



Accelerating Business

**AGC Networks Limited**  
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[www.agcnetworks.com](http://www.agcnetworks.com)

**AGC/SD/SE/2021/176**

**November 14, 2021**

To,

<b>Corporate Relationship Department Bombay Stock Exchange Limited</b> P.J. Tower, Dalal Street, Fort, Mumbai 400001	<b>Corporate Relationship Department The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400051
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**Sub: Outcome of the Board Meeting held on 14.11.2021**

**Ref: AGC Networks Limited—Script Code: 5000463 NSE Symbol: AGCNET**

Dear Sir/Madam,

With reference to our letter no. AGC/SD/SE/2021/169 dated November 8, 2021, regarding the meeting of the Board of Directors ("the Board") of AGC Networks Limited ("the Company") scheduled on November 14, 2021, we wish to inform you that the Board of Directors of the Company, at its meeting held today i.e. on November 14, 2021 has, inter-alia, decided on following business items among others:

1. Considered and Approved the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter/half-year ended September 30, 2021. Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), we are enclosing herewith the following:
  - a) Unaudited Standalone and Consolidated Financial Results of the Company, for the quarter/half-year ended September 30, 2021; and
  - b) Limited Review Report on the Unaudited Standalone and Consolidated Financial Results of the Company, for the quarter/half-year ended September 30, 2021.
2. Re-appointed Ms. RMJ & Associates LLP, Chartered Accountants as Internal Auditor of the Company for H2FY22.
3. Allotted 4,678 Equity Shares to eligible employee on exercise of ESOP options granted earlier pursuant to Employee Stock Option Scheme of the Company.

The Board Meeting commenced at 7:50 PM and concluded at 8:55 PM

This is for your information, record and necessary action.

Thanking you.

Yours Faithfully,  
For **AGC Networks Limited**

**Aditya Goswami**  
**Company Secretary & Compliance Officer**  
Encl.: A./a.

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**Walker Chandniok & Co LLP**

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

**To the Board of Directors of AGC Networks Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results (the 'Statement') of **AGC Networks Limited** (the 'Company') for the quarter ended **30 September 2021** and the year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**AGC Networks Limited**

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

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5. We draw your attention to Note 4 to the accompanying Statement, which describes the impact of COVID-19 pandemic on the Company's operations and on accompanying Statement as at reporting date. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the operations of the Company is significantly dependent on the future developments as they evolve.
6. We draw attention to Note 3 to the accompanying Statement, which describes the delay in remittance of import payments and repatriation of proceeds from export of goods and services, aggregating to Rs. 5.14 Crores and Rs. 3.54 Crores, respectively, outstanding as at 30 September 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 / penalty, if any, that may be levied, are currently unascertainable but not expected to be material and accordingly, no adjustments have been made to the accompanying Statement in respect of the fine / penalty that may be levied on account of such delays.

Our conclusion is not modified in respect of matters reported in paragraphs 5 and 6 above.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**BHARAT  
KOCHU  
SHETTY**

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SHETTY  
Date: 2021.11.14  
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**Bharat Shetty**

Partner

Membership No:106815

**UDIN:21106815AAAAED5798**

Place: Mumbai

Date: 14 November 2021

## AGC NETWORKS LIMITED

Registered Office :- 501, 5th Floor, Building No.9, Airoli Knowledge Park, MIDC Industrial Area,  
Airoli, Navi Mumbai - 400708

### STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX-MONTHS PERIOD ENDED 30 SEPTEMBER 2021

(Rs. in Crores, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Six-months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2021	30/06/2021	30/09/2020	30/09/2021	30/09/2020	31/03/2021
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	60.35	84.14	56.01	144.49	113.68	249.54
	(b) Other income	0.22	4.81	2.48	5.03	3.59	8.47
	<b>Total income</b>	<b>60.57</b>	<b>88.95</b>	<b>58.49</b>	<b>149.52</b>	<b>117.27</b>	<b>258.01</b>
<b>2</b>	<b>Expenses</b>						
	(a) Purchase of stock-in-trade	22.03	36.52	9.91	58.55	28.55	71.19
	(b) Changes in inventories of work-in-progress and stock-in-trade	(3.56)	1.92	(1.01)	(1.64)	(0.02)	(1.97)
	(c) Service charges	26.21	22.49	25.85	48.70	49.38	104.57
	(d) Employee benefits expense (net)	9.55	8.73	7.59	18.28	16.19	32.21
	(e) Finance costs	1.03	1.19	4.77	2.22	9.05	17.01
	(f) Depreciation and amortisation expense	1.01	0.79	1.69	1.80	3.49	5.39
	(g) Other expenses	5.88	5.01	9.94	10.89	15.99	30.22
	<b>Total expenses</b>	<b>62.15</b>	<b>76.65</b>	<b>58.74</b>	<b>138.80</b>	<b>122.63</b>	<b>258.62</b>
<b>3</b>	<b>(Loss) / profit before impact of foreign currency transactions and translations and tax (1-2)</b>	<b>(1.58)</b>	<b>12.30</b>	<b>(0.25)</b>	<b>10.72</b>	<b>(5.36)</b>	<b>(0.61)</b>
<b>4</b>	<b>(Loss) / gain on foreign currency transactions and translations (net)</b>	<b>(0.08)</b>	<b>0.34</b>	<b>0.14</b>	<b>0.26</b>	<b>(1.02)</b>	<b>(1.25)</b>
<b>5</b>	<b>(Loss) / profit before tax (3+4)</b>	<b>(1.66)</b>	<b>12.64</b>	<b>(0.11)</b>	<b>10.98</b>	<b>(6.38)</b>	<b>(1.86)</b>
<b>6</b>	<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Net (loss) / profit for the period / year (5-6)</b>	<b>(1.66)</b>	<b>12.64</b>	<b>(0.11)</b>	<b>10.98</b>	<b>(6.38)</b>	<b>(1.86)</b>
<b>8</b>	<b>Other Comprehensive Income</b>	<b>0.10</b>	<b>0.18</b>	<b>0.38</b>	<b>0.28</b>	<b>0.25</b>	<b>0.32</b>
<b>9</b>	<b>Total Comprehensive (Loss) / Income for the period / year (7+8)</b>	<b>(1.56)</b>	<b>12.82</b>	<b>0.27</b>	<b>11.26</b>	<b>(6.13)</b>	<b>(1.54)</b>
<b>10</b>	<b>Paid-up equity share capital (face value of Rs.10 each)</b>	<b>32.81</b>	<b>32.53</b>	<b>29.82</b>	<b>32.81</b>	<b>29.82</b>	<b>32.53</b>
<b>11</b>	<b>Other equity</b>						<b>244.11</b>
<b>12</b>	<b>(Loss) / earnings per share of Rs.10 each :</b>						
	Basic (in Rs.)	(0.51)*	3.89*	(0.04)*	3.37*	(2.14)*	(0.62)
	Diluted (in Rs.)	(0.51)*#	3.80*	(0.04)*#	3.30*	(2.14)*#	(0.62)#

