrying amount										
As at 31 March 2020	**4.20**	**19.24**	**84.19**	**12.39**	**29.38**	**0.22**	**0.94**	**3.76**	**10.05**	**164.37**
As at 31 March 2021	**5.65**	**18.69**	**77.84**	**13.13**	**34.35**	**0.16**	**2.30**	**3.98**	**8.05**	**164.15**

Notes:

1. Buildings includes those constructed on leasehold land.
2. For capital commitments, refer note 37(B).
3. Refer notes 15 and 20 for information on property, plant and equipment maintained as security by the Group.

* Refer note 39 for impact of restatement on account of prior period error or omission.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

4 RIGHT OF USE ASSETS

₹ in Crores

	Buildings*	Computers and servers	Plant and equipment	Office equipment	Vehicles	Total
Gross carrying amount						
As at 1 April 2019	112.58	-	6.18	7.46	6.64	132.86
Additions	24.45	2.23	2.87	6.09	2.42	38.06
Exchange differences	8.82	0.08	0.66	0.89	0.68	11.13
As at 31 March 2020	**145.85**	**2.31**	**9.71**	**14.44**	**9.74**	**182.05**
Additions	91.41	-	3.14	9.16	3.68	107.39
Disposals	22.17	-	1.60	-	-	23.77
Exchange differences	(3.92)	(0.05)	(0.30)	(0.52)	(0.32)	(5.11)
As at 31 March 2021	**211.17**	**2.26**	**10.95**	**23.08**	**13.10**	**260.56**
Accumulated depreciation						
As at 1 April 2019						
Charge for the year	53.92	0.54	3.12	3.45	3.56	64.59
Exchange differences	1.54	0.02	0.11	0.13	0.13	1.93
As at 31 March 2020	**55.46**	**0.56**	**3.23**	**3.58**	**3.69**	**66.52**
Charge for the year	50.83	0.64	2.91	5.11	3.20	62.69
Disposals	11.38	-	1.03	-	-	12.41
Exchange differences	(1.47)	(0.01)	(0.11)	(0.17)	(0.13)	(1.89)
As at 31 March 2021	**93.44**	**1.19**	**5.00**	**8.52**	**6.76**	**114.91**
Net carrying amount						
As at 31 March 2020	**90.39**	**1.75**	**6.48**	**10.86**	**6.05**	**115.53**
As at 31 March 2021	**117.73**	**1.07**	**5.95**	**14.56**	**6.34**	**145.65**

Notes:

1. Disposals includes lease reassessments in the nature of pre-termination of lease arrangements.
2. Refer note 43 for disclosure on leased assets

* Refer note 39 for impact of restatement on account of prior period error or omission.

5 GOODWILL

	₹ in Crores
Gross carrying amount	
As at 1 April 2019	226.16
Acquisitions through business combination (refer note 45)	10.52
Exchange differences	20.25
As at 31 March 2020	**256.93**
Acquisitions through business combination (refer note 45)	39.27
Exchange differences	(4.95)
As at 31 March 2021	**291.25**
Accumulated amortisation	
As at 1 April 2019	20.79
Exchange differences	1.90
As at 31 March 2020	**22.69**
Exchange differences	(0.62)
As at 31 March 2021	**22.07**
Net carrying amount	
As at 31 March 2020	**234.24**
As at 31 March 2021	**269.18**

6 OTHER INTANGIBLE ASSETS

₹ in Crores

	Customer relationship	Non-compete fee	Trademark	Computer software*	Total
Gross carrying amount					
As at 1 April 2019	-	-	21.66	33.24	54.90
Additions	-	-	-	5.09	5.09
Acquisitions through business combination (refer note 45)	-	-	-	7.34	7.34
Disposals	-	-	-	6.04	6.04
Exchange differences	-	-	1.95	3.13	5.08
As at 31 March 2020	**-**	**-**	**23.61**	**42.76**	**66.37**
Additions	-	-	-	1.33	1.33
Acquisitions through business combination (refer note 45)	5.19	1.36	-	3.30	9.85
Disposals	-	-	-	2.44	2.44
Exchange differences	(0.06)	(0.02)	(0.68)	(0.66)	(1.42)
As at 31 March 2021	**5.13**	**1.34**	**22.93**	**44.29**	**73.69**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

	Customer relationship	Non-compete fee	Trademark	Computer software*	Total
Accumulated amortisation					
As at 1 April 2019	-	-	-	16.80	16.80
Charge for the year	-	-	-	6.68	6.68
Disposals	-	-	-	1.36	1.36
Exchange differences	-	-	-	1.65	1.65
As at 31 March 2020	**-**	**-**	**-**	**23.77**	**23.77**
Charge for the year	2.02	0.08	-	7.14	9.24
Disposals	-	-	-	1.56	1.56
Exchange differences	(0.73)	0.00	-	(0.30)	(1.03)
As at 31 March 2021	**1.29**	**0.08**	**-**	**29.05**	**30.42**
Net carrying amount					
As at 31 March 2020	**-**	**-**	**23.61**	**18.99**	**42.60**
As at 31 March 2021	**3.84**	**1.26**	**22.93**	**15.24**	**43.27**

*Refer note 30 (a)

7 LOANS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured, considered good				
Deposits	3.87	1.93	1.46	1.75
Inter corporate deposit (refer note 46)	-	-	-	17.30
Others	-	-	-	0.32
	3.87	**1.93**	**1.46**	**19.37**

Refer note 41 for information on credit risk and market risk.

8 OTHER FINANCIAL ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured, considered good				
Margin money deposits with banks*	0.94	2.26	-	-
Receivable against sale of property, plant and equipment	-	-	-	1.46
Receivable from related parties	-	-	-	0.02
Interest accrued on inter corporate deposit (refer note 46)	-	-	-	5.52
Interest accrued on margin money deposits	-	0.05	0.19	0.05
Unbilled revenue	-	-	3.67	13.95
Receivable against securitisation of trade receivables	-	-	384.35	285.82
Others	23.09	20.77	143.10	78.39
	24.03	**23.08**	**531.31**	**385.21**

Refer note 41 for information on credit risk and market risk.

* As lien against bank guarantees issued amounting to ₹ 61.40 Crores (31 March 2020 : ₹ 71.47 Crores).

9 DEFERRED TAX ASSETS (NET)

₹ in Crores

	31 March 2021	31 March 2020
Deferred tax assets arising on account of		
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	0.25	0.38
Provision for employee benefits	0.27	0.36
Allowance for expected credit loss	0.59	1.19
Lease liabilities	0.03	0.34
Brought forward tax losses	17.47	21.39
Others (net)	1.16	0.90
	19.77	**24.56**
(Deferred tax liability) arising on account of		
Right of use assets	(1.23)	(4.29)
	(1.23)	**(4.29)**
Deferred tax assets (net)	**18.54**	**20.27**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(a) Movement in deferred tax assets and deferred tax liability from 1 April 2020 to 31 March 2021

₹ in Crores

	Opening balance as on 1 April 2020	Recognised in the statement of profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Closing balance as on 31 March 2021
Deferred tax assets arising on account of					
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	0.38	(0.13)	-	-	0.25
Provision for employee benefits	0.36	(0.08)	(0.01)	-	0.27
Allowance for expected credit loss	1.19	(0.60)	-	-	0.59
Lease liabilities	0.34	(0.31)	-	-	0.03
Brought forward tax losses	21.39	(3.92)	-	-	17.47
Others (net)	0.90	0.26	-	-	1.16
	24.56	**(4.78)**	**(0.01)**	**-**	**19.77**
(Deferred tax liability) arising on account of					
Right of use assets	(4.29)	3.06	-	-	(1.23)
	(4.29)	**3.06**	**-**	**-**	**(1.23)**
Deferred tax assets (net)	**20.27**	**(1.72)**	**(0.01)**	**-**	**18.54**

(b) Movement in deferred tax assets and deferred tax liability from 1 April 2019 to 31 March 2020

₹ in Crores

	Opening balance as on 1 April 2019	Recognised in the statement of profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Closing balance as on 31 March 2020
Deferred tax assets arising on account of					
Timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	0.90	(0.52)	-	-	0.38
Provision for employee benefits	5.49	(5.14)	0.01	-	0.36
Allowance for expected credit loss	1.33	(0.14)	-	-	1.19
Lease liabilities	-	0.34	-	-	0.34
Brought forward tax losses	23.92	(2.53)	-	-	21.39
Inventory allowance	0.54	(0.54)	-	-	-
Others (net)	(0.20)	1.10	-	-	0.90
	31.98	**(7.43)**	**0.01**	**-**	**24.56**
(Deferred tax liability) arising on account of					
Right of use assets	-	(4.29)	-	-	(4.29)
	-	**(4.29)**	**-**	**-**	**(4.29)**
Deferred tax assets (net)	**31.98**	**(11.72)**	**0.01**	**-**	**20.27**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off tax assets and tax liabilities and deferred tax assets and deferred tax liabilities related to the income taxes levied by the same tax authorities.

Brought forward tax losses and other temporary differences on which no deferred tax asset is recognised in consolidated balance sheet :

₹ in Crores

	31 March 2021	31 March 2020
Brought forward tax losses	109.69	139.60
Temporary differences	83.14	86.60
	192.83	**226.20**

10 OTHER ASSETS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Advances other than capital advances				
Advance to vendors	-	-	6.23	7.46
Prepaid expenses	12.13	57.91	144.52	117.35
Balances with statutory / government authorities	14.96	5.89	16.90	35.04
Unamortised cost for maintenance contracts	-	2.56	55.09	96.94
Others	4.28	17.81	0.08	18.24
	31.37	**84.17**	**222.82**	**275.03**

11 INVENTORIES

₹ in Crores

	31 March 2021	31 March 2020
Materials and components (refer note 24)	5.68	7.81
Work-in-progress (refer footnote of note 25)	0.01	0.03
Stock-in-trade (includes in transit ₹ Nil) (31 March 2020: ₹ 0.59 Crores) (refer footnote of note 25)	142.45	119.47
Finished goods (refer footnote of note 25)	-	7.81
Stores and spares	0.61	1.44
	148.75	**136.56**

Note:

There is no write down of inventories during the year (31 March 2020: ₹ 6.51 Crores).

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

12 TRADE RECEIVABLES

₹ in Crores

	31 March 2021	31 March 2020
Unsecured		
Considered good	352.30	454.59
Less: Allowance for expected credit loss	(112.54)	(93.28)
Credit impaired	43.68	40.25
Less: Allowance for expected credit loss	(43.68)	(40.25)
	239.76	**361.31**
Includes due from related parties [refer note 36 (III)]	7.70	4.02

Notes:

1. Trade receivables are non-interest bearing and are generally on credit term in line with applicable industry norms.
2. Refer note 41 for information on credit risk and market risk.

13 CASH AND CASH EQUIVALENTS AND BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crores

	31 March 2021	31 March 2020
Cash and cash equivalents		
Balances with banks:		
– Current accounts	353.48	314.71
– Deposit accounts *	3.54	0.73
Cheques on hand	-	0.38
Cash on hand	0.02	0.05
	357.04	**315.87**
Bank balances other than cash and cash equivalents		
Margin money deposits with maturity of more than 3 months and less than 12 months*	3.27	2.12
Deposits for letter of credit	42.66	43.91
Restricted cash balance**	7.32	7.54
	53.25	**53.57**

* As lien against bank guarantees issued amounting to ₹ 61.40 Crores (31 March 2020 : ₹ 71.47 Crores).

** Represents earmarked balance as collateral for credit card program of BBX Inc. and its subsidiaries (“BBX”).

Refer note 41 for information on credit risk and market risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

14 EQUITY SHARE CAPITAL

₹ in Crores

	31 March 2021	31 March 2020
Authorised share capital		
45,000,000 (31 March 2020: 45,000,000) equity shares of ₹10 each	45.00	45.00
5,000,000 (31 March 2020: 5,000,000) Cumulative or Non-cumulative redeemable preference shares of ₹ 100 each	50.00	50.00
5,000,000 (31 March 2020: 5,000,000) Convertible preference shares of ₹ 100 each	50.00	50.00
Issued, subscribed and fully paid-up share capital		
32,528,830 (31 March 2020 : 29,744,649) equity shares of ₹ 10 each	32.53	29.75
Total issued, subscribed and fully paid-up share capital	**32.53**	**29.75**

Notes:

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

Equity shares

	31 March 2021		31 March 2020	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	29,744,649	29.75	29,737,649	29.74
Shares issued on exercise of employee stock option plan (refer note 34)	185,530	0.18	7,000	0.01
Shares issued on conversion of share warrants issued on preferential basis (refer footnote below)	2,598,651	2.60	-	-
Outstanding at the end of the year	**32,528,830**	**32.53**	**29,744,649**	**29.75**

Footnote:

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 ₹ 10 each at a premium of ₹ 665 per warrant to Essar Telecom Limited and Onir Metallics Limited on 8 January 2021. As at 31 March 2021, the Company has received money aggregating to ₹ 187.81 Crores against convertible warrants. Each warrant is convertible into 1 equity share of ₹ 10 each of the Company within 18 months from the date of allotment subject to payment of balance subscription amount. Out of total 3,333,334 convertible warrants, 2,598,651 warrants have been converted into equity shares. Subsequent to 31 March 2021, Onir Metallics Limited has merged with Essar Steel Metal Trading Limited.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(b) Rights, preference and restriction on equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per equity share. The Company declares and pays dividends in INR. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of fully paid-up equity shares held by the shareholders.

