



Redington (India) Limited

Notes to Statement of Unaudited Consolidated Financial Results for the Quarter / Nine Months Ended December 31, 2015

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 3, 2016.
2. A Limited Review of the standalone and consolidated financial results of the Company has been carried out by the statutory auditors. A similar review of the financial results of the Overseas and Indian subsidiaries and an Associate and its Subsidiary has been conducted by the respective statutory auditors.
3. The Company including its subsidiaries (collectively: "Group") are engaged mainly in Information Technology Product distribution business besides supply chain solutions and after sales service of Information Technology Products.

Geographical segment is considered as primary segment in Consolidated Segment information since the risks and returns for the Group are affected predominantly by the economies of various countries and geographies in which the Group operates.

4. During the Quarter,
 - a) the Company has made an additional equity investment of USD 4 Mn (₹2,652.37 Lakhs) in its wholly-owned subsidiary Redington International Mauritius Limited.
 - b) RNDC Alliance West Africa Limited, a wholly owned overseas step-down subsidiary was incorporated in Nigeria which has commenced operations from December 2015.
5. Of the options so far granted under ESOP scheme, 242,173 options (including lapsed options) were outstanding as on December 31, 2015 to be exercised later.
6. Subsequent to the Quarter,
 - a. the Company made an additional investment of USD 1 Mn (₹675.22 Lakhs) in its wholly-owned subsidiary Redington International Mauritius Limited.
 - b. the Company has allotted 15,500 equity shares of Rs.2/- each (13,500 shares at a premium of Rs. 77.30 per share and 2,000 shares at a premium of Rs. 24 per share) pursuant to the Employee Stock Option Plan, 2008.
7. The Company's wholly-owned step-down subsidiary Redington Gulf FZE has completed the acquisition of 70% stake in Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret AS, Turkey for a consideration of USD 5.75 Mn.
8. Other income for the corresponding previous Nine Months Ended December 31, 2014 includes capital profit on sale of land amounting to ₹ 1,215 Lakhs.

9. The Income tax demand arising mainly on account of tax on capital gains from the transfer of Company's investment in an overseas subsidiary to another overseas step-down subsidiary raised for the accounting year ended on March 31, 2009 amounting to ₹ 129 Crores (besides interest of ₹ 78 Crores) had been nullified by the Income Tax Appellate Tribunal vide its order dated July 7, 2014.

10. During the previous quarter, the Company had received an adjudication order from Common Adjudicating Authority, Mumbai disallowing the CVD notification benefit claimed under Notification Number 6/2006-CE on import of External Hard Disk Drives during the period from March 2011 to November 2012, resulting in a total demand of ₹ 2,160 Lakhs.

The Company has preferred an appeal with Customs Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai against the order which is pending adjudication. Based on Counsel's view that the demand is not sustainable in law, no provision is presently considered necessary.

11. Consequent to the amendment to the Payment of Bonus Act 1956, with retrospective effect from April 1, 2014, a provision of ₹ 292.98 Lakhs has been made in the current quarter in the Consolidated Financial Results relating to the year 2014-15 and included under Employee Benefit Expense.

12. The quantum of CSR expenditure relating to the financial year ending March 31, 2016 is ₹ 524.19 Lakhs. Pending clarifications, no provision has been made at present.

13. The Board of Directors at its meeting held on August 3, 2015 approved the proposed merger of its wholly-owned subsidiary Nook Micro Distribution Limited with the Company with effect from April 1, 2015, under a scheme of merger, subject to the sanction by the Hon'ble Madras High Court in respect of which an application has been made. Both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have communicated no objection in this regard.

Pending sanction of the Scheme by the Madras High Court, the financials of the said subsidiary for the Nine months ended December 31, 2015 have not been included in the Standalone Financial Results.

14. The figures of the previous periods have been regrouped wherever necessary to conform to classification of the current Quarter.



15. The Standalone financial results of the Company for the Quarter / Nine Months Ended December 31, 2015 together with financial notes and Statutory Auditors' Limited Review Report have been filed with the NSE and BSE and are available in Company's website www.redingtonindia.com.

For Redington (India) Limited

Place: Dubai
Date: February 3, 2016

Sd/-
Raj Shankar
Managing Director