

Redington (India) Limited
Notes to the Statement of Unaudited Standalone / Consolidated Financial Results for the Quarter / Nine Months Ended December 31, 2021

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of Redington (India) Limited (“the Company”) at their respective meetings held on February 7, 2022, and February 8, 2022.
2. The above financial results comprise the Unaudited results of the Company and its subsidiaries (collectively referred to as ‘the Group’) and the Group’s interest in its associate.
3. A Limited review of the unaudited 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 subsidiaries / associate has been conducted by the respective statutory auditors, as applicable.
4. The above financial results have 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 and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
5. The Group is engaged primarily in the business of Distribution of Information Technology & Mobility products besides supply chain solutions and after sales service. As per Ind AS 108 “Operating Segments”, the disclosure of reportable segments, “India” and “Overseas” have been made in a manner consistent with internal reporting made to the Managing Director who is the Chief Operating Decision Maker for the Group.
6. Pursuant to the Order of Regional Director dated September 27, 2021, Chennai, Rajprotim Supply Chain Solutions Limited (RCS), erstwhile wholly owned subsidiary, is merged with ProConnect Supply Chain Solutions Limited (ProConnect), with an appointed date of April 1, 2020. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations', and comparatives have been restated for merger from the beginning of the previous year i.e., April 1, 2020. The reconciliation of the profits for the above periods is given below which are different from earlier reported numbers.

Particulars	Quarter ended	Nine-months ended	Year ended
	31-Dec-20	31-Dec-20	31-Mar-21
	(Unaudited)	(Unaudited)	(Audited)
Profit after tax reported in earlier periods	201.94	483.19	786.61
Add: Profit on account of merger of RCS*	2.28	2.53	1.89
Profit after tax as per the above results	204.22	485.72	788.50

*Tax benefits available consequent to merger

Particulars	Year ended
	31-Mar-21
	(Audited)
Other Equity reported in earlier periods	4,855.87
Add: Effect on account of merger of RCS	4.80
Other Equity as per the above results	4,860.67

7. During the quarter ended December 31, 2021:

- a.** The SAR Share Allotment Committee of the Board of Directors of the Company has considered and approved allotment of 43,450 and 58,945 equity shares of ₹ 2/- each on October 8, 2021, and December 14, 2021, respectively pursuant to exercise of Stock Appreciation Rights granted under Redington Stock Appreciation Rights Scheme, 2017.
- b.** Liquidation process of “Ensure Solutions Nigeria Limited” a wholly owned step-down subsidiary of Redington Gulf FZE (“RGF”) completed during the quarter.
- c.** The Company has paid ₹ 21 crores to ProConnect, a wholly owned subsidiary of the Company, towards application money for the shares through rights issue, in the previous quarter and the Board of Directors of ProConnect in their meeting held on November 2, 2021, allotted 16,53,543 equity shares of ₹ 10/- each.
- d.** Arena Bilgisayar Sanayi Ve Ticaret A.S. (“Arena”), step-down subsidiary of RGF, acquired 100% stake in Brightstar Telekomünikasyon Dağıtım Ltd. Şti. (“Brightstar”) for a final consideration of USD 26.14 million. The share purchase agreement was signed on September 10, 2021, and the acquisition was completed as of December 1, 2021.

8. Subsequent to the quarter,

- a.** The Company incorporated a wholly owned subsidiary “Redserv Global Solutions Limited” in India. The entity is yet to commence its operations.
- b.** The Board of Directors of the Company at its meeting held on February 8, 2022, considered, and approved the following:
 - i)** Re-appointment of Ms. Anita P Belani as Independent Director for a second term of 5 years w.e.f. April 1, 2022, subject to approval of shareholders.
 - ii)** Redesignation of Mr. Rajiv Srivastava as Managing Director with effect from April 1, 2022.
 - iii)** Consequent to the elevation of Mr. Rajiv Srivastava as Managing Director, Mr. Raj Shankar who is currently Vice Chairman and Managing Director will continue as “Vice Chairman” of the Company with effect from April 1, 2022.
 - iv)** Re-appointment of Mr. S V Krishnan as a Whole-time Director for a term of 5 years w.e.f. May 22, 2022, subject to approval of shareholders, and re-designation as “Global Chief Financial Officer” w.e.f. February 8, 2022.
 - v)** Appointment of Mr. V Ravi Shankar as “Chief Financial Officer” of the Company w.e.f. February 8, 2022.

9. Impact of COVID-19

The Group/Company has considered the possible effects of known events arising from COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of Group/Company’s liquidity and going concern, recoverable values of its financial and non-financial assets. The Group/Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

10. The Company has listed its commercial papers in the bourses of BSE and pursuant to such listing, below are the details of Redington (India) Limited on a standalone basis pursuant to Regulation 52(4) of the Listing Regulations:

Particulars	Nine months ended December 31, 2021 (Unaudited)	Nine months ended December 31, 2020 (Unaudited)
Debt service coverage ratio (no. of times) [refer note (a)]	83.97	8.60
Interest service coverage ratio (no. of times) [refer note (b)]	(327.53)	14.91
Debt equity ratio (no. of times) [refer note (c)]	(0.52)	(0.17)
Net worth [refer note (d)] (₹ in crores)	2,424.14	1,951.34
Capital redemption reserve (₹ in crores)	-	2.22
Earnings per share (EPS)*		
(a) Basic EPS (₹)	10.40	1.90
(b) Diluted EPS (₹)	10.39	1.90
Net profit after tax*	811.61	147.86
Current ratio [refer note (e)]	1.32	1.28
Current liability ratio [refer note (f)]	0.99	0.99
Long term debt to working capital [refer note (g)]	-	-
Bad debts to Accounts receivable ratio [refer note (h)]	0.01	0.00 [^]
Total debts to Total assets ratio [refer note (i)]	0.00 [^]	0.00 [^]
Debtors turnover [refer note (j)]	8.27	7.75
Inventory turnover [refer note (k)]	20.01	17.28
Operating margin (%) [refer note (l)]	2.6%	2.1%
Net Profit margin (%) [refer note (m)]	1.9%	1.4%

[^] Represents value less than 0.01.

* Net profit after tax excluding dividend income and one-off tax expenses