(c) Essar Telecom Limited (ETL) is the holding company with effect from 20 March 2021. As at 31 March 2021, ETL is holding 16,346,336 (31 March 2020 : 14,082,055) equity shares of ₹ 10 each fully paid-up amounting to ₹ 16.35 Crores (31 March 2020 : ₹ 14.08 Crores).

(d) Aggregate number of bonus shares issued or buy back of shares during the period of five years immediately preceding the reporting date

The Company has neither issued bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2021.

(e) Shares issued for consideration other than cash

The Company has allotted 1,271,185 fully paid-up equity shares of ₹ 10 each on conversion of compulsorily convertible preference shares during the year ended 31 March 2019.

(f) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	31 March 2021		31 March 2020	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid-up				
- Essar Telecom Limited	16,346,336	50.25%	14,082,055	47.34%
- Onir Metallics Limited #	6,807,267	20.93%	6,472,897	21.76%

This company has merged with Essar Steel Metal Trading Limited with effect from 7 July 2021.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(g) Shares reserved for issue under options

The Company has reserved 734,683 shares (31 March 2020 : Nil) for issue on conversion of warrants, refer footnote to note (a) above.

For details of shares reserved for issue under the employee stock option plan of the Company, refer note 34.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

15 NON-CURRENT BORROWINGS

₹ in Crores

	31 March 2021	31 March 2020
Secured		
Term loans from banks [refer footnote (a) and (b)]	119.39	4.88
Term loan from financial institution [refer footnote (c)]	-	10.33
	119.39	**15.21**

Notes:

(a) For AGC Networks Pte. Limited ("AGC Singapore"), wholly owned subsidiary of the Company, outstanding term loan of ₹ 4.74 Crores equivalent to USD 0.65 million (31 March 2020: ₹ 15.87 Crores equivalent to USD 2.11 million) from First Abu Dhabi Bank, comprises of long-term portion of ₹ Nil (31 March 2020: ₹ 4.88 Crores equivalent to USD 0.65 million) and current portion of ₹ 4.74 Crores equivalent to USD 0.65 million (31 March 2020: ₹ 10.99 Crores equivalent to USD 1.46 million). The loan is secured by inventory and trade receivables (present and future) of AGC Singapore and corporate guarantee given by AGC Networks Limited.

As per the repayment schedule, loan is repayable in 14 quarterly installments starting from 15 May 2018 viz. 1st installment of ₹ 0.59 Crores equivalent to USD 0.08 million, 2nd installment of ₹ 0.73 Crores equivalent to USD 0.10 million, eight installments of ₹ 2.05 Crores equivalent to USD 0.28 million each and four installments of ₹ 2.34 Crores equivalent to USD 0.32 million each. Last installment is due on 15 August 2021. The effective rate of interest is 6.00% p.a.(31 March 2020: 6.00% p.a.). However, the loan is fully repaid subsequently on 28 April 2021.

Further, the Central Bank of the United Arab Emirates had introduced the AED 100 billion Targeted Economic Support Scheme, which came into effect on 15 March 2020. It enabled banks to provide temporary relief to their corporate and retail clients that are affected by the COVID-19 pandemic by deferring loan repayments and extending existing facility's maturity date up to 15 September 2020. AGC Singapore had availed the aforementioned moratorium for the term loan with First Abu Dhabi Bank.

(b) During the current year, BBX entered into a five year term loan contract with Fifth Third Bank for ₹ 79.89 Crores equivalent to USD 10.91 million and simultaneously entered into a five year term loan contract with East West Bank for ₹ 66.57 Crores equivalent to USD 9.09 million, all of which is outstanding as at 31 March 2021. Principal payments are due in equal installments on the last business day of March, June, September, and December in each year, commencing with the calendar quarter ending 30 June 2021, with the amount of each such principal installment equal to ₹ 5.20 Crores equivalent to USD 0.71 million. A total of ₹ 20.94 Crores equivalent to USD 2.86 million is due within the next 12 months, applied ratably to the outstanding balances of each lender amount. A final payment comprised of all the principal and interest not sooner paid on the term loans is due and payable on 31 March 2026, the final maturity thereof. Interest accrues at a rate per annum equal to the greatest of: (a) the rate of interest announced by Fifth Third Bank, National

Association, from time to time as its "prime rate" as in effect on such day, with any change in the base rate resulting from a change in said prime rate to be effective as of the date of the relevant change in said prime rate, (b) the sum of (i) the Federal Funds rate, plus (ii) one-half of one percent (0.50%) and (c) the sum of (i) the adjusted London Interbank Offered Rate ('LIBOR') that would be applicable to a Eurodollar loan with a one (1) month interest period advanced on such day plus (ii) one percent (1.00%). The obligations are secured by (a) valid, perfected, and enforeceable liens of the Fifth Third Bank, National Association on all right, title, and interest of BBX and each loan party in all ownership interests held by such person in each of its subsidiaries provided that the loan parties shall only be required to pledge 65% of the outstanding voting ownership interest and 100% of the outstanding non-voting ownership interests of their foreign subsidiaries, and (b) valid, perfected and enforceable liens of the Fifth Third Bank, National Association on all right, title, and interest of each loan party in all personal property, fixtures, and real estate, whether now owned or hereafter acquired or arising, and all proceeds thereof. The aforementioned loan has been accounted under effective interest method.

Further, BBX has the ability to draw on revolving notes with Fifth Third Bank, the amount of ₹ 139.87 Crores equivalent to USD 19.10 million and with East West Bank for ₹ 110.58 Crores equivalent to USD 15.10 million. BBX may elect for these borrowings to pay interest applicable on either base rate loans or Eurodollar loans, as described above. BBX has no outstanding balances related to these notes as at 31 March 2021. The notes will terminate on 31 March 2026, and any amounts previously unpaid are due on that date. BBX also has the ability to draw on from time to time a swing loan in the minimum amount of ₹ 1.83 Crores equivalent to USD 0.25 million and a maximum amount of ₹ 36.62 Crores equivalent to USD 5.00 million, which must be repaid by the last day of the interest period applicable thereto. Each swing loan shall bear interest until maturity at a rate per annum equal to, at the option of the borrower, (i) the sum of the base rate plus the applicable margin for base rate loans under the revolving credit from time to time in effect (computed on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days elapsed) or (ii) the swing line lender's quoted rate (computed on the basis of a year of 360 days for the actual number of days elapsed). Interest on each swing loan shall be due and payable prior to such maturity on the last day of each interest period applicable thereto. BBX has no outstanding amounts under these swing loans as at 31 March 2021.

(c) For BBX, outstanding term loan of ₹ Nil (31 March 2020: ₹ 20.25 Crores) obtained from Srei Equipment Finance Limited ("SREI") had been carried in the books pursuant to business combination during the year ended 31 March 2020 (refer note 45). The outstanding term loan comprises of long-term portion of ₹ Nil (31 March 2020: ₹ 10.33 Crores) and current portion of ₹ Nil (31 March 2020: ₹ 9.92 Crores). The loan is secured by all moveable fixed and current assets and promissory notes provided by BBX. The facility was to be repaid in two equal installments in March 2021 and December 2021. However, the term loan was fully repaid during the current year. The interest rate is 12.00% p.a. (31 March 2020: 12.00%) linked to SREI Bench Rate ("SBR").

(d) For AGC Singapore, outstanding term loan of ₹ Nil (31 March 2020: ₹ 188.84 Crores equivalent to USD 25.05 million) from Essar Telecom Limited, Mauritius comprises of long-term portion of ₹ Nil (31 March 2020: ₹ Nil) and current portion of ₹ Nil (31 March 2020: ₹ 188.84 Crores equivalent to USD 25.05 million). The loan carried an interest rate of 5.25% p.a. (31 March 2020: 5.25% p.a.).

The aforesaid loan was fully repaid during the year.

(e) For BBX, two outstanding term loans aggregating to ₹ Nil (31 March 2020: ₹ 5.54 Crores equivalent to USD 0.73 million) from Bank of Texas comprises of long-term portion of ₹ Nil (31 March 2020: ₹ Nil) and current portion of ₹ Nil (31 March 2020: ₹ 5.54 Crores equivalent to USD 0.73 million). The loans were secured by first charge on the entire assets of BBX (present and future) including trade receivables and inventory. The effective rate of interest was 5.30% p.a. (31 March 2020: 5.30% p.a.) and 5.51% p.a. (31 March 2020: 5.51% p.a.) respectively.

Under the initial repayment schedule, the above mentioned loans were repayable in 36 monthly installments of USD 0.01 million and USD 0.03 million starting from 28 September 2018 and 2 February 2019 respectively. Last installment was due on 28 August 2021 and 2 January 2022 respectively. However, the loans were fully repaid in April 2020.

(f) Current maturities of the above-mentioned borrowings, unless otherwise specified, are disclosed under note 17 "Other financial liabilities".

(g) Refer note 41 for information on credit risk, market risk and liquidity risk.

16 LEASE LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Lease liabilities	94.18	65.36	57.77	67.77
	94.18	**65.36**	**57.77**	**67.77**

Notes:

(a) Refer note 27 for interest on lease liabilities.

(b) Refer note 43(c) for disclosure on leased assets.

(c) Refer note 41 for information on credit risk, market risk and liquidity risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

17 OTHER FINANCIAL LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Employee related payables*	-	-	81.34	92.45
Payables for expenses	-	-	166.70	235.93
Interest accrued on borrowings	-	-	0.24	17.49
Current maturities of long-term debt (refer note 15)	-	-	40.38	205.37
Guarantee liability	0.93	0.94	-	0.06
Warrant liability	-	63.41	103.22	-
Payables for letter of credit	-	-	16.33	5.82
Other payables	85.64	93.07	5.50	12.09
	86.57	**157.42**	**413.71**	**569.21**

* Include amount payable to key managerial personnel amounting to ₹ 5.87 Crores (31 March 2020: ₹ 2.12 Crores) [refer note 36(IV)].

Refer note 41 for information on credit risk, market risk and liquidity risk.

18 PROVISIONS

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits				
Provision for gratuity [refer note 33 (I)(b)]	7.83	7.90	1.31	0.24
Provision for compensated absences [refer note 33 (I)(c)]	0.55	6.03	40.42	31.21
Provision for pension [refer note 33 (II)]	69.34	173.66	-	-
Provision for long-term disability	7.57	9.82	1.87	-
	85.29	**197.41**	**43.60**	**31.45**
Other provisions				
Provision for warranties [refer note (a)]	-	-	0.28	0.37
Provision for restructuring [refer note (b)]	-	-	7.11	25.98
Provision for tax [net of advance taxes of ₹ Nil (31 March 2020 : ₹ Nil)]	-	-	68.15	27.06
	-	**-**	**75.54**	**53.41**
	85.29	**197.41**	**119.14**	**84.86**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(a) Provision for warranties

A provision is recognised for expected warranty claims on products sold during the last one year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within a year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one-year warranty period for all products sold. The table below gives information about movement in warranty provision.

₹ in Crores

	31 March 2021	31 March 2020
At the beginning of the year	0.37	1.40
Recognised during the year	0.28	0.37
Unused amounts reversed	(0.37)	(1.40)
At the end of the year	**0.28**	**0.37**

(b) Provision for restructuring

During the financial year ended 31 March 2016, BBX had incurred expenditure related to employee severance and facility consolidation (collectively referred to as "restructuring expenses") in a continued effort to consolidate back office functions and to make the organisation more efficient. Restructuring efforts increased significantly over the years leading up to acquisition of BBX by AGC, due to the liquidity concerns of BBX at that time. The Group has continued the on-going restructuring plans and expanded the initiatives during the post-acquisition period through executed and planned workforce reduction. The table below gives information about movement in restructuring provision.

₹ in Crores

	31 March 2021	31 March 2020
At the beginning of the year	25.98	49.45
Recognised during the year	11.46	0.97
Payment made during the year	(29.81)	(27.89)
Exchange differences	(0.53)	3.46
At the end of the year	**7.10**	**25.99**

19 OTHER LIABILITIES

₹ in Crores

	Non-current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Contract liabilities [refer note 44(b)]	24.75	63.17	500.11	404.89
Advances from customers	-	-	2.10	16.52
Statutory dues payable	-	-	61.28	47.55
Other payables	-	0.21	0.08	2.55
	24.75	**63.38**	**563.57**	**471.51**

20 CURRENT BORROWINGS

₹ in Crores

	31 March 2021	31 March 2020
Secured		
Term loans from others [refer notes (b) and (c)]	-	136.95
Term loan from financial institution [refer note 15(c)]	-	9.92
Loans repayable on demand		
Cash credit facilities from banks [refer note (a)]	16.43	93.82
Unsecured		
Working capital loan from other [refer note (d)]	-	1.11
	16.43	**241.80**

Cash flow changes in liabilities arising from financial activities: ₹ in Crores

Particulars	Borrowings			
	Non-current (refer note 15)	Current	Current maturities of long-term debt (refer note 17)	Total
As at 1 April 2019	**586.89**	**206.61**	**10.36**	**803.86**
Cash flows (net)	(571.68)	35.19	195.01	(341.48)
As at 31 March 2020	**15.21**	**241.80**	**205.37**	**462.38**
Cash flows (net)	104.18	(225.37)	(164.99)	(286.18)
As at 31 March 2021	**119.39**	**16.43**	**40.38**	**176.20**

Notes:

(a) For AGC Networks Limited, cash credit facilities from banks are secured by first pari-passu charge on entire current assets of the Company (present and future) including inventory of materials and components, work-in-progress, stock-in-trade, trade receivables, insurances etc. and by second pari-passu charge on all moveable PPE of the Company.