\* Not annualised

# The effect of 145,359, 424,705 and 476,781 potential equity shares outstanding as at 30 September 2021, 31 March 2021 and 30 September 2020, respectively, is anti-dilutive and thus these shares are not considered in determining diluted (loss) / earnings per share.

## Standalone balance sheet

(Rs. in Crores)

Particulars	Standalone	
	Unaudited	Audited
	30/09/2021	31/03/2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6.46	5.68
Right of use assets	28.39	4.88
Other intangible assets	0.68	0.70
Financial assets		
Investments	194.48	194.48
Other financial assets	2.76	2.92
Tax assets (net)	42.63	48.94
Other non-current assets	4.97	4.89
<b>Total non-current assets</b>	<b>280.37</b>	<b>262.49</b>
<b>Current assets</b>		
Inventories	13.38	11.86
Financial assets		
Trade receivables	83.42	66.88
Cash and cash equivalents	0.34	3.69
Bank balances other than cash and cash equivalents	2.79	2.61
Other financial assets	26.94	29.34
Other current assets	51.93	52.65
<b>Total current assets</b>	<b>178.80</b>	<b>167.03</b>
<b>TOTAL ASSETS</b>	<b>459.17</b>	<b>429.52</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	32.81	32.53
Other equity	257.11	244.11
<b>Total equity</b>	<b>289.92</b>	<b>276.64</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	26.32	3.08
Provisions	7.20	7.18
Other non-current liabilities	1.04	2.66
<b>Total non-current liabilities</b>	<b>34.56</b>	<b>12.92</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	8.07	16.43
Lease liabilities	1.91	2.05
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	12.20	11.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	61.61	50.38
Other financial liabilities	28.18	31.89
Other current liabilities	21.97	27.40
Provisions	0.75	0.66
<b>Total current liabilities</b>	<b>134.69</b>	<b>139.96</b>
<b>Total liabilities</b>	<b>169.25</b>	<b>152.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>459.17</b>	<b>429.52</b>

**AGC Networks Limited**  
**Standalone statement of cash flows for the six months period ended 30 September 2021**

(Rs. in Crores)

	Six-months ended	
	30/09/2021	30/09/2020
	Unaudited	
<b>(A) Cash flows from operating activities</b>		
Profit / (loss) before tax	10.98	(6.38)
<b>Adjustments for non-cash transactions and items considered separately:</b>		
Depreciation and amortisation expense	1.80	3.49
Gain on remeasurement of lease	(0.39)	-
Creation / (reversal) of provision for warranties	0.01	(0.12)
Allowance for expected credit loss (net)	0.66	6.06
Liabilities / provisions for earlier years no longer required written back / reversed	(0.18)	(0.18)
Unrealised loss on foreign currency translation (net)	0.13	0.37
Finance costs	2.22	9.05
Interest income on bank deposits	(0.16)	(0.10)
Expenses on / (reversal of) share based payments	0.26	(0.04)
Interest income on inter corporate deposits	-	(1.55)
<b>Operating profit before working capital changes</b>	<b>15.33</b>	<b>10.60</b>
<b>Changes in working capital :</b>		
Trade receivables	(17.11)	6.49
Inventories	(1.52)	0.30
Financial and other assets	3.79	(12.62)
Trade payables	12.24	(11.59)
Provisions and other liabilities	(10.26)	11.32
<b>Cash generated from operating activities before taxes</b>	<b>2.47</b>	<b>4.50</b>
Income taxes refund	6.31	5.60
<b>Net cash generated from operating activities (A)</b>	<b>8.78</b>	<b>10.10</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(1.34)	(0.42)
Interest received on bank deposits	0.13	0.02
(Investment in) / liquidation of margin money deposits (net)	(0.74)	0.34
<b>Net cash used in investing activities (B)</b>	<b>(1.95)</b>	<b>(0.06)</b>
<b>(C) Cash flows from financing activities</b>		
Proceeds from issue of equity shares	0.28	0.07
Security premium received on issue of equity shares	1.48	0.49
Availment of funded interest term loans	-	5.79
Repayment of cash credit facilities (net)	(8.36)	(3.99)
Payment of lease liabilities (net)	(1.24)	(2.37)
Payment of interest	(2.34)	(9.49)
<b>Net cash used in financing activities (C)</b>	<b>(10.18)</b>	<b>(9.50)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>(3.35)</b>	<b>0.54</b>
Cash and cash equivalents at the beginning of the period	3.69	1.09
<b>Cash and cash equivalents at the end of the period</b>	<b>0.34</b>	<b>1.63</b>