Cash credit facilities carry an effective interest rate of 11.75% to 14.50% p.a. (31 March 2020: 13.00% to 15.00% p.a.).

Further, in view of COVID-19 pandemic, the Reserve Bank of India had, vide Circular No. RBI/2019-20/186 dated 27 March 2020 and Circular No. RBI/2019-20/244 dated 23 May 2020, inter-alia, permitted the lending institutions to defer the recovery of interest in respect of working capital facility (including cash credit facility) during the period 1 March 2020 to 31 August 2020. In addition to above, the latter circular permitted the conversion of accumulated interest for the period up to 31 August 2020 into a funded interest term loan (FITL) which shall be repayable not later than 31 March 2021. The Company had applied for the aforementioned moratorium benefits for all the cash credit facilities. Further, during the year ended 31 March 2021, the accumulated interest for the period up to 31 August 2020 was converted into FITL and repaid in full on or before 31 March 2021 by the Company.

(b) For BBX Main Inc., there is outstanding term loan of ₹ 16.48 Crores equivalent to USD 2.25 million (31 March 2020: ₹ 22.62 Crores equivalent to USD 3.00 million) availed from Splice Capital LLC (including loan of Weber Family Trust assigned to Splice Capital LLC during the year ended 31 March 2020). This loan carries a rate of interest of 8.50% p.a. to 10.00% p.a. (31 March 2020: 10.00% p.a. to 18.00% p.a.) and it was initially repayable by July 2019. During the year ended 31 March 2020, the loan term was revised and was then repayable by July 2020 which has been further extended to December 2021. It is secured against equity of BBX Main Inc. and AGC Networks LLC, USA.

Additionally, there is outstanding term loan of ₹ Nil (31 March 2020: ₹ 3.77 Crores equivalent to USD 0.50 million) availed from Galaxy Wave Holdings Limited. The loan carries a rate of interest of 15.00% p.a. (31 March 2020: 15.00% p.a.) and it was initially repayable by July 2019. The loan term had been revised and was then repayable by June 2020. Security shall be mutually agreed between the parties. The term loan was fully repaid during the current year.

(c) For BBX, term loan was availed during the year ended 31 March 2020 amounting to ₹ 113.08 Crores equivalent to USD 15.00 million from Greensill Capital (UK) Limited ("Greensill"). Greensill has sub-participation rights in the tranche subscribed by BBX in the securitisation program with the special purpose vehicle and a corporate guarantee had been given by AGC Singapore. This term loan was repayable in four equal tranches with expirations in March 2020, June 2020, September 2020 and December 2020. The interest rate on the term loan is LIBOR + approximately 8.00% p.a. Upon the expiration and repayment of each tranche, BBX had an option to enter into four separate one-year tranche of ₹ 28.27 Crores equivalent to USD 3.75 million such that the final tranche would expire in December 2021. BBX executed first option in March 2020. Accordingly, the loan outstanding as at 31 March 2020 was ₹ 110.56 Crores equivalent to USD 14.67 million and it was fully repaid during the current year.

(d) For BBX, premium financing service has been availed from AFCO Credit Corporation. The amount outstanding as at 31 March 2021 is ₹ Nil (31 March 2020: ₹ 1.11 Crores equivalent to USD 0.15 million). The effective interest rate for the year is 5.09% to 5.24% p.a. (31 March 2020: 5.09% to 5.24% p.a.).

(e) During the year ended 31 March 2020, the Company had defaulted in repayment of working capital loan to Yes Bank amounting to ₹ 2.55 Crores, which was due on 9 May 2019. The repayment had subsequently been made after the due due date, on 5 July 2019.

(f) Refer note 41 for information on credit risk, market risk and liquidity risk.

21 TRADE PAYABLES

₹ in Crores

	31 March 2021	31 March 2020
Dues to micro enterprises and small enterprises (refer note 38)	11.15	17.17
Dues to creditors other than micro enterprises and small enterprises	504.46	530.58
	515.61	**547.75**
Includes due to related parties [refer note 36 (III)]	-	0.17

Notes:

1. Trade payables are generally non-interest bearing and are normally settled in line with applicable industry norms.
2. Refer note 41 for information on credit risk, market risk and liquidity risk.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

22 REVENUE FROM OPERATIONS

₹ in Crores

	31 March 2021	31 March 2020
Revenue from operations		
Sale of products (refer footnote of note 25)		
Finished goods	36.39	52.15
Stock-in-trade	1,740.30	1,859.16
Sale of services [refer note (a) below]	2,864.33	3,066.69
	4,641.02	**4,978.00**
Other operating revenue		
Liabilities / provisions for earlier years no longer required written back / reversed [refer note (b) below]	33.00	15.92
	4,674.02	**4,993.92**

Notes:

(a) Details of sale of services

₹ in Crores

	31 March 2021	31 March 2020
- Maintenance services	649.85	1,039.39
- Implementation services	2,147.78	1,941.82
- Training and consulting services	66.70	85.48
	2,864.33	**3,066.69**

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

₹ in Crores

	31 March 2021	31 March 2020
- pertaining to provision for expenses	4.57	0.17
- pertaining to employee stock option expense	-	0.17
- pertaining to employee related payables	5.46	2.18
- pertaining to trade payables	2.74	11.96
- pertaining to goods receipt / invoice receipt balances	2.56	0.15
- pertaining to advance from customers	17.67	0.23
- pertaining to provision for warranties	-	1.06
	33.00	**15.92**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

23 OTHER INCOME

₹ in Crores

	31 March 2021	31 March 2020
Interest income on		
Bank deposits	0.23	0.21
Income tax refund	3.18	0.98
Inter corporate deposit	1.67	3.63
Others	-	1.71
Gain on disposal of property, plant and equipment and other intangible assets	4.78	-
Gain on remeasurement of lease	0.59	-
Miscellaneous income	0.68	0.88
	11.13	**7.41**

24 COST OF MATERIALS AND COMPONENTS CONSUMED

₹ in Crores

	31 March 2021	31 March 2020
Inventory at the beginning of the year	7.81	10.03
Add: Purchases made during the year (net)	3.23	5.49
Add: Acquisitions through business combination (refer note 45)	-	1.22
	11.04	**16.74**
Less: Inventory at the end of the year	5.68	7.81
	5.36	**8.93**

Details of material and components consumed

₹ in Crores

	31 March 2021	31 March 2020
Static converters	-	0.09
Cabinet	-	2.82
Peripherals	5.02	6.02
Others	0.34	-
	5.36	**8.93**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

25 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

₹ in Crores

	31 March 2021	31 March 2020
Inventories at the end of the year		
Stock-in-trade	142.45	119.47
Work-in-progress	0.01	0.03
Finished goods	-	7.81
	142.46	**127.31**
Acquisitions through business combination (refer note 45)		
Stock-in-trade	5.79	-
Work-in-progress	-	-
Finished goods	-	-
	5.79	**-**
Inventories at the beginning of the year		
Stock-in-trade	119.47	128.25
Work-in-progress	0.03	0.50
Finished goods	7.81	9.96
	127.31	**138.71**
	(9.36)	**11.40**

Footnote: The Group is a global ICT solution provider and integrator operating in various quadrants and the solutions sold to customers are configured as per specific customer requirements. The heterogeneous mix of components in solutions offered to customers makes it difficult to establish a meaningful and homogenous relationship for providing breakup of products purchased or sold during the year and the stock position. Consequently, it is neither feasible nor meaningful to give the category-wise details of products purchased or sold during the year and stock position for all its product solutions.

26 EMPLOYEE BENEFITS EXPENSE (NET)

₹ in Crores

	31 March 2021	31 March 2020
Salaries and wages*	1,810.50	1,882.48
Contribution to provident and other funds [refer note 33(I)(a)]*	10.76	1.08
Share based payment to employees	0.31	-
Staff welfare expenses	3.81	10.95
	1,825.38	**1,894.51**

* Includes amount paid to key managerial personnel amounting to ₹ 15.80 Crores (31 March 2020: ₹ 12.85 Crores) [refer note 36(IV)].

27 FINANCE COSTS

₹ in Crores

	31 March 2021	31 March 2020
Interest on borrowings	27.76	74.84
Guarantee commission	0.14	0.23
Interest on lease liabilities	12.19	12.60
Other borrowing costs	57.82	44.05
	97.91	**131.72**

28 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

	31 March 2021	31 March 2020
Depreciation of property, plant and equipment (refer note 3)	23.63	20.42
Depreciation of right of use assets (refer note 4)	62.69	64.59
Amortisation of other intangible assets (refer note 6)	9.24	6.68
	95.56	**91.69**

29 OTHER EXPENSES

₹ in Crores

	31 March 2021	31 March 2020
Consumption of stores and spares	0.89	1.23
Power and water charges	8.08	10.46
Rent (refer note 43)	2.84	12.35
Rates and taxes	7.76	9.60
Insurance	22.83	34.42
Repairs and maintenance - others	8.10	15.47
Travelling and conveyance	59.15	100.01
Communication expenses	27.19	31.84
Legal and professional fees	81.88	84.88
Advertisement and sales promotion	35.05	38.66
Outward freight, clearing and forwarding charges	7.48	10.21
Commission on sales	0.26	0.17
Directors' sitting fees [refer note 36(IV)]	0.27	0.27
Contribution towards corporate social responsibility (refer note 49)	0.20	0.11
Auditor's remuneration [refer note (a) below]	1.09	1.22
Net loss on foreign currency transactions and translations	12.76	0.95

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

	31 March 2021	31 March 2020
Allowance for expected credit loss	28.40	9.71
Bad debts written off	3.25	-
Sundry balances written off	4.41	-
Miscellaneous expenses	42.95	7.46
	354.84	**369.02**

Note:

(a) Auditor's remuneration (excluding goods and services tax)

₹ in Crores

	31 March 2021	31 March 2020
As auditors:		
Audit fee and limited reviews fees (including consolidation)	0.99	1.10
In other capacity:		
Other services (certification fees)	0.07	0.02
Reimbursement of expenses	0.03	0.10
	1.09	**1.22**

30 EXCEPTIONAL ITEMS - EXPENSES

₹ in Crores

	31 March 2021	31 March 2020
Other intangible assets written off [refer note (a) below]	-	(5.05)
Provision of severance expenses [refer note (b) below]	(8.61)	(1.09)
Acquisition cost [refer note (c) below]	(3.06)	(1.77)
Foreclosure of leases [refer note (d) below]	(10.40)	(8.53)
Inventory written off [refer note (e) below]	-	(6.51)
Securitisation costs [refer note (f) below]	-	(99.94)
Non-routine consulting and IT costs [refer note (g) below]	-	(2.16)
Estimated cost for legal settlement [refer note (h) below]	(6.20)	-
Prepayment charges on loan repayment [refer note (i) below]	(2.42)	-
COVID-19 expenses [refer note (j) below]	(1.00)	-
	(31.69)	**(125.05)**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Notes:

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

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

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

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

(e) Represents inventory written off related to BBX.

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

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

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

(i) Represents prepayment charges to prematurely exit borrowing facilities with Greensill, related to BBX.

(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.

31 TAX EXPENSES

a) Income tax expense in the consolidated statement of profit and loss consists of:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Current income tax	16.25	(2.59)
Deferred tax	1.65	9.57
	17.90	**6.98**

b) Deferred tax assets in relation to:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Brought forward losses	2.82	7.02
Others	(1.17)	2.55
	1.65	**9.57**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

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

₹ in Crores

		31 March 2021	31 March 2020
The components of basic and diluted earnings / (loss) per share are as follows:			
(a)	**Net profit / (loss) attributable to equity shareholders**		
	Net profit before exceptional items for the year (₹ in Crores)	109.78	45.09
	Net profit / (loss) after exceptional items for the year (₹ in Crores)	78.09	(79.96)
(b)	**Weighted average number of outstanding equity shares**		
	Considered for basic EPS	29,978,277	29,738,548
	Add : Effect of dilutive potential equity shares arising from outstanding stock options (refer note 1 and 2 below)	436,915	328,211
	Add : Effect of dilutive potential equity shares arising from convertible share warrants (refer note 3 below)	-	-
	Considered for diluted EPS	30,415,192	30,066,759
(c)	**Earnings / (loss) per equity share (Face value of ₹ 10 each)**		
	Earnings per share before exceptional items :		
	Basic (in ₹)	36.62	15.16
	Diluted (in ₹)	34.43	14.63
	Earnings / (loss) per share after exceptional items :		
	Basic (in ₹)	26.05	(26.89)
	Diluted (in ₹)	24.49	(26.89)

Notes:

1. As at 31 March 2021, 424,705 potential equity shares outstanding as share option under the ESOP Scheme, 2015, are considered for calculation of diluted EPS.
2. The effect of 619,262 potential equity shares outstanding as at 31 March 2020 is anti-dilutive and thus these shares are not considered in determining diluted loss per share after exceptional items.
3. The effect of 734,683 convertible share warrants outstanding as at 31 March 2021 (31 March 2020: Nil), considered as potential equity shares, is anti-dilutive and thus these warrants are not considered in determining diluted earnings per share.