**Note:** The standalone statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

**Notes:**

- 1) These interim unaudited standalone financial results (the 'Statement') have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 2) The Statement has been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2021. The statutory auditors have carried out a limited review of this Statement.
- 3) The outstanding balance of trade payables, trade receivables and other financial assets as at 30 September 2021 includes amount payable aggregating to Rs. 5.14 Crores and amount receivable aggregating to Rs. 0.44 Crores and Rs. 3.10 Crores, respectively, to / from the companies situated outside India. These balances are pending for settlement and have resulted in delay in remittance / collection beyond the timeline stipulated under the Foreign Exchange Management Act, 1999. The Company has filed necessary application with AD Category – I bank ('AD Bank') for extension of time limit on payables aggregating to Rs. 3.10 Crores during the current period and on payables aggregating to Rs. 2.04 Crores subsequent to 30 September 2021. Similarly, the Company has filed application with AD Bank for extension of time limit for the aforementioned receivables aggregating to Rs. 2.98 Crores during the current period and on receivables aggregating to Rs. 0.56 Crores subsequent to 30 September 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 Statement does not include any adjustments that may arise due to such delays.

- 4) 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 "second wave" that had significantly increased the number of cases in India, impact the 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 that may result from the pandemic, 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 this Statement, has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of this Statement.
- 5) The Company had filed claim before National Company Law Tribunal ('NCLT'), Mumbai, towards recovery of dues from EPC Constructions India Limited ('EPCCIL' or 'Corporate Debtor') on account of services rendered by the Company to EPCCIL during its Corporate Insolvency Resolution Process ('CIRP') period commencing from April 2018.

NCLT vide its order dated 08 June 2021, uploaded on its website on 26 June 2021, has directed EPCCIL to make payment of all outstanding dues to the Company within a period of 3 months from the date of receipt of the aforesaid order and has further directed EPCCIL to continue to pay monthly charges towards services to be rendered by the Company. Subsequently, on appeal filed by EPCCIL challenging the aforesaid order, National Company Law Appellate Tribunal ('NCLAT'), New Delhi has passed an order dated 28 September 2021 in favour of the Company and has directed EPCCIL to pay Rs. 4.50 Crores (inclusive of Rs. 1.00 Crore already paid in the month of June 2019) to the Company within a period of 2 months from the date of this order and has further directed EPCCIL to continue to pay monthly charges towards services to be rendered by the Company. In view of the said directions of NCLT and NCLAT and considering the principles of waterfall mechanism applicable to CIRP; since the services rendered by the Company form part of CIRP, the dues recoverable on account of such services would rank pari passu with expenditure incurred on the CIRP and will have to be settled on priority.

The Company had recognised operating revenue of Rs. 8.51 Crores (exclusive of taxes) and interest income of Rs. 1.49 Crores during the quarter ended 30 June 2021 (totalling to Rs.10.00 Crores) towards services rendered during the period April 2018 to June 2021, which continues to be receivable as at 30 September 2021. Subsequent to 30 September 2021, Company has received Rs. 4.05 Crores from the Corporate Debtor.

- 6) The paid-up equity share capital stands increased to Rs. 32.81 Crores (32,808,176 equity shares of Rs.10 each) upon allotment of 279,346 equity shares of Rs.10 each pursuant to ESOP Scheme 2015 during the quarter and six-months period ended 30 September 2021.
- 7) Previous period / year figures have been re-grouped, reclassified and rearranged, wherever necessary, to conform to current period's presentation.

**FOR AND ON BEHALF OF THE BOARD**



**SANJEEV VERMA**  
**WHOLE-TIME DIRECTOR**  
**DIN: 06871685**

**Place : Dallas, Texas, The United States of America**  
**Date : 14 November 2021**  
**CIN : L32200MH1986PLC040652**

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**Walker Chandniok & Co LLP**

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

**To the Board of Directors of AGC Networks Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results (the 'Statement') of **AGC Networks Limited** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended **30 September 2021** and the consolidated year to date results for the period 01 April 2021 to 30 September 2021, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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4. As stated in Note 9 to the accompanying Statement, the Group's 'Other financial assets' as at 30 September 2021 include receivable (including impact of fair value adjustments) amounting to Rs. 14.00 Crores towards assignment of trade receivables, which is considered good and recoverable by the management. However, in the absence of sufficient appropriate evidence to corroborate management's assessment of recoverability of this balance from the buyer, allowance for expected credit loss reversed during the quarter and six-months period ended 30 September 2021, as explained in the aforementioned note is in excess by Rs 14.00 Crores.

Had the Group followed the principles of Ind AS 109, 'Financial Instruments', 'Other financial assets' as at 30 September 2021 and 'Other operating income' for the quarter and six-months period ended 30 September 2021 would have reduced by Rs. 14.00 Crores and profit after tax of Rs. 11.28 Crores for the quarter ended 30 September 2021 and of Rs 42.40 Crores for the six-months period ended 30 September 2021 would have reduced by Rs 14.00 Crores

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to Note 6 to the accompanying Statement, which describes the impact of COVID-19 pandemic on the Group's operations and on accompanying Statement as at reporting date. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the operations of the Group is significantly dependent on the future developments as they evolve.
7. We draw attention to Note 5 to the accompanying Statement, which describes the delay in remittance of import payments and repatriation of proceeds from export of goods and services, aggregating to Rs. 13.68 Crores and Rs. 5.31 Crores, respectively, by the Holding Company, outstanding as at 30 September 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 Holding Company's management is of the view that the fine / penalty, if any, that may be levied, are currently unascertainable but not expected to be material and accordingly, no adjustments have been made to the accompanying Statement in respect of the fine / penalty that may be levied on account of such delays.

Our conclusion is not modified in respect of matters reported in paragraphs 6 and 7 above.

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

**BHARAT  
KOCHU  
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**Bharat Shetty**  
Partner  
Membership No:106815

**UDIN:21106815AAAAEE8509**

Place: Mumbai  
Date: 14 November 2021

Page 2 of 4

**Annexure 1**

**List of entities included in the Statement (in addition to the Holding Company)**

1. AGC Networks Pte. Ltd.
2. AGC Networks Philippines, Inc.
3. AGC Networks & Cyber Solutions Limited
4. AGC Networks LLC, Dubai
5. AGC Networks LLC, Abu Dhabi
6. AGCN Solutions Pte. Limited
7. BBX Main Inc.
8. AGC Networks LLC, USA
9. Black Box Corporation
10. ACS Dataline, LP
11. ACS Investors, LLC
12. BB Technologies, Inc.
13. BBOX Holdings Mexico LLC
14. BBOX Holdings Puebla LLC
15. Black Box A/S
16. Black Box Canada Corporation
17. Black Box Chile S.A.
18. Black Box Comunicaciones, S.A.
19. Black Box Corporation of Pennsylvania
20. Black Box de Mexico, S. de R.L. de C.V.
21. Black Box Deutschland GmbH
22. Black Box do Brasil Industria e Comercio Ltda.
23. Black Box E-Commerce (Shanghai) Co., Ltd.
24. Black Box Finland OY
25. Black Box France
26. Black Box GmbH
27. Black Box Holdings Ltd.
28. Black Box International B.V.
29. Black Box International Holdings B.V.
30. Black Box Network Services (Dublin) Limited
31. Black Box Network Services (UK) Limited
32. Black Box Network Services AB
33. Black Box Network Services AG
34. Black Box Network Services Australia Pty Ltd
35. Black Box Network Services Co., Ltd.
36. Black Box Network Services Corporation
37. Black Box Network Services, Inc. – Government Solutions
38. Black Box Network Services India Private Limited
39. Black Box Network Services Korea Limited
40. Black Box Network Services New Zealand Limited
41. Black Box Technologies New Zealand Limited
42. Black Box Network Services NV
43. Black Box Network Services S.r.l.
44. Black Box Network Services SDN. BHD.
45. Black Box Network Services Singapore Pte Ltd
46. Black Box Norge AS
47. Black Box P.R. Corp.

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

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**Annexure 1 (Contd)**

48. Black Box Services Company
49. Black Box Software Development Services Limited
50. Delaney Telecom, Inc.
51. Norstan Canada, Ltd. / Norstan Canada, Ltée
52. Norstan Communications, Inc.
53. Nu-Vision Technologies, LLC
54. Black Box Network Services Philippines, Inc.
55. Black Box Technologies Australia Pty Limited
56. COPC Holdings Inc.
57. COPC Inc.
58. COPC International Inc.
59. COPC Asia Pacific Inc.
60. COPC International Holdings LLC
61. COPC India Private Limited
62. COPC Consultants (Beijing) Co. Limited
63. Fuji Soft Technology LLC
64. Fujisoft Security Solutions LLC
65. Pyrios Limited
66. Pyrios Pty Limited
67. BBX Inc.
68. Black Box Network Services Hong Kong Limited
69. Black Box Technologies LLC
70. Service Journey Strategies Inc.
71. Servicios Black Box S.A. de C.V.

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## AGC NETWORKS LIMITED

Registered Office :- 501, 5th Floor, Building No.9, Airoli Knowledge Park, MIDC Industrial Area,  
Airoli, Navi Mumbai - 400708

### STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX-MONTHS PERIOD ENDED 30 SEPTEMBER 2021

(Rs. in Crores, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Six-months ended		Year ended
		Unaudited			Unaudited		Audited
		30/09/2021	30/06/2021	30/09/2020	30/09/2021	30/09/2020	31/03/2021
			Restated		Restated		
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	1,345.29	1,195.22	1,217.89	2,540.51	2,211.75	4,674.02
	(b) Other income	0.37	4.70	7.08	5.07	8.04	11.13
	<b>Total income</b>	<b>1,345.66</b>	<b>1,199.92</b>	<b>1,224.97</b>	<b>2,545.58</b>	<b>2,219.79</b>	<b>4,685.15</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials and components consumed	(0.95)	0.90	1.47	(0.05)	3.10	5.36
	(b) Purchase of stock-in-trade	470.59	436.27	426.46	906.86	754.13	1,544.99
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(35.59)	(21.40)	3.00	(56.99)	(8.07)	(9.36)
	(d) Service charges	189.51	149.23	148.26	338.74	280.40	601.09
	(e) Employee benefits expense (net)	531.88	474.85	445.27	1,006.73	845.26	1,825.38
	(f) Finance costs	16.46	15.15	30.20	31.61	52.21	97.91
	(g) Depreciation and amortisation expense	24.67	24.33	24.48	49.00	47.31	95.56
	(h) Other expenses	134.14	101.96	91.76	236.10	181.20	342.08
	<b>Total expenses</b>	<b>1,330.71</b>	<b>1,181.29</b>	<b>1,170.90</b>	<b>2,512.00</b>	<b>2,155.54</b>	<b>4,503.01</b>
<b>3</b>	<b>Profit before impact of foreign currency transactions and translations, (loss) / gain on financial liability, exceptional items and tax (1-2)</b>	<b>14.95</b>	<b>18.63</b>	<b>54.07</b>	<b>33.58</b>	<b>64.25</b>	<b>182.14</b>
4	(Loss) / gain on foreign currency transactions and translations (net)	(0.52)	3.91	2.58	3.39	6.49	(12.76)
5	Loss on fair value of financial liability	-	-	7.88	-	7.65	41.70
6	(Gain) on settlement of financial liability	-	(13.59)	-	(13.59)	-	-
<b>7</b>	<b>Profit before exceptional items and tax (3+4-5-6)</b>	<b>14.43</b>	<b>36.13</b>	<b>48.77</b>	<b>50.56</b>	<b>63.09</b>	<b>127.68</b>
8	Exceptional items - expenses (refer note 3)	3.04	3.35	12.84	6.39	18.69	31.69
<b>9</b>	<b>Profit before tax (7-8)</b>	<b>11.39</b>	<b>32.78</b>	<b>35.93</b>	<b>44.17</b>	<b>44.40</b>	<b>95.99</b>
10	Tax expense / (credit)						
	- Current tax	0.63	1.39	1.46	2.02	4.66	16.25
	- Deferred tax	0.26	0.27	0.04	0.53	(0.12)	1.65
<b>11</b>	<b>Net profit for the period / year (9-10)</b>	<b>10.50</b>	<b>31.12</b>	<b>34.43</b>	<b>41.62</b>	<b>39.86</b>	<b>78.09</b>
12	Other Comprehensive (Loss) / Income	(9.95)	(0.59)	10.94	(10.54)	24.23	115.50
<b>13</b>	<b>Total Comprehensive Income for the period / year (11+12)</b>	<b>0.55</b>	<b>30.53</b>	<b>45.37</b>	<b>31.08</b>	<b>64.09</b>	<b>193.59</b>
14	Paid-up equity share capital (face value of Rs.10 each)	32.81	32.53	29.82	32.81	29.82	32.53
15	Other equity						174.17
16	Earnings per share of Rs.10 each before exceptional items:						
	Basic (in Rs.)	4.16*	10.60*	15.88*	14.75*	19.66*	36.62
	Diluted (in Rs.)	4.08*	10.35*	14.96*	14.45*	18.44*	34.43
	Earnings per share of Rs.10 each after exceptional items :						
	Basic (in Rs.)	3.23*	9.57*	11.56*	12.78*	13.39*	26.05
	Diluted (in Rs.)	3.16*	9.34*	10.90*	12.53*	12.53*	24.49

\* Not annualised

**Note**

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

## Consolidated balance sheet

(Rs. in Crores)

Particulars	Consolidated	
	Unaudited	Audited
	30/09/2021	31/03/2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	176.57	164.15
Right of use assets	145.48	145.65
Goodwill	271.33	269.18
Other intangible assets	32.23	43.27
Financial assets		
Other financial assets	34.98	27.90
Tax assets (net)	42.38	48.66
Deferred tax assets (net)	18.33	18.54
Other non-current assets	29.56	31.37
<b>Total non-current assets</b>	<b>750.86</b>	<b>748.72</b>
<b>Current assets</b>		
Inventories	207.60	148.75
Financial assets		
Trade receivables	303.42	239.76
Cash and cash equivalents	211.01	357.04
Bank balances other than cash and cash equivalents	10.21	53.25
Other financial assets	629.27	532.77
Other current assets	286.83	222.82
<b>Total current assets</b>	<b>1,648.34</b>	<b>1,554.39</b>
<b>TOTAL ASSETS</b>	<b>2,399.20</b>	<b>2,303.11</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	32.81	32.53
Other equity	206.99	174.17
<b>Total equity</b>	<b>239.80</b>	<b>206.70</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	150.74	119.39
Lease liabilities	96.26	94.18
Other financial liabilities	104.73	86.57
Provisions	86.37	85.29
Other non-current liabilities	44.65	24.75
<b>Total non-current liabilities</b>	<b>482.75</b>	<b>410.18</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	28.18	56.81
Lease liabilities	55.95	57.77
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	12.20	11.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	684.55	504.46
Other financial liabilities	182.23	373.33
Other current liabilities	573.71	563.57
Provisions	139.83	119.14
<b>Total current liabilities</b>	<b>1,676.65</b>	<b>1,686.23</b>
<b>Total liabilities</b>	<b>2,159.40</b>	<b>2,096.41</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,399.20</b>	<b>2,303.11</b>

AGC Networks Limited  
Consolidated statement of cash flows for the six-months period ended 30 September 2021

(Rs. in Crores)

	Six-months ended	
	30/09/2021	30/09/2020
	Unaudited	
		Restated
<b>(A) Cash flows from operating activities</b>		
Profit before tax	44.17	44.40
<b>Adjustments for non-cash transactions and items considered separately:</b>		
Depreciation and amortisation expense	49.00	47.31
Gain on disposal of property, plant and equipment and other intangible assets	(0.14)	(4.78)
Gain on remeasurement of lease	(0.39)	-
Expenses on / (reversal of) share based payments	0.26	(0.04)
Creation / (reversal) of provision for warranties	0.01	(0.12)
Change in fair value of warrant liability	(13.59)	-
Allowance for expected credit loss (net)	8.70	9.29
Liabilities / provisions for earlier years no longer required written back / reversed	(1.56)	(6.42)
Unrealised loss on foreign currency translation (net)	0.01	0.86
Finance costs	31.61	52.21
Interest income on bank deposits	(0.16)	(0.10)
Interest income on inter corporate deposits	-	(1.55)
<b>Operating profit before working capital changes</b>	<b>117.92</b>	<b>141.06</b>
<b>Changes in working capital :</b>		
Trade receivables	(72.38)	64.70
Inventories	(58.85)	0.01
Financial and other assets	(60.21)	35.12
Trade payables	182.71	(19.20)
Provisions and other liabilities	(131.10)	(6.37)
<b>Cash (used in) / generated from operating activities before taxes</b>	<b>(21.91)</b>	<b>215.32</b>
Income taxes refund	27.91	24.58
<b>Net cash generated from operating activities (A)</b>	<b>6.00</b>	<b>239.90</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(2.98)	(28.97)
Proceeds from sale of property, plant and equipment and other intangible assets	0.14	53.58
Note receivable - securitisation	(104.27)	(115.19)
Payment towards acquisition of business (including goodwill)	-	(38.05)
Liquidation of margin money deposits	41.77	1.76
Interest received on bank deposits	0.13	0.02
<b>Net cash used in investing activities (B)</b>	<b>(65.21)</b>	<b>(126.85)</b>
<b>(C) Cash flows from financing activities</b>		
Proceeds from issue of equity shares	0.28	0.07
Security premium received on issue of equity shares	1.48	0.49
Availment of funded interest term loans	-	5.79
Availment / (repayment) of term loans	11.08	(17.99)
Availment of working capital loan (net)	-	1.39
Repayment of cash credit facilities (net)	(8.36)	(3.99)
Payment for lease liabilities (net)	(30.16)	(34.69)
Payment of interest	(31.76)	(45.14)
<b>Net cash used in financing activities (C)</b>	<b>(57.44)</b>	<b>(94.07)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>(116.65)</b>	<b>18.98</b>
Cash and cash equivalents at the beginning of the year	357.04	315.87
Foreign currency adjustments and translations	(29.38)	44.87
<b>Cash and cash equivalents at the end of the year</b>	<b>211.01</b>	<b>379.72</b>

Note: The consolidated statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

## AGC NETWORKS LIMITED

Registered Office :- 501, 5th Floor, Building No.9, Airoli Knowledge Park, MIDC Industrial Area,  
Airoli, Navi Mumbai - 400708

### STATEMENT OF CONSOLIDATED UNAUDITED SEGMENT INFORMATION FOR THE QUARTER AND SIX-MONTHS PERIOD ENDED 30 SEPTEMBER 2021

**Consolidated segment information**

(Rs. in Crores)

Particulars	Quarter ended			Six-months ended		Year ended
	Unaudited			Unaudited		Audited
	30/09/2021	30/06/2021	30/09/2020	30/09/2021	30/09/2020	31/03/2021
			Restated		Restated	
<b>Segment revenue</b>						
System integration	1,119.11	980.41	1,019.78	2,099.52	1,843.28	3,878.66
Technology product solutions	204.30	193.97	186.12	398.27	345.78	728.85
Others	21.88	20.84	11.99	42.72	22.69	66.51
<b>Revenue from operations</b>	<b>1,345.29</b>	<b>1,195.22</b>	<b>1,217.89</b>	<b>2,540.51</b>	<b>2,211.75</b>	<b>4,674.02</b>
<b>Segment results</b>						
System integration	27.08	26.40	55.52	53.48	90.48	229.85
Technology product solutions	3.21	(0.18)	22.19	3.03	20.81	31.83
Others	0.75	2.86	(0.52)	3.61	(2.87)	7.24
<b>Total of segment results</b>	<b>31.04</b>	<b>29.08</b>	<b>77.19</b>	<b>60.12</b>	<b>108.42</b>	<b>268.92</b>
Other income	0.37	4.70	7.08	5.07	8.04	11.13
Finance costs	16.46	15.15	30.20	31.61	52.21	97.91
<b>Profit before impact of foreign currency transactions and translations, (loss) / gain on financial liability, exceptional items and tax</b>	<b>14.95</b>	<b>18.63</b>	<b>54.07</b>	<b>33.58</b>	<b>64.25</b>	<b>182.14</b>
(Loss) / gain on foreign currency transactions and translations (net)	(0.52)	3.91	2.58	3.39	6.49	(12.76)
Loss on fair value of financial liability	-	-	7.88	-	7.65	41.70
(Gain) on settlement of financial liability	-	(13.59)	-	(13.59)	-	-
<b>Profit before exceptional items and tax</b>	<b>14.43</b>	<b>36.13</b>	<b>48.77</b>	<b>50.56</b>	<b>63.09</b>	<b>127.68</b>
Exceptional items - expenses (refer note 3)	3.04	3.35	12.84	6.39	18.69	31.69
<b>Profit before tax</b>	<b>11.39</b>	<b>32.78</b>	<b>35.93</b>	<b>44.17</b>	<b>44.40</b>	<b>95.99</b>
Tax expense	0.89	1.66	1.50	2.55	4.54	17.90
<b>Net profit for the period / year</b>	<b>10.50</b>	<b>31.12</b>	<b>34.43</b>	<b>41.62</b>	<b>39.86</b>	<b>78.09</b>
Depreciation and amortisation expense	24.67	24.33	24.48	49.00	47.31	95.56

**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.

**Notes:**

- These interim unaudited consolidated financial results (the 'Statement') have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- The Statement has been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2021. The statutory auditors have carried out a limited review of this Statement.
- Exceptional items:**

Particulars	(Rs. in Crores)					
	Quarter ended			Six-months ended		Year ended
	Unaudited			Unaudited		Audited
	30/09/2021	30/06/2021	30/09/2020	30/09/2021	30/09/2020	31/03/2021
			Restated		Restated	
Provision of severance expenses [refer note (a)]	0.31	0.50	7.68	0.81	9.55	8.61
Acquisition cost [refer note (b)]	-	-	2.78	-	2.78	3.06
Foreclosure of leases [refer note (c)]	2.73	2.85	2.29	5.58	5.36	10.40
Estimated cost for legal settlement [refer note (d)]	-	-	-	-	-	6.20
Prepayment charges on loan repayment [refer note (e)]	-	-	-	-	-	2.42
COVID-19 expenses [refer note (f)]	-	-	0.09	-	1.00	1.00
	<b>3.04</b>	<b>3.35</b>	<b>12.84</b>	<b>6.39</b>	<b>18.69</b>	<b>31.69</b>

- (a) Represents net severance cost of BBX Inc. ('BBX') towards rationalisation of manpower to enhance operational efficiencies.  
(b) Represents acquisition related cost of BBX which includes valuation fees, advisory fees, legal and professional fees and consulting fees.  
(c) Represents early closure of leases related to BBX.  
(d) Represents estimated cost for legal settlement related to BBX.  
(e) Represents prepayment charges to prematurely exit borrowing facilities with Greensill, related to BBX.  
(f) Represents expenses incurred on COVID-19 safety measures which includes purchase of masks, gloves, sterilisation equipment and other safety products for employees of BBX.

- The Statement is prepared in accordance with the requirements of Ind AS 110 'Consolidated Financial Statements' specified under section 133 of the Act.
- The outstanding balance of trade payables, trade receivables and other financial assets as at 30 September 2021 include amount payable aggregating to Rs. 13.68 Crores and amount receivable aggregating to Rs. 2.21 Crores and Rs. 3.10 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. AGC Networks Limited (the 'Holding Company') has filed necessary application with AD Category - I bank ('AD Bank') for extension of time limit on payables aggregating to Rs. 7.01 Crores during the current period and on payables aggregating to Rs. 6.67 Crores subsequent to 30 September 2021. Similarly, the Holding Company has filed application with AD Bank for extension of time limit for the aforementioned receivables aggregating to Rs. 3.18 Crores during the current period and on receivables aggregating to Rs. 2.13 Crores subsequent to 30 September 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 Statement does not include any adjustments that may arise due to such delays.

- 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 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 Group has considered the possible effects that may result from the pandemic, on the carrying amounts of trade receivables, inventories, property, plant and equipment, other 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 this Statement, has used internal and external sources of information and based on current estimates, expects that the carrying amount of these assets will be recovered. The eventual outcome of the impact of the pandemic may be different from those estimated as on the date of approval of this Statement.
- Black Box Holdings Limited ('BBHL'), step-down subsidiary of the Holding Company, had 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 share capital 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 3.94 Million, payable on closing of transaction or acquisition. The acquisition was initially effective from 01 April 2021. Based on the updated terms, the valuation of the Target Company has been adjusted and seller has compensated BBHL by allowing it to increase its shareholding in Target Company from 76% to 86%, and at revised consideration of USD 3.44 Million. The revised effective date of acquisition is 01 July 2021.

Group is awaiting the final amendment agreement to evaluate fair valuation of assets and liabilities and for Purchase Price Allocation ('PPA'). As a result, Company has exercised the option of using the exemption available under Ind AS 103 'Business Combinations' ('Ind AS 103') which provides the Company a period of twelve months from the acquisition date for completing the accounting of PPA. Impact of provisional accounting under Ind AS 103 is considered in the books of account at the time of payment of purchase consideration.

- The Holding Company had filed claim before National Company Law Tribunal ('NCLT'), Mumbai, towards recovery of dues from EPC Constructions India Limited ('EPCCIL' or 'Corporate Debtor') on account of services rendered by the Holding Company to EPCCIL during its Corporate Insolvency Resolution Process ('CIRP') period commencing from April 2018.

NCLT vide its order dated 08 June 2021, uploaded on its website on 26 June 2021, has directed EPCCIL to make payment of all outstanding dues to the Holding Company within a period of 3 months from the date of receipt of the aforesaid order and has further directed EPCCIL to continue to pay monthly charges towards services to be rendered by the Holding Company. Subsequently, on appeal filed by EPCCIL challenging the aforesaid order, National Company Law Appellate Tribunal ('NCLAT'), New Delhi has passed an order dated 28 September 2021 in favour of the Holding Company and has directed EPCCIL to pay Rs. 4.50 Crores (inclusive of Rs. 1.00 Crore already paid in the month of June 2019) to the Holding Company within a period of 2 months from the date of this order and has further directed EPCCIL to continue to pay monthly charges towards services to be rendered by the Holding Company. In view of the said directions of NCLT and NCLAT and considering the principles of waterfall mechanism applicable to CIRP; since the services rendered by the Holding Company form part of CIRP, the dues recoverable on account of such services would rank pari passu with expenditure incurred on the CIRP and will have to be settled on priority.

The Holding Company had recognised operating revenue of Rs. 8.51 Crores (exclusive of taxes) and interest income of Rs. 1.49 Crores during the quarter ended 30 June 2021 (totalling to Rs.10.00 Crores) towards services rendered during the period April 2018 to June 2021, which continues to be receivable as at 30 September 2021. Subsequent to 30 September 2021, Holding Company has received Rs. 4.05 Crores from the Corporate Debtor.

- During the quarter ended 30 September 2021, AGC Networks Pte. Limited (Dubai branch), step-down subsidiary of the Holding Company, has assigned certain trade receivables to Peregrine Opportunities Growth Fund Limited (the 'buyer') amounting to Rs. 37.28 Crores (equivalent to USD 5.05 million) for purchase consideration of Rs. 14.78 Crores (equivalent to USD 2.00 million). The aforesaid consideration is receivable in four instalments of Rs. 1.48 Crores (equivalent to USD 0.20 million), Rs. 2.96 Crores (equivalent to USD 0.40 million), Rs. 5.91 Crores (equivalent to USD 0.80 million), and Rs. 4.43 Crores (equivalent to USD 0.60 million) on 31 October 2021, 31 March 2022, 31 December 2022 and 31 March 2023, respectively. Accordingly, the Group has reversed the entire allowance for expected credit loss of Rs. 37.28 Crores towards the aforementioned trade receivables and derecognised trade receivables of Rs. 37.28 Crores and recognised receivables from the buyer towards aforementioned purchase consideration at present value of Rs 13.97 Crores on the initial recognition date. The difference between the consideration receivable and the carrying value of trade receivables is recognised in the statement of profit and loss during the quarter and six-months period ended 30 September 2021. Further, the unwinding of discount on the above receivable will be recognised in the statement of profit and loss over the period of agreement and will be classified as interest income. The Group considers the aforementioned receivables from the buyer, good and recoverable as at the reporting date, i.e., 30 September 2021 and these receivables are shown as 'Other financial assets' in the Statement.
- The paid-up equity share capital stands increased to Rs. 32.81 Crores (32,808,176 equity shares of Rs.10 each) upon allotment of 279,346 equity shares of Rs.10 each pursuant to ESOP Scheme 2015 during the quarter and six-months period ended 30 September 2021.

11) Restatement on account of prior period error or omission

1 Warrants

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

2 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'), step-down subsidiary of the Holding Company, 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 construed that PPI raised the money from its lender against the financial guarantee given by AGC USA apart from the security of land and building to pay BBC towards sales consideration. Accordingly, the initial sale and lease back transaction became invalid in line with Ind AS 115 'Revenue from Contracts with Customers' and Ind AS 116 'Leases'. This has resulted into unwinding of sale and lease back transaction on the initial date of recognition. Land and building are re-recognized in the books and depreciation is charged as if the sale never took place. Financial liability is 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.

This Statement includes 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 errors for the aforementioned matters. The interim consolidated financial information of BBX prepared for the purpose of consolidation for the quarter and six-months period ended 30 September 2021, contain restatement of certain comparative figures resulting from correction of certain prior period errors relating to quarter and six-months period ended 30 September 2020.

The following table summarize the impact on the Statement:

Particulars	(Rs. in Crores)					
	Quarter ended			Six months ended		
	30/09/2020	30/09/2020	30/09/2020	30/09/2020	30/09/2020	30/09/2020
	Before restatement	Adjustment	Restated figures	Before restatement	Adjustment	Restated figures
Other income	7.07	0.01	7.08	8.01	0.03	8.04
Finance costs	28.87	1.33	30.20	49.49	2.72	52.21
Depreciation and amortisation expense	26.62	(2.14)	24.48	51.63	(4.32)	47.31
Other expenses	91.82	(0.06)	91.76	181.32	(0.12)	181.20
<b>Profit before impact of foreign currency transactions and translations, (loss) / gain on financial liability, exceptional items and tax</b>	<b>53.19</b>	<b>0.88</b>	<b>54.07</b>	<b>62.50</b>	<b>1.75</b>	<b>64.25</b>
(Loss) / gain on foreign currency transactions and translations (net)	2.58	-	2.58	6.49	-	6.49
Loss on fair value of financial liability	-	7.88	7.88	-	7.65	7.65
<b>Profit before exceptional items and tax</b>	<b>55.77</b>	<b>(7.00)</b>	<b>48.77</b>	<b>68.99</b>	<b>(5.90)</b>	<b>63.09</b>
Exceptional items - expenses (refer note 3)	12.84	-	12.84	18.69	-	18.69
<b>Profit before tax</b>	<b>42.93</b>	<b>(7.00)</b>	<b>35.93</b>	<b>50.30</b>	<b>(5.90)</b>	<b>44.40</b>
Tax expense	1.50	-	1.50	4.54	-	4.54
<b>Net profit for the period</b>	<b>41.43</b>	<b>(7.00)</b>	<b>34.43</b>	<b>45.76</b>	<b>(5.90)</b>	<b>39.86</b>
Other Comprehensive Income	9.03	1.91	10.94	22.22	2.01	24.23
<b>Total Comprehensive Income for the period</b>	<b>50.46</b>	<b>(5.09)</b>	<b>45.37</b>	<b>67.98</b>	<b>(3.89)</b>	<b>64.09</b>

- 12) On 30 June 2021, BBC had entered into a contract to premature the warrant agreement with the lender, executed in pursuance of credit agreement referred to in Note 11.1 above, by buying back the warrants for a value of Rs. 89.71 Crores (equivalent to USD 12.25 Million).

- 13) Previous period / year figures have been re-grouped, reclassified and rearranged, wherever necessary, to conform to current period's presentation.

FOR AND ON BEHALF OF THE BOARD



**SANJEEV VERMA**  
WHOLE-TIME DIRECTOR  
DIN: 06871685

Place : Dallas, Texas, The United States of America  
Date : 14 November 2021  
CIN : L32200MH1986PLC040652