33 EMPLOYEE BENEFITS PLAN

(I) Disclosure in respect of AGC Networks Limited

(a) **Defined contribution plan -** The following amount is recognised in the consolidated statement of profit and loss for the year ended:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Contribution to provident fund	0.79	0.92

Above amount has been included in the line item "Contribution to provident fund and other funds" in note 26.

(b) **Defined benefit plan (unfunded) -** The Company has an unfunded defined benefit plan i.e. Gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following tables summarise the components of employee benefits expense recognised in the consolidated statement of profit and loss and the amounts recognised in the consolidated balance sheet for the gratuity plan.

Amount recognised in the consolidated statement of profit and loss in respect of gratuity cost is as follows:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Current service cost	0.64	0.58
Interest expense	0.43	0.46
Employee benefits expense recognised in profit and loss	**1.07**	**1.04**
Actuarial (gain) / loss charged to Other Comprehensive Income (OCI)		
Actuarial (gain) due to demographic assumptions	-	(0.00)
Actuarial (gain) due to experience adjustment	(0.32)	(0.05)
Actuarial loss due to change in financial assumptions	-	0.56
Net employee benefits (income) / expense recognised in OCI	**(0.32)**	**0.51**

Amount recognised in the consolidated balance sheet in respect of gratuity liability is as follows:

Benefit liability

₹ in Crores

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation	6.97	6.45
Net liability recognised in consolidated balance sheet	**6.97**	**6.45**

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

₹ in Crores

Particulars	31 March 2021	31 March 2020
Opening defined benefit obligation	6.45	5.91
Current service cost	0.64	0.58
Interest cost	0.43	0.46
Benefits paid	(0.23)	(1.01)
Remeasurement (gain) / loss	(0.32)	0.51
Closing defined benefit obligation	**6.97**	**6.45**

The provision for gratuity for the subsidiaries (including step-down subsidiaries) is created as per the local laws of respective countries:

₹ in Crores

Name of the subsidiary	31 March 2021		31 March 2020	
	Impact in consolidated statement of profit and loss	Impact in consolidated balance sheet	Impact in consolidated statement of profit and loss	Impact in consolidated balance sheet
AGC Networks LLC, Dubai	0.19	1.08	0.03	1.03
BBX Inc. and its subsidiaries (consolidated)	0.38	1.09	0.35	0.66
	0.57	**2.17**	**0.38**	**1.69**

Bifurcation of defined benefit obligation:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Current	1.31	0.24
Non-current	7.83	7.90
	9.14	**8.14**

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

Particulars	31 March 2021		31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- /+ 1%)	0.63	(0.54)	0.63	(0.52)
Salary growth rate (- / + 1%)	(0.47)	0.53	(0.46)	0.53
Attrition rate	(0.01)	0.02	0.00	0.02
(- /+ 50% of attrition rates provided in principal assumption table)				
Mortality rate (- /+ 10%)	0.00	0.01	0.01	0.02

The sensitivity analysis presented above may not be a representation of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be related to each other.

Following are the principal assumptions used as at the balance sheet date:

Particulars	31 March 2021	31 March 2020
Discount rate (% per annum)	6.65%	6.65%
Salary growth rate (% per annum)	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement age (in years)	58 years	58 years
Average future service (in years)	19.22 years	19.72 years
Attrition rate, based on age:		
Up to 26 years	5.00%	5.00%
27 - 34 years	12.00%	12.00%
35 - 44 years	5.00%	5.00%
Above 44 years	1.00%	1.00%

These assumptions were developed by the management with the assistance of independent actuarial appraiser. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience. The estimates of future salary growth rate considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Maturity profile of defined benefit obligation (undiscounted):

₹ in Crores

Particulars	31 March 2021	31 March 2020
One year	0.34	0.18
Two to five years	2.67	2.06
Six years and above	10.37	10.54

The weighted average duration of the defined benefit obligation at the end of the reporting period is 8 years (31 March 2020 : 9 years)

(c) **Compensated absences:** With effect from 1 January 2017, the Group has decided to restrict the balance of un-availed privilege leave (PL) to a maximum of 42 days from erstwhile limit of 90 days. Further, PL cannot be en-cashed or accumulated and shall lapse every year in the month of December. The balance as at 31 December 2016 is entitled to be en-cashed only during separation from the Group based on the basic salary as at 31 December 2016.

(II) Disclosure in respect of Norstan Communications Inc. , step-down subsidiary of the Company

Defined benefit plan (partially funded)

Norstan Communications Inc., step-down subsidiary of the Company has a partially funded defined benefit plan i.e. Pension, for its employees where benefits have been “frozen” whereby, starting on 26 August 2006, no new employees were admitted, and, starting on 1 January 2008, those employees currently in the plan will not earn additional benefits based on service.

The following tables summarises the components of employee benefits expense recognised in the consolidated statement of profit and loss and the amounts recognised in the consolidated balance sheet for the pension plan.

Amount recognised in the consolidated statement of profit and loss in respect of pension cost is as follows:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Net interest (income)	(5.37)	(5.90)
Employee benefits (income) recognised in profit and loss (net)	**(5.37)**	**(5.90)**
Actuarial (gain) / loss recognised in OCI		
Actuarial gain due to experience adjustment	(4.65)	(1.63)
Actuarial loss due to demographic assumptions	0.44	1.06
Actuarial loss due to change in financial assumptions	1.89	37.96
Return on plan assets	(74.55)	41.51
Net employee benefits (income) / expense recognised in OCI	**(76.87)**	**78.90**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Amount recognised in the consolidated balance sheet in respect of pension obligation is as follows:

Benefit liability

₹ in Crores

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation	413.19	432.00
Fair value of plan assets	343.85	258.34
Net liability recognised in the consolidated balance sheet	**69.34**	**173.66**

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

₹ in Crores

Particulars	31 March 2021	31 March 2020
Opening defined benefit obligation	432.00	359.18
Interest cost	12.52	13.77
Remeasurement (gain) / loss	(2.32)	37.39
Benefits paid	(16.72)	(12.04)
Exchange differences	(12.29)	33.70
Closing defined benefit obligation	**413.19**	**432.00**

Changes in the fair value of plan assets are as follows:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Opening fair value of plan assets	258.34	263.85
Interest income	17.89	19.67
Contribution by employer	18.26	5.71
Return on plan assets	74.55	(41.51)
Benefits paid	(16.72)	(12.04)
Exchange differences	(8.47)	22.66
Closing fair value of plan assets	**343.85**	**258.34**

Major categories of plan assets (as a % of total plan assets):

Particulars	31 March 2021	31 March 2020
Bank balance	1.85%	1.93%
Other Investments	98.15%	98.07%
Total	**100.00%**	**100.00%**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Bifurcation of defined benefit obligation (net):

₹ in Crores

Particulars	31 March 2021	31 March 2020
Current	-	-
Non-current	69.34	173.66

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

₹ in Crores

Particulars	31 March 2021		31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- /+ 0.5%)	30.47	(27.43)	33.30	(29.89)
Mortality rate (- /+ 10%)	11.07	(10.07)	11.52	(10.49)

The sensitivity analysis presented above may not be a representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be related to each other.

Following are the principal assumptions used as at the balance sheet date

Particulars	31 March 2021	31 March 2020
Discount rate (% per annum)	2.91%	2.95%
Salary growth rate (% per annum)	0.00%	0.00%
Pension growth rate (% per annum)	0.00%	0.00%
Mortality rate	Pri-2012 Blue Collar Mortality tables for males and females with improvements under MP-2020	Pri-2012 Blue Collar Mortality tables for males and females with improvements under MP-2019
Attrition rate, based on age:		
15 years	43.00%	43.00%
20 years	35.00%	35.00%

Following are the principal assumptions used as at the balance sheet date

Particulars	31 March 2021	31 March 2020
25 years	27.00%	27.00%
30 years	21.00%	21.00%
35 years	18.00%	18.00%
40 years	16.00%	16.00%
45 years	15.00%	15.00%
50 years	12.00%	12.00%
55 years	0.00%	0.00%
60 years	0.00%	0.00%
65 years	0.00%	0.00%

These assumptions were developed by the management with the assistance of independent actuarial appraiser. Discount rate is the rate which is used to discount future benefit cash flows to determine the present value of the defined benefit obligation at the valuation date. The rate is based on the prevailing market yields of high quality corporate bonds at the valuation date for the expected term of the obligation. In countries where there are no such bonds, the market yields at the valuation date on government bonds for the expected term is used.

Maturity profile of defined benefit obligation (undiscounted):

₹ in Crores

Particulars	31 March 2021	31 March 2020
One year	15.89	14.99
Two to five years	75.72	71.85
Six years and above	118.93	118.69

The weighted average duration of the defined benefit obligation at the end of the reporting period is 20 years (31 March 2020 : 20 years)

34 EMPLOYEES STOCK OPTION PLAN OF THE COMPANY

The Company provides share based payment schemes to its employees. Since the year ended 31 March 2016, an employee stock option plan (ESOP) was in existence i.e. ESOP scheme 2015. The relevant details of the scheme and the grant are as below.

The shareholders of the Company through postal ballot on 21 April 2015 approved the equity settled ESOP scheme 2015 for issue of stock options to key employees and directors of the Company setting aside 1,423,323 options under this scheme. The Company had previously granted 1,004,866, 320,248 and 170,799 stock options on 14 May 2015, 19 May 2016 and 15 June 2018, respectively. On 19 October 2020, the Company has granted 63,000 stock options. According to the scheme, the employees selected by the Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grants are as below:

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Grant date	19 October 2020	15 June 2018	19 May 2016	14 May 2015
Number of options granted	63,000	170,799	320,248	1,004,866
Vesting period (in years)	3 to 5 years	3 to 5 years	3 to 5 years	3 to 5 years
Exercise period (in years)	2 years from the end of vesting period	2 years from the end of vesting period	2 years from the end of vesting period	2 years from the end of vesting period
Exercise price (₹)	425.00	107.00	55.00	80.00
Fair value at grant date (₹)	215.65	71.65	42.84	32.85

The options are granted at an exercise price, which is in accordance with the relevant Securities and Exchange Board of India (SEBI) guidelines in force, at the time of such grants.

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

₹ in Crores

Particulars	31 March 2021		31 March 2020	
	No. of options	* WAEP (₹)	No. of options	* WAEP (₹)
Outstanding at the beginning of the year	619,262	74.51	626,262	74.58
Granted during the year	63,000	425.00	-	-
Forfeited during the year	69,633	107.00	-	-
Exercised during the year	185,530	65.76	7,000	80.00
Expired during the year	2,394	80.00	-	-
Outstanding at the end of the year	424,705	124.97	619,262	74.51
Exercisable at the end of the year	151,655	-	187,924	-

* WAEP denotes weighted average exercise price of the option

The following tables summarises the information about the options as at 31 March 2021 and 31 March 2020, respectively.

Grant	31 March 2021		
	Grant date	No. of options outstanding	Weighted Average life*
Series 1	14 May 2015	45,973	1.12
Series 2	19 May 2016	214,566	1.64
Series 3	15 June 2018	101,166	3.22
Series 4	19 October 2020	63,000	5.57

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

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

* Weighted average of remaining contractual life of options outstanding at the end of year

The weighted average fair value of the stock options outstanding as at 31 March 2021 is ₹ 74.26 (31 March 2020: ₹ 48.72). Options were priced using Black-Scholes-Merton formula.

Inputs into the model:

Particulars	Grant date			
	19 October 2020	15 June 2018	19 May 2016	14 May 2015
Dividend yield (%)	0.00%	0.00%	0.00%	9.60%
Expected volatility (%)	59.69 - 61.22%	60.04 - 61.19%	55.71 - 60.74%	54.42 - 57.57%
Risk-free interest rate (%)	5.05 - 5.62%	7.87 - 8.04%	7.30 - 7.46%	7.77 - 7.82%
Weighted average share price (₹)	394.30	116.25	68.20	104.15
Exercise price (₹)	425.00	107.00	55.00	80.00
Expected life of options granted (in years)	4.00 - 6.00	4.00 - 6.01	4.00 - 6.00	4.00 - 6.01

Volatility : Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility used in Black-Scholes-Merton formula is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. Company considered the daily historical volatility of Company's stock price on NSE over a period prior to the date of grant, corresponding with the expected life of the options.

Risk free rate : The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on zero coupon yield curve for government securities.

Expected life of the options : Expected life of the options is the period for which the Company expects the options to be live. The minimum life of stock options is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company has calculated expected life as the average of the minimum and the maximum life of the options.

Dividend yield : Expected dividend yield has been calculated by dividing the last declared dividend per share by the market price per share as on the date of grant.

35 SEGMENT INFORMATION

Ind AS 108 “Operating Segments” establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Group’s operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance.

Based on the ‘management approach’ as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments. Accordingly, the information has been presented as business segment and geographical segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Business segment of the Group are:

1. System Integration (SI)
2. Technology Product Solution (TPS)
3. Others, comprise of training and consulting services

Inter segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Group level.

(a) Information about reportable business segments:

₹ in Crores

Particulars	31 March 2021				31 March 2020			
	SI	TPS	Others	Total	SI	TPS	Others	Total
Segment revenue	3,878.66	728.85	66.51	**4,674.02**	4,067.06	820.81	106.05	**4,993.92**
Segment results	217.09	31.83	7.24	**256.16**	132.41	85.06	19.25	**236.72**
Other income				11.13				7.41
Finance costs				97.91				131.72
Profit before loss on fair value of financial liability, amortisation of debt issuance cost, exceptional items and tax				**169.38**				**112.41**
Loss on fair value of financial liability				41.70				36.95
Amortisation of debt issuance cost				-				23.39

₹ in Crores

Particulars	31 March 2021				31 March 2020			
	SI	TPS	Others	Total	SI	TPS	Others	Total
Profit before exceptional items and tax				**127.68**				**52.07**
Exceptional items - expenses				31.69				125.05
Profit / (loss) before tax				**95.99**				**(72.98)**
Tax expense				17.90				6.98
Net profit / (loss) for the year				**78.09**				**(79.96)**
Depreciation and amortisation expenses				95.56				91.69

(b) Revenue from external customers:

₹ in Crores

Particulars	31 March 2021	31 March 2020
India	262.05	315.44
America	3,429.41	3,770.61
Rest of the world	1,041.44	945.61
Total	**4,732.90**	**5,031.66**
Less : Inter-segment	(58.88)	(37.74)
Revenue from operations	**4,674.02**	**4,993.92**

America comprises of North America, Canada and Mexico.

Rest of the world comprising all other places except America and India i.e. Europe, Asia Pacific (APAC), Middle East and Africa (MEA), South Asian Association for Regional Cooperation (SAARC) and Latin America (LATAM).

Notes on segment information :

1 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.

3 Revenue of ₹ 787.35 Crores equivalent to USD 106.27 million (31 March 2020 : ₹ 852.44 Crores equivalent to USD 117.21 million) is derived from a single external customer, Bank of America and it constitutes more than 10% of the Group's revenue. This revenue is attributable to SI segment.

36 RELATED PARTY DISCLOSURE

In accordance with the requirement of Ind AS 24 "Related Party Disclosures", name of the related parties, their relationship, transactions and outstanding balances including commitments, with whom transactions have taken place during the reported period are as follows:

(I) List of related parties and relationship

(i) Ultimate Holding Company:

Essar Global Fund Limited

(ii) Holding Company:

Essar Telecom Limited (w.e.f. 20 March 2021)

Related party with whom transactions have taken place

(iii) Entities under common control:

Essar Bulk Terminal (Salaya) Limited
Essar Bulk Terminal Limited
Essar Bulk Terminal Paradip Limited
Essar Oil UK Limited
Essar Shipping Limited
Essar Projects Limited
Essar Power Gujarat Limited
Essar Power Orissa Limited
Essar Power M P Limited
Essar Power Hazira Limited
Ibrox Aviation and Trading Private Limited
The Mobilestore Limited (up to 31 March 2020)
Essar Electric Power Development Corporation Limited
Essar Oil and Gas Exploration and Production Limited
Arkay Logistics Limited
Mesabi Metallics Company LLC
EPC Constructions India Limited
Essar Constructions India Limited
Essar Power Transmission Company Limited
Essar Projects PNG Limited
Arcelormittal Nippon Steel India Limited
Essar Steel Metal Trading Limited (Onir Metallics Limited merged with Essar Steel Metal Trading Limited w.e.f. 7 July 2021)
Aegis Philippines Inc.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

(iv) Key Managerial Personnel:

Mr. Sanjeev Verma, Whole-time Director
Mr. Sujay R Sheth, Independent Director
Mr. Dilip Thakkar, Independent Director
Ms. Neha Nagpal, Independent Director (w.e.f 10 September 2020)
Mrs. Mahua Mukherjee, Executive Director
Mr. Naresh Kothari, Non-executive Director
Mr. Anshuman Ruia, Non-executive Director (w.e.f 10 September 2020)
Mr. Deepak Kumar Bansal, Chief Financial Officer and Executive Director
Mr. Aditya Goswami, Company Secretary

(II) Transactions during the year with related parties :

₹ in Crores

Particulars	31 March 2021	31 March 2020
Nature of transaction		
Sale of products *		
Essar Oil UK Limited	5.40	2.19
Essar Power Gujarat Limited	0.35	-
Essar Power Orissa Limited	0.01	-
Essar Power Hazira Limited	0.54	-
Essar Bulk Terminal (Salaya) Limited	0.01	-
Essar Bulk Terminal Limited	0.81	-
Essar Bulk Terminal Paradip Limited	0.02	-
Essar Power Transmission Company Limited	0.08	-
Mesabi Metallics Company LLC	2.59	-
EPC Constructions India Limited	1.18	-
Arkay Logistics Limited	0.09	-
	11.08	**2.19**
Sale of services *		
Essar Oil UK Limited	3.66	3.86
Essar Shipping Limited	1.06	-
Essar Power M P Limited	0.01	0.57
Essar Projects Limited	0.97	-
Essar Power Orissa Limited	0.35	-
Essar Power Transmission Company Limited	0.71	-
Essar Projects PNG Limited	0.20	-
Essar Electric Power Development Corporation Limited	0.12	-
Essar Oil and Gas Exploration and Production Limited	1.30	-
Essar Constructions India Limited	0.99	-
Essar Bulk Terminal Limited	0.00	0.00
	9.37	**4.43**

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₹ in Crores

Particulars	31 March 2021	31 March 2020
Reimbursement of expenses incurred by		
Arcelormittal Nippon Steel India Limited	-	0.02
	-	**0.02**
Loan repaid (including interest)		
Essar Telecom Limited	206.11	5.45
	206.11	**5.45**
Issue of equity shares (including securities premium)		
Essar Telecom Limited	152.84	-
Essar Steel Metal Trading Limited	22.57	-
	175.41	**-**
Money received against share warrants		
Essar Telecom Limited	3.98	-
Essar Steel Metal Trading Limited	8.42	-
	12.40	**-**

* Sale of products and services represent invoices raised during the year and it includes invoices where revenue recognition has been deferred.

Notes:

1. Transactions up to the date of cessation or from the date of establishment of related party relationship have been considered for disclosure.
2. Foreign currency transactions are reported in INR using exchange rate at the transaction date.

(III) Amount due to / from related parties (as at year-end)

₹ in Crores

Particulars	31 March 2021	31 March 2020
Nature of balances		
Amount payable by Group companies		
Aegis Philippines Inc.	-	0.06
Arcelormittal Nippon Steel India Limited	-	0.11
	-	**0.17**
Trade receivables		
Arcelormittal Nippon Steel India Limited	-	0.14
Essar Shipping Limited	1.15	0.53
Essar Bulk Terminal Limited	0.04	0.00
Essar Projects Limited	0.64	-
Essar Power M P Limited	0.00	0.18
Essar Oil UK Limited	0.58	0.91

₹ in Crores

Particulars	31 March 2021	31 March 2020
Essar Power Hazira Limited	0.10	-
Essar Constructions India Limited	0.99	-
Essar Oil and Gas Exploration and Production Limited	0.75	-
Essar Power Transmission Company Limited	0.79	-
Essar Projects PNG Limited	0.07	-
EPC Constructions India Limited	0.00	-
Mesabi Metallics Company LLC	2.59	-
Ibrox Aviation and Trading Private Limited	-	2.26
	7.70	**4.02**
Borrowings (including accrued interest)		
Essar Telecom Limited	-	200.77
	-	**200.77**
Advances and other receivables		
The Mobilestore Limited	-	0.02
	-	**0.02**

Foreign currency balances are restated in INR using year end exchange rate.

(IV) Key Management Personnel (KMP) compensation:

The following table provides the total value of transactions that have been entered into with KMP for the relevant financial year:

During the year, 63,000 (31 March 2020 : Nil) ESOPs are granted to KMP and Nil (31 March 2020 : Nil) ESOPs granted to KMP have lapsed.

₹ in Crores

Particulars	31 March 2021	31 March 2020
Remuneration		
Salary and contribution to provident fund	15.80	12.85
Directors' sitting fees	0.27	0.27
Payable as at year end	5.87	2.12

Note: The remuneration to the KMP does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Group as a whole.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

37 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(A) Contingent liabilities

₹ in Crores

Particulars	31 March 2021	31 March 2020
I) In respect of disputed demands on matters under appeal with		
(a) Income tax authorities *	29.72	50.54
(b) Excise, service tax and customs authorities *	22.20	22.20
(c) Sales tax authorities *	12.06	10.15
(d) Claims against the Group not acknowledged as debt	9.93	9.47
II) (F) forms pending receipt	0.83	0.83

Notes:

1. The Group is contesting all of the above demands in respect of Income tax, Excise duty, Service tax, Customs duty and Sales tax and the management believes that its positions are likely to be upheld at the appellate stage. No expense has been accrued in the financial statements for the aforesaid demands. The management believes that the ultimate outcome of these proceedings are not expected to have a material adverse effect on the Group's financial position and results of operations and hence no provision has been made in this regard.
2. Refer note 51 for penalty unascertained on account of non-compliance with provisions of Foreign Exchange Management Act, 1999.

* Amount outstanding as at balance sheet date represents gross demand raised by the tax authorities, as amount paid under protest is not charged to the consolidated statement of profit and loss by the Group.

(B) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 5.98 Crores (31 March 2020 : ₹ 0.34 Crores)

38 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Trade payables include:

₹ in Crores

Particulars		31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises		11.15	17.17
Details of amounts due under the MSMED Act, 2006 are as under:			**₹ in Crores**
1) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	a) Principal	10.10	16.76
	b) Interest	1.05	0.41
	Total	**11.15**	**17.17**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

Particulars				31 March 2021	31 March 2020
2)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	a)	Principal	9.26	5.43
		b)	Interest	-	-
		Total		**9.26**	**5.43**
3)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.			0.09	0.23
4)	The amount of interest accrued and remaining unpaid at the end of the year.	a)	Total Interest accrued	1.05	0.41
		b)	Total Interest unpaid	1.05	0.41
5)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Includes ₹ 0.41 Crores being interest on dues outstanding to MSMEs as at 31 March 2020 beyond the appointed date. Group has made payment to certain MSMEs during the current year beyond the appointed date. Such payments were made without adding interest specified under MSMED Act, 2006.			

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under the MSMED Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at year end has been made in the financial statements based on the information received and available with the Group and has been relied upon by the statutory auditors.

39 RESTATEMENT ON ACCOUNT OF PRIOR PERIOD ERROR OR OMISSION

1 Warrants

a) During the financial year 2018-19, BBX had entered into a credit agreement with Pathlight Capital Fund LLP (the 'lender') to avail credit facility amounting to ₹ 692.57 Crores (USD 97.50 Million) for Black Box Corporation ("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 financial statements of that period.

b) The Group 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

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 Networks LLC., USA ("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-recognised in the books and depreciation is charged as if the sale never took place. Financial liability is recognised 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 financial statements 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 year ended 31 March 2020.

The following table summarise the impact on the financial statements:

Impact on consolidated statement of profit and loss

₹ in Crores

Particulars	Year ended		
	31 March 2020	31 March 2020	31 March 2020
	Before restatement	Adjustment	Restated figures
Other income	33.03	(25.62)	7.41
Service charges	861.86	34.40	896.26
Finance costs	129.38	2.34	131.72
Depreciation and amortisation expense	98.96	(7.27)	91.69
Other expenses	363.37	5.65	369.02
Profit before loss on fair value of financial liability, amortisation of debt issuance cost, exceptional items and tax	**173.15**	**(60.74)**	**112.41**
Loss on fair value of financial liability	-	36.95	36.95
Amortisation of debt issuance cost	-	23.39	23.39
Profit before exceptional items and tax	**173.15**	**(121.08)**	**52.07**
Exceptional items - expenses	125.05	-	125.05
Profit / (loss) before tax	**48.10**	**(121.08)**	**(72.98)**
Tax expense	6.98	-	6.98
Net profit / (loss) for the year	**41.12**	**(121.08)**	**(79.96)**
Other Comprehensive Loss	(99.48)	(7.22)	(106.70)
Total Comprehensive Loss for the year	**(58.36)**	**(128.30)**	**(186.66)**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Consolidated balance sheet

₹ in Crores

	31 March 2020 Before restatement	31 March 2020 Adjustment	31 March 2020 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
Financial assets			
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			
Financial liabilities			
Lease liabilities	118.76	(53.40)	65.36
Other financial liabilities	-	157.42	157.42
Current liabilities			
Financial liabilities			
Lease liabilities	78.84	(11.07)	67.77
Other financial liabilities	562.72	6.49	569.21

40 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 39(1) above, by buying back the warrants for a value of ₹ 89.71 Crores (equivalent to USD 12.25 million).

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

41.1 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

₹ in Crores

Particulars	Carrying value and fair value			
	As at 31 March 2021		As at 31 March 2020	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial assets				
Non-current				
(a) Loans		3.87		1.93
(b) Other financial assets		24.03		23.08
Current				
(a) Trade receivables		239.76		361.31
(b) Cash and cash equivalents		357.04		315.87
(c) Bank balances other than cash and cash equivalents		53.25		53.57
(d) Loans		1.46		19.37
(e) Other financial assets		531.31		385.21
Financial liabilities				
Non-current				
(a) Borrowings		119.39		15.21
(b) Lease liabilities		94.18		65.36
(c) Other financial liabilities		86.57	63.41	94.01
Current				
(a) Borrowings		16.43		241.80
(b) Trade payables		515.61		547.75
(c) Lease liabilities		57.77		67.77
(d) Other financial liabilities	103.22	310.49		569.21

b) **Fair value hierarchy and method of valuation**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions are used to estimate the fair values:

1. Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, other current financial assets and liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter-party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

   The fair values for deposits and financial guarantee contract were calculated based on cash flows discounted using lending rate on the date of initial recognition. The lease liability is initially measured at amortised cost at the present value of the future lease payments and are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Accordingly, all these are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

3. The Group has measured warrants at fair value, and is classified as Level 3 hierarchy, as it is based on present value calculations and external valuation models.

41.2 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) **Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, foreign currency payables and borrowings.

b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt interest obligations.

Exposure to interest rate risk

₹ in Crores

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed-rate instruments		
Term loan	21.22	236.64
Working capital loan	-	1.11
Total	**21.22**	**237.75**
Variable-rate instruments		
Cash credit facilities	16.43	93.82
Term loan	138.55	130.81
Total	**154.98**	**224.63**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit or loss before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Crores

Particulars	Gain / (loss) on profit or loss before tax	
	31 March 2021	31 March 2020
Interest rate increase by 50 basis points	(0.77)	(1.12)
Interest rate decrease by 50 basis points	0.77	1.12

c) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets as well as credit exposures to customers including outstanding receivables.

The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, forward looking macroeconomic information, analysis of historical bad debts and ageing of accounts receivables. Individual risk limits are set accordingly.

The expected credit loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.

The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Outstanding customer receivables are regularly monitored.

Other financial assets

The Group periodically monitors the recoverability and credit risks of its other financial assets. The Group evaluates 12 months expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Group considers life time expected credit losses for the purpose of impairment provisioning.

The credit risk for cash and cash equivalents, bank balances other than cash and cash equivalents and loans is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Expected credit loss for trade receivables

₹ in Crores

As at 31 March 2021	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables *	**167.19**	**30.30**	**10.55**	**154.66**	**43.68**
Less: Trade receivables from group companies	9.80	0.98	0.48	6.20	-
Net trade receivables	**157.39**	**29.32**	**10.07**	**148.46**	**43.68**
Expected loss rates	0.89%	1.09%	7.85%	74.11%	100.00%
Expected credit loss	**1.40**	**0.32**	**0.79**	**110.03**	**43.68**

₹ in Crores

As at 31 March 2020	0-30 days	31-60 days	61-90 days	More than 90 days	Credit impaired
Gross trade receivables*	**233.54**	**32.12**	**24.17**	**180.77**	**40.25**
Less: Trade receivables from group companies	3.07	0.43	1.72	11.27	-
Net trade receivables	**230.47**	**31.69**	**22.45**	**169.50**	**40.25**
Expected loss rates	0.24%	1.31%	2.41%	54.14%	100.00%
Expected credit loss	**0.55**	**0.42**	**0.54**	**91.77**	**40.25**

*amounts are before intra-company elimination.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	31 March 2021	31 March 2020
Revenue from top customer	17%	17%
Revenue from top five customers	24%	24%

d) **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for financial liabilities as well as forecast cash inflow and outflows due in day to day business. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

Maturity profile of financial liabilities

₹ in Crores

As at 31 March 2021	On Demand	Less than one year	One to five years	More than five years	Total
Borrowings	16.43	-	119.39	-	135.82
Trade payables	-	515.61	-	-	515.61
Lease liabilities *	-	57.77	70.63	23.55	151.95
Other financial liabilities	0.18	413.53	86.57	-	500.28
Total	**16.61**	**986.91**	**276.59**	**23.55**	**1,303.66**

₹ in Crores

As at 31 March 2020	On Demand	Less than one year	One to five years	More than five years	Total
Borrowings	93.82	147.98	15.21	-	257.01
Trade payables	-	547.75	-	-	547.75
Lease liabilities *	-	67.77	63.93	1.43	133.13
Other financial liabilities	1.01	568.20	157.42	-	726.63
Total	**94.83**	**1,331.70**	**236.56**	**1.43**	**1,664.52**

* on discounted basis

41.3 Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group procures products and services in their respective local currency and in case of imports, it primarily deals in United States Dollars (USD).

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. There are earnings from customers in foreign currency which act as a natural hedge against foreign currency risk.

The Group's exposure to foreign currency risk at the end of the reporting period are as under:

₹ in Crores

Particulars	31 March 2021								31 March 2020							
	USD	AED	SAR	CAD	GBP	CNY	SGD	Others	USD	AED	SAR	CAD	GBP	CNY	SGD	Others
Financial assets																
Trade receivables	22.76	18.33	2.75	-	4.36	-	-	4.33	18.62	21.27	0.19	1.66	8.62	2.39	0.08	9.13
Cash and cash equivalents and bank balances other than cash and cash equivalents	3.70	0.19	-	-	-	-	-	7.14	4.17	1.18	-	-	2.05	4.91	0.92	2.66
Exposure to foreign currency risk on financial assets	**26.46**	**18.52**	**2.75**	**-**	**4.36**	**-**	**-**	**11.47**	**22.79**	**22.45**	**0.19**	**1.66**	**10.67**	**7.30**	**1.00**	**11.79**
Financial liabilities																
Trade payables	21.98	4.58	1.84	-	3.60	-	2.41	14.85	82.75	2.70	3.60	1.72	6.84	0.05	0.86	26.17
Other financial liabilities *	0.52	-	-	-	-	-	-	-	1.06	-	-	0.00	1.60	1.65	0.42	0.68
Exposure to foreign currency risk on financial liabilities	**22.50**	**4.58**	**1.84**	**-**	**3.60**	**-**	**2.41**	**14.85**	**83.81**	**2.70**	**3.60**	**1.72**	**8.44**	**1.70**	**1.28**	**26.85**
Net exposure to foreign currency risk	**3.96**	**13.94**	**0.91**	**-**	**0.76**	**-**	**(2.41)**	**(3.38)**	**(61.02)**	**19.75**	**(3.41)**	**(0.06)**	**2.23**	**5.60**	**(0.28)**	**(15.06)**

Group has accumulated net exposure to foreign currency risk amounting to ₹ 13.78 Crores (31 March 2020 : ₹ (52.25) Crores).

* It includes provision for expenses, billing of which is pending as at reporting date and will be billed in currency other than reporting currency.

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the USD, United Arab Emirates Dirham (AED), Saudi Riyal (SAR), Canadian Dollar (CAD), Pound Sterling (GBP), Chinese Yuan (CNY), Singapore Dollar (SGD) and other currencies with all other variables held constant. The below impact on the Group's profit or loss before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

₹ in Crores

Particulars	Impact on consolidated statement of profit and loss for the year ended	
	31 March 2021	31 March 2020
USD sensitivity		
INR / USD		
Increase by 5%	0.20	(3.05)
Decrease by 5%	(0.20)	3.05
AED sensitivity		
INR / AED		
Increase by 5%	0.70	0.99
Decrease by 5%	(0.70)	(0.99)
SAR sensitivity		
INR / SAR		
Increase by 5%	0.05	(0.17)
Decrease by 5%	(0.05)	0.17
CAD sensitivity		
INR / CAD		
Increase by 5%	-	(0.00)
Decrease by 5%	-	0.00
GBP sensitivity		
INR / GBP		
Increase by 5%	0.04	0.11
Decrease by 5%	(0.04)	(0.11)
CNY sensitivity		
INR / CNY		
Increase by 5%	-	0.28
Decrease by 5%	-	(0.28)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

Particulars	Impact on consolidated statement of profit and loss for the year ended	
	31 March 2021	31 March 2020
SGD sensitivity		
INR / SGD		
Increase by 5%	(0.12)	(0.01)
Decrease by 5%	0.12	0.01
Others sensitivity		
INR / Other		
Increase by 5%	(0.17)	(0.75)
Decrease by 5%	0.17	0.75

42 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Gearing ratio:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Borrowings	135.82	257.01
Other financial liabilities	56.95	228.68
Total debt	**192.77**	**485.69**
Less: Cash and cash equivalents and bank balances other than cash and cash equivalents	410.29	369.44
Net debt #	**(217.52)**	**116.25**
Total equity	206.70	(176.12)
Total capital	**206.70**	**(176.12)**
Gearing ratio (in %)	**-105%**	**-66%**

Net debt for the above purpose includes borrowings, current maturities of long-term debt, interest accrued on borrowings and amount payable for letter of credit net of cash and cash equivalents and bank balances other than cash and cash equivalents.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

43 LEASES

The disclosures required in accordance with IND AS 116 "Leases" are as follows:

a) The Group's leased assets consists of leases for buildings, computers and servers, plant and equipment, office equipment and vehicles, having different lease terms.

b)

₹ in Crores

Particulars	31 March 2021	31 March 2020
Depreciation of ROU assets	62.69	64.59
Interest expense on lease liabilities	12.19	12.60
Expense relating to short term leases	2.66	2.72
Expense relating to low value leases	-	0.06
Income from subleases	0.03	0.07
Total cash outflow for leases (including interest)	85.10	71.40
Additions to ROU assets	107.39	38.06

c) **Amounts recognised in consolidated balance sheet:**

₹ in Crores

Particulars	31 March 2021	31 March 2020
Carrying amount of ROU assets		
Buildings	117.73	90.39
Computers and servers	1.07	1.75
Plant and equipment	5.95	6.48
Office equipment	14.56	10.86
Vehicles	6.34	6.05
Lease liabilities		
Non-current	94.18	65.36
Current	57.77	67.77

The incremental borrowing rate applied to lease liabilities ranges from 6.00% to 17.00% p.a. (31 March 2020 : 4.35% to 17.00% p.a.)

d) **The details regarding the contractual maturities of lease liabilities as at reporting date on an undiscounted basis are as follows:**

₹ in Crores

Particulars	31 March 2021	31 March 2020
Within one year	70.25	84.63
Later than one year and not later than five years	92.48	143.55
Later than five years	30.50	2.08

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

The outstanding balance of trade receivables and unbilled revenue is presented in below table:

₹ in Crores

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	239.76	361.31
Unbilled revenue	3.67	13.95

a) Performance obligations:

The performance obligation of Group is satisfied at a point in time or period of time depending on the nature of products and services provided.

1) **Revenue from sale of products:** It includes IT infrastructure, speciality networking, multimedia, KVM Switching, unified and voice communication solutions, IP Phones, data products, video conferencing products and cyber secution solutions. Revenue is recognised at a point in time, which is generally on the delivery of product.

2) **Revenue from implementation contracts:** It includes implementation services on products (including installation and commissioning). Revenue is recognised in the accounting period in which services are rendered, as the performance obligations are met.

3) **Revenue from maintenance contracts:** Revenue from fixed maintenance contracts is recognised based on time elapsed and revenue is straight lined over the period of the performance or on the performance of services as specified in the contract.

b) Changes in contract liabilities are as follows:

₹ in Crores

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	**468.06**	**436.00**
Net revenue recognised that was included in the balance at the beginning of the year	(404.89)	(391.89)
Net invoicing during the year, excluding amounts recognised as revenue during the year	461.69	423.95
Balance at the end of the year	**524.86**	**468.06**

45 BUSINESS COMBINATIONS

Black Box Technologies LLC (formerly known as Fujisoft Technology LLC (Dubai)), Fujisoft Security Solutions LLC (Dubai) and Fuji Soft Technology LLC (Abu Dhabi) ("Fujisoft")

On 31 May 2020, Black Box Holdings Limited ("BBHL"), step-down subsidiary of the Company, had entered into a share purchase agreement to acquire 100% holding of Black Box Technologies 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.

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

Pyrios Pty Limited and Pyrios Limited ("Pyrios")

On 10 June 2020, Black Box Networks Services Australia Pty Ltd, step-down subsidiary of the 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.

On 10 June 2020, Black Box Networks Services New Zealand Ltd, step-down subsidiary of the 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.

Mobiquest Solutions Pte Limited ("Mobiquest")

Black Box Network Services Singapore Pte Limited, step-down subsidiary of the 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.

Internet of Things (IoT) and Sxtreo business

During the year ended 31 March 2020, Black Box Network Services India Private Limited, step-down subsidiary of the Company, has entered into a slump sale agreement to acquire Internet of Things (IoT) and Sxtreo business for a purchase consideration of ₹ 0.15 Crores. The acquisition was effective from 1 February 2020.

The details of financial information are as provided below:

₹ in Crores

Particulars	31 March 2021			31 March 2020
	Fujisoft	Pyrios	Mobiquest	SxTreo business division
Assets				
Property, plant and equipment	3.66	0.26	-	0.98
Other intangible assets	7.13	1.79	0.93	7.34
Trade receivable	15.57	18.24	1.48	0.82
Inventories	2.73	3.06	-	1.22
Cash and cash equivalents	5.80	2.18	-	0.00
Other assets (including financial assets)	4.58	12.58	-	0.85
Total assets	**39.47**	**38.11**	**2.41**	**11.21**

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION as at and for the year ended 31 March 2021

₹ in Crores

Particulars	31 March 2021			31 March 2020
	Fujisoft	Pyrios	Mobiquest	SxTreo business division
Liabilities				
Borrowings	-	-	-	20.25
Trade payables	16.66	9.42	1.90	0.15
Tax liabilities	0.01	-	-	-
Other payables (including financial liabilities and provisions)	3.64	31.78	-	0.80
Provisions	-	7.47	-	0.38
Total liabilities	**20.31**	**48.67**	**1.90**	**21.58**
Fair value of net assets acquired	**19.16**	**(10.56)**	**0.51**	**(10.37)**
Purchase consideration	**25.47**	**19.95**	**2.96**	**0.15**
Goodwill on acquisition	**6.31**	**30.51**	**2.45**	**10.52**

46 DISCLOSURE UNDER SECTION 186(4) OF THE ACT - INTER CORPORATE DEPOSIT

₹ in Crores

Name of borrower	Principal	Accrued interest	31 March 2021	Principal	Accrued interest	31 March 2020
Essar Services India Private Limited	-	-	-	17.30	5.52	22.82
	-	**-**	**-**	**17.30**	**5.52**	**22.82**

Notes:

1. Rate of interest is 18.00% p.a. (31 March 2020: 18.00% p.a.) on inter corporate deposit.
2. This inter corporate deposit is unsecured and has been given for meeting business requirements.
3. No inter corporate deposit has been given during the year ended 31 March 2021.
4. During the year ended 31 March 2021, the Company has realised the outstanding inter corporate deposit including accrued interest.

47 As per the transfer pricing rules, the Group has examined international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustments with regard to the transactions involved.

48. As per Ind AS 12 “Income Taxes”, a deferred tax asset (DTA) shall be recognised for the carry forward of unused tax loss, unused tax credits and taxable timing differences to the extent it is probable that future taxable profit will be available against which the unused tax loss, unused tax credits and taxable timing differences can be utilised. Accordingly, DTA has been recognised.

49 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of the Act, and rules therein, the Group is required to spend at least 2% of its average net profits for three immediately preceding financial years towards CSR activities. The Group has CSR committee as per the Act. Details of CSR expenditure are as follows:

₹ in Crores

Particulars	31 March 2021	31 March 2020
a) Gross amount required to be spent by the Group during the year	0.20	0.10
b) Amount spent during the year on:		
1. Construction / acquisition of any asset	-	-
2. On purposes other than (1) above	0.20	0.11

50 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.

51 The outstanding balance of trade payables, trade receivables and other financial assets as appearing in the consolidated balance sheet as at 31 March 2021 includes amount payable aggregating to ₹ 7.41 Crores and amount receivable aggregating to ₹ 0.24 Crores and ₹ 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. Further, the Group 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 ₹ 4.61 Crores and subsequent to 31 March 2021 aggregating to ₹ 2.80 Crores. Similarly, the Group has filed application with AD Bank for extension of time limit for the above-mentioned receivables subsequent to 31 March 2021 aggregating to ₹ 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 financial statements do not include any adjustments that may arise due to such delays.

52 TRADE RECEIVABLES SECURITISATION

On 27 December 2019, BBX, has entered into a non-recourse accounts receivable securitisation program for the sale of both billed and unbilled receivables originated by BBX's subsidiaries in the United States and the United Kingdom to an unaffiliated third party. The securitisation program allows availability up to $90 million to BBX. Additionally, BBX entered into $15 million term loan facility that is secured by one of the tranches in the securitisation program. The proceeds from the sale of receivables and term loan were used to pay off all outstanding loans from the former lenders. The Securitisation program expires on 27 December 2022.

53 ENTITY RESTRUCTURING

a) AGC Singapore, had contributed its 35% interest in COPC Holdings Inc. ("COPC"), step-down subsidiary of the Company to AGC Networks Inc. ("AGC USA"), step-down subsidiary of the 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.

b) A stock purchase agreement was executed between AGC Singapore, Norstan Communication Inc. ("Norstan"), step-down subsidiary of the Company and BBX, 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 BBX. As a result of which, AGC USA and COPC become step-down subsidiaries of BBX.

c) The Company has invested ₹ 160.26 Crores in AGC Singapore, through Overseas Direct Investment route during February and March 2021.

d) 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 ₹ 16.35 Crores. The effective date is 1 January 2021.

e) AGC Networks New Zealand Limited, step-down subsidiary of the Company, incorporated on 1 November 2018 under the New Zealand Companies Act, 1993 stands dissolved w.e.f. 30 October 2020.

f) Black Box Holding Limited 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.

54 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 financial statements, 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 financial statements, has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of these financial statements.

55 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 ₹ 6.51 Crores (excluding taxes) along with interest of ₹ 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, ₹ 1.00 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 subjudice before NCLT Mumbai, for recovery of balance amount of ₹ 5.51 Crores (excluding taxes) plus interest of ₹ 1.49 Crores from Monitoring Agency representing EPCCIL.

56 Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

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

BHARAT SHETTY
Partner
Membership No. 106815

Place : Mumbai
Date : 02 August 2021

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

Place : Indore
Date : 02 August 2021

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

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013

₹ in Crores

Sr. no.	Name of Subsidiary Company	Reporting Period	Reporting currency	Exchange Rate	Equity share capital	Other equity	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Revenue from operations	Profit / (loss) before tax	Tax expenses / (credits)	Profit / (loss) after tax	Total comprehensive income / (loss) for the year	Proposed Dividend	% of shareholding	Country
1	AGC Networks Pte. Limited	Same	USD	73.23	194.48	(25.00)	276.75	107.27	-	134.22	(6.97)	-	(6.97)	3.41	-	100%	Singapore
2	AGC Networks Philippines, Inc.	Same	PHP	1.51	1.26	1.23	4.91	2.42	-	12.36	1.55	0.26	1.29	1.29	-	100%	Philippines
3	AGC Networks & Cyber Solutions Limited	Same	USD	73.23	0.01	(9.67)	3.11	12.77	-	8.70	(0.75)	-	(0.75)	(0.48)	-	100%	Kenya
4	AGC Networks LLC	Same	USD	73.23	0.26	50.05	70.04	19.73	-	65.18	26.85	-	26.85	25.74	-	49%	Dubai
5	AGC Networks LLC	Same	USD	73.23	-	-	-	-	-	0.83	0.62	-	0.62	0.64	-	0%	Abu Dhabi
6	AGCN Solutions Pte. Limited	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	Singapore
7	Black Box Corporation	Same	USD	73.23	146.02	(183.10)	91.42	128.50	-	-	(46.65)	7.34	(53.99)	(53.40)	-	100%	USA
8	ACS Dataline, LP	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
9	ACS Investors, LLC	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
10	BB Technologies, Inc.	Same	USD	73.23	-	(0.98)	-	0.98	-	-	(0.46)	0.01	(0.47)	(0.46)	-	100%	USA
11	BBOX Holdings Mexico LLC	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
12	BBOX Holdings Puebla LLC	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
13	Black Box A/S	Same	USD	73.23	8.43	(3.94)	4.49	-	-	8.63	(1.43)	(0.37)	(1.05)	(0.68)	-	100%	Denmark
14	Black Box Canada Corporation	Same	USD	73.23	20.74	4.48	26.65	1.42	-	14.79	3.70	0.97	2.73	5.49	-	100%	Canada
15	Black Box Chile S.A.	Same	USD	73.23	20.01	(2.86)	17.38	0.23	-	-	(3.57)	(0.52)	(3.04)	0.72	-	100%	Chile
16	Black Box Comunicaciones, S.A.	Same	USD	73.23	22.83	(0.37)	26.68	4.23	-	18.24	(2.34)	(0.58)	(1.76)	(0.19)	-	100%	Spain
17	Black Box Corporation of Pennsylvania	Same	USD	73.23	-	42.72	55.67	12.95	-	296.63	4.66	(1.29)	5.95	5.92	-	100%	USA
18	Black Box de Mexico, S. de R.L. de C.V.	Same	USD	73.23	-	(5.07)	0.76	5.83	-	13.88	0.35	0.09	0.26	0.25	-	100%	Mexico
19	Black Box Deutschland GmbH	Same	USD	73.23	24.21	13.83	52.77	14.73	-	52.98	5.24	1.34	3.90	3.86	-	100%	Germany
20	Black Box do Brasil Industria e Comercio Ltda.	Same	USD	73.23	0.37	5.37	5.74	-	-	37.83	(1.46)	(0.51)	(0.95)	(0.94)	-	100%	Brazil
21	Black Box E-Commerce (Shanghai) Co., Ltd.	Same	USD	73.23	-	(4.01)	1.46	5.47	-	0.44	(1.74)	(0.46)	(1.29)	(1.75)	-	100%	CHINA
22	Black Box Finland OY	Same	USD	73.23	17.71	4.42	25.71	3.58	-	17.31	2.24	0.52	1.72	3.02	-	100%	Finland

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013

₹ in Crores

Sr. no.	Name of Subsidiary Company	Reporting Period	Reporting currency	Exchange Rate	Equity share capital	Other equity	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Revenue from operations	Profit / (loss) before tax	Tax expenses / (credits)	Profit / (loss) after tax	Total comprehensive income / (loss) for the year	Proposed Dividend	% of shareholding	Country
23	Black Box France	Same	USD	73.23	57.39	0.80	62.79	4.60	-	34.51	(4.20)	(1.37)	(2.82)	1.09	-	100%	France
24	Black Box Gmbh	Same	USD	73.23	2.88	0.93	4.53	0.72	-	3.52	0.09	0.01	0.08	0.25	-	100%	Austria
25	Black Box Holdings Ltd.	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	Cayman Islds
26	Black Box International B.V.	Same	USD	73.23	39.25	50.21	124.69	35.23	-	80.11	46.24	12.62	33.61	33.24	-	100%	Netherlands
27	Black Box International Holdings B.V.	Same	USD	73.23	87.95	37.50	129.14	3.68	-	(0.64)	5.60	2.51	3.09	5.35	-	100%	Netherlands
28	Black Box Network Services (Dublin) Limited	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	Ireland
29	Black Box Network Services (UK) Limited	Same	USD	73.23	69.31	4.27	91.42	17.85	-	80.93	(3.97)	(0.01)	(3.96)	(0.42)	-	100%	England
30	Black Box Network Services AB	Same	USD	73.23	48.29	3.85	84.60	32.46	-	50.29	0.19	(0.02)	0.20	0.39	-	100%	Sweden
31	Black Box Network Services AG	Same	USD	73.23	8.91	4.22	15.25	2.12	-	10.45	0.63	0.05	0.58	0.72	-	100%	Switzerland
32	Black Box Network Services Australia Pty Ltd	Same	USD	73.23	17.88	1.11	23.65	4.66	-	11.82	2.37	0.63	1.74	4.78	-	100%	Australia
33	Black Box Network Services Co., Ltd.	Same	USD	73.23	25.35	4.92	38.33	8.06	-	56.46	2.62	2.81	(0.20)	(1.75)	-	100%	Japan
34	Black Box Network Services Corporation	Same	USD	73.23	1.36	0.12	1.47	-	-	6.26	(0.25)	(0.04)	(0.21)	(0.42)	-	100%	Taiwan
35	Black Box Network Services, Inc. – Government Solutions	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
36	Black Box Network Services India Private Limited	Same	USD	73.23	0.22	10.34	48.87	38.31	-	33.09	0.02	-	0.02	0.02	-	100%	India
37	Black Box Network Services Korea Limited	Same	USD	73.23	1.62	0.01	1.63	-	-	0.41	0.05	(0.00)	0.05	0.18	-	100%	Korea
38	Black Box Network Services New Zealand Limited	Same	USD	73.23	-	(0.15)	-	0.15	-	0.48	(0.14)	0.00	(0.14)	(0.14)	-	100%	New Zealand
39	Black Box Network Services NV	Same	USD	73.23	9.65	(5.57)	4.08	-	-	23.03	(4.52)	(1.57)	(2.95)	(2.60)	-	100%	Belgium
40	Black Box Network Services S.r.l.	Same	USD	73.23	10.36	(51.85)	2.07	43.57	-	16.41	(1.71)	(0.63)	(1.08)	(2.85)	-	100%	Italy

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013

₹ in Crores

Sr. no.	Name of Subsidiary Company	Reporting Period	Reporting currency	Exchange Rate	Equity share capital	Other equity	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Revenue from operations	Profit / (loss) before tax	Tax expenses / (credits)	Profit / (loss) after tax	Total comprehensive income / (loss) for the year	Proposed Dividend	% of share-holding	Country
41	Black Box Network Services SDN. BHD.	Same	USD	73.23	4.04	(0.01)	4.03	-	-	1.16	0.07	(0.02)	0.09	0.19	-	100%	Malaysia
42	Black Box Network Services Singapore Pte Ltd	Same	USD	73.23	22.99	(5.41)	26.18	8.60	-	33.01	(5.28)	(0.84)	(4.44)	(2.92)	-	100%	Singapore
43	Black Box Norge AS	Same	USD	73.23	24.61	(1.71)	32.51	9.62	-	30.53	(2.51)	(0.71)	(1.80)	3.78	-	100%	Norway
44	Black Box P.R. Corp.	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	Puerto Rico
45	Black Box Services Company	Same	USD	73.23	-	(61.37)	246.86	308.23	-	-	(16.49)	0.16	(16.65)	(16.49)	-	100%	USA
46	Black Box Software Development Services Limited	Same	USD	73.23	-	(38.59)	7.75	46.34	-	2.18	(8.37)	(0.97)	(7.40)	(11.94)	-	100%	Ireland
47	Delaney Telecom, Inc.	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
48	Norstan Canada, Ltd. / Norstan Canada, Ltée	Same	USD	73.23	87.46	(3.73)	83.73	-	-	28.65	2.94	2.23	0.71	0.70	-	100%	Canada
49	Norstan Communications, Inc.	Same	USD	73.23	-	310.33	1,491.84	1,181.51	-	2,857.96	137.59	(1.51)	139.10	219.34	-	100%	USA
50	Nu-Vision Technologies, LLC	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
51	AGC Networks LLC	Same	USD	73.23	154.53	(26.24)	177.88	49.58	-	174.64	(37.21)	0.41	(37.62)	(39.74)	-	100%	USA
52	Black-Box Network Services Philippines, Inc.	Same	PHP	1.51	1.42	(0.33)	1.69	0.61	-	1.29	(0.42)	0.00	(0.43)	(0.42)	-	100%	Philippines
53	Black Box Technologies Australia Pty Limited	Same	USD	73.23	15.56	1.30	39.96	23.10	-	36.29	(4.17)	(1.60)	(2.57)	1.22	-	100%	Australia
54	COPC Holdings Inc.	Same	USD	73.23	0.69	(38.13)	(34.07)	3.38	-	-	5.76	(0.75)	6.51	6.44	-	100%	USA
55	COPC Inc.	Same	USD	73.23	24.74	(16.77)	16.84	8.86	-	15.27	(2.36)	(0.08)	(2.29)	(2.26)	-	100%	USA
56	COPC International Inc.	Same	USD	73.23	-	61.47	72.37	10.90	-	25.20	6.28	0.73	5.55	5.49	-	100%	USA
57	COPC Asia Pacific Inc.	Same	USD	73.23	-	(9.46)	(5.62)	3.84	-	6.52	0.45	(0.81)	1.26	1.24	-	100%	USA
58	COPC International Holdings LLC	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	USA
59	COPC India Private Limited	Same	USD	73.23	-	(1.63)	(1.18)	0.45	-	1.46	(1.47)	(0.25)	(1.22)	(1.21)	-	100%	India

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013

₹ in Crores

Sr. no.	Name of Subsidiary Company	Reporting Period	Reporting currency	Exchange Rate	Equity share capital	Other equity	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Revenue from operations	Profit / (loss) before tax	Tax expenses / (credits)	Profit / (loss) after tax	Total comprehensive income / (loss) for the year	Proposed Dividend	% of share-holding	Country
60	COPC Consultants (Beijing) Co. Limited	Same	USD	73.23	0.42	9.17	16.61	7.02	-	15.81	2.08	0.22	1.86	1.84	-	100%	China
61	Service Journey Strategies Inc.	Same	USD	73.23	-	(1.79)	(1.08)	0.71	-	-	(1.88)	0.02	(1.90)	(1.88)	-	100%	USA
62	RevealCX LLC	Same	USD	73.23	-	-	-	-	-	2.44	0.52	(0.01)	0.52	0.52	-	100%	USA
63	Fuji Soft Technology LLC	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	49%	Abu Dhabi
64	Fujisoft Security Solutions LLC	Same	USD	73.23	23.77	5.05	49.11	20.28	-	88.79	3.80	(0.04)	3.85	3.85	-	49%	Dubai
65	Pyrios Limited	Same	USD	73.23	5.56	7.72	30.56	17.28	-	29.89	7.35	(0.08)	7.43	7.79	-	100%	New Zealand
66	Pyrios Pty Limited	Same	USD	73.23	13.56	1.62	37.07	21.89	-	43.00	(0.09)	0.00	(0.09)	0.87	-	100%	Australia
67	BBX Inc.	Same	USD	73.23	217.39	(20.60)	196.79	-	-	-	-	-	-	-	-	100%	USA
68	BBX Main Inc.	Same	USD	73.23	-	(33.12)	239.37	272.49	-	0.12	(11.53)	-	(11.53)	(11.53)	-	100%	USA
69	Black Box Network Services Hong Kong Limited	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	Hong Kong
70	Black Box Technologies LLC	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	49%	Dubai
71	Servicios Black Box S.A. de C.V.	Same	USD	73.23	-	-	-	-	-	-	-	-	-	-	-	100%	Mexico
					1,433.49	85.55	4,025.26	2,506.21	-	4,483.36	97.85	17.90	79.95	195.12	-		

Note:

The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rate as on 31 March 2021.

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

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

MAHUA MUKHERJEE
Executive Director
DIN - 08107320
Place : Mumbai

ADITYA GOSWAMI
Company Secretary

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

Place : Indore
Date : 02 August 2021

Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary

Particulars	Net Assets i.e. total assets minus total liabilities		Total comprehensive income / (loss) for the year	
	As % of consolidated net assets	₹ in Crores	As % of total comprehensive income / (loss)	₹ in Crores
Parent				
AGC Networks Limited	133.84	276.64	(0.79)	(1.54)
Subsidiaries				
AGC Networks Pte. Limited	81.98	169.44	1.76	3.41
AGC Networks Philippines Inc.	1.20	2.49	0.67	1.29
AGC Networks & Cyber Solutions Limited	(4.66)	(9.63)	(0.25)	(0.48)
AGC Networks LLC, Dubai	24.35	50.33	13.30	25.74
AGC Networks LLC, Abu Dhabi	0.00	0.00	0.33	0.64
AGCN Solutions Pte. Limited	0.00	0.00	0.00	0.00
Black Box Corporation	(17.94)	(37.08)	(27.58)	(53.40)
ACS Dataline, LP	0.00	0.00	0.00	0.00
ACS Investors, LLC	0.00	0.00	0.00	0.00
BB Technologies, Inc.	(0.47)	(0.98)	(0.24)	(0.46)
BBOX Holdings Mexico LLC	0.00	0.00	0.00	0.00
BBOX Holdings Puebla LLC	0.00	0.00	0.00	0.00
Black Box A/S	2.17	4.49	(0.35)	(0.68)
Black Box Canada Corporation	12.21	25.23	2.83	5.49
Black Box Chile S.A.	8.30	17.15	0.37	0.72
Black Box Comunicaciones, S.A.	10.86	22.46	(0.10)	(0.19)
Black Box Corporation of Pennsylvania	20.67	42.72	3.06	5.92
Black Box de Mexico, S. de R.L. de C.V.	(2.45)	(5.07)	0.13	0.25
Black Box Deutschland GmbH	18.40	38.04	1.99	3.86
Black Box do Brasil Industria e Comercio Ltda.	2.78	5.74	(0.49)	(0.94)
Black Box E-Commerce (Shanghai) Co., Ltd.	(1.94)	(4.01)	(0.90)	(1.75)
Black Box Finland OY	10.70	22.13	1.56	3.02
Black Box France	28.15	58.19	0.56	1.09
Black Box Gmbh	1.84	3.81	0.13	0.25
Black Box Holdings Ltd.	0.00	0.00	0.00	0.00
Black Box International B.V.	43.28	89.46	17.17	33.24
Black Box International Holdings B.V.	60.69	125.46	2.76	5.35
Black Box Network Services (Dublin) Limited	0.00	0.00	0.00	0.00
Black Box Network Services (UK) Limited	35.60	73.58	(0.22)	(0.42)
Black Box Network Services AB	25.22	52.14	0.20	0.39
Black Box Network Services AG	6.35	13.13	0.37	0.72
Black Box Network Services Australia Pty Ltd	9.18	18.98	2.47	4.78
Black Box Network Services Co., Ltd.	14.65	30.27	(0.90)	(1.75)
Black Box Network Services Corporation	0.71	1.47	(0.22)	(0.42)
Black Box Network Services, Inc. – Government Solutions	0.00	0.00	0.00	0.00
Black Box Network Services India Private Limited	5.11	10.56	0.01	0.02

Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary

Particulars	Net Assets i.e. total assets minus total liabilities		Total comprehensive income / (loss) for the year	
	As % of consolidated net assets	₹ in Crores	As % of total comprehensive income / (loss)	₹ in Crores
Black Box Network Services Korea Limited	0.79	1.63	0.09	0.18
Black Box Network Services New Zealand Limited	(0.07)	(0.15)	(0.07)	(0.14)
Black Box Network Services NV	1.97	4.08	(1.34)	(2.60)
Black Box Network Services S.r.l.	(20.08)	(41.50)	(1.47)	(2.85)
Black Box Network Services SDN. BHD.	1.95	4.03	0.10	0.19
Black Box Network Services Singapore Pte Ltd	8.51	17.59	(1.51)	(2.92)
Black Box Norge AS	11.08	22.90	1.95	3.78
Black Box P.R. Corp.	0.00	0.00	0.00	0.00
Black Box Services Company	(29.69)	(61.37)	(8.52)	(16.49)
Black Box Software Development Services Limited	(18.67)	(38.59)	(6.17)	(11.94)
Delaney Telecom, Inc.	0.00	0.00	0.00	0.00
Norstan Canada, Ltd. / Norstan Canada, Ltée	40.51	83.73	0.36	0.70
Norstan Communications, Inc.	150.13	310.33	113.30	219.34
Nu-Vision Technologies, LLC	0.00	0.00	0.00	0.00
AGC Networks LLC, USA	62.07	128.29	(20.53)	(39.74)
Black-Box Network Services Philippines, Inc.	0.52	1.08	(0.22)	(0.42)
AGC Networks Australia Pty Ltd	8.16	16.86	0.63	1.22
COPC Holdings Inc.	(18.11)	(37.44)	3.32	6.44
COPC Inc.	3.86	7.97	(1.17)	(2.26)
COPC International Inc.	29.74	61.47	2.84	5.49
COPC Asia Pacific Inc.	(4.58)	(9.46)	0.64	1.24
COPC International Holdings LLC	0.00	0.00	0.00	0.00
COPC India Private Limited	(0.79)	(1.63)	(0.63)	(1.21)
COPC Consultants (Beijing) Co. Limited	4.64	9.59	0.95	1.84
Service Journey Strategies Inc.	(0.87)	(1.79)	(0.97)	(1.88)
RevealCX LLC	0.00	0.00	0.27	0.52
Fuji Soft Technology LLC	0.00	0.00	0.00	0.00
Fujisoft Security Solutions LLC	13.94	28.82	1.99	3.85
Pyrios Limited	6.42	13.28	4.02	7.79
Pyrios Pty Limited	7.34	15.18	0.45	0.87
BBX Inc.	95.21	196.79	0.00	0.00
BBX Main Inc.	(16.02)	(33.12)	(5.96)	(11.53)
Black Box Network Services Hong Kong Limited	0.00	0.00	0.00	0.00
Black Box Technologies LLC	0.00	0.00	0.00	0.00
Servicios Black Box S.A. de C.V.	0.00	0.00	0.00	0.00
Sub Total	**868.74**	**1,795.70**	**100.00**	**193.59**
Add / (Less) : Effect of Inter Company elimination / adjustment	(768.74)	(1,588.99)	0.00	0.00
Total	**100.00**	**206.70**	**100.00**	**193.59**

FINANCIAL HIGHLIGHTS - CONSOLIDATED

₹ in Crores

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Fixed assets and investment	**476.6**	441.2	399.5	113.6	110.9	108.8	89.7	119.8	129.2	115.8
Net assets (excluding fixed assets and borrowings)	**(93.7)**	(154.9)	423.1	114.7	132.1	113.2	156.2	189.7	495.6	328.3
Total capital employed	**206.7**	(176.1)	18.7	90.1	69.9	61.5	101.6	74.0	305.6	322.5
Shareholders' funds										
I. Equity share capital	**32.5**	29.8	29.7	28.5	28.5	28.5	43.5	28.5	28.5	14.2
II. Other equity	**174.2**	(205.9)	(11.1)	61.6	41.4	33.0	58.2	45.5	277.1	308.3
Total	**206.7**	(176.1)	18.6	90.1	69.9	61.5	101.7	74.0	305.6	322.5
Revenue from operations	**4,674.0**	4,993.9	1,852.7	733.5	780.2	882.8	892.0	775.8	1,061.2	997.6
Other income	**11.1**	7.4	6.4	4.9	3.6	5.5	6.3	19.6	51.5	12.9
Profit / (loss) before tax	**96.0**	(73.0)	(79.4)	19.1	12.7	(22.4)	17.7	(274.1)	(9.9)	86.3
Tax expense / (credit)										
I. Current tax	**16.3**	(2.6)	6.0	5.2	3.1	4.7	3.5	0.3	7.0	21.7
II. Deferred tax	**1.7**	9.6	(6.6)	(1.1)	(0.8)	7.6	(0.6)	(2.7)	5.0	1.1
Net profit / (loss) for the year	**78.1**	(80.0)	(78.8)	14.9	10.3	(34.6)	14.8	(271.6)	(21.9)	63.5
Total comprehensive income / (Loss) for the year	**193.6**	(186.7)	(76.6)	14.7	8.3	-	-	-	-	-
Dividend(%)	**-**	-	-	-	-	-	-	-	-	150.0
Debt Equity ratio	**0.9**	(2.6)	43.1	1.5	2.5	2.4	1.4	3.2	1.0	0.4
Earning per share (₹)	**26.0**	(26.9)	(27.0)	5.2	2.9	(12.2)	5.2	(95.4)	(7.7)	22.3
Cash earning per share (₹)	**53.4**	3.9	(21.6)	8.1	5.9	(9.0)	11.7	(81.2)	(2.0)	52.8
Book value per share (₹)	**63.5**	(59.2)	6.3	31.6	24.5	24.0	35.7	48.5	107.2	226.6

NOTES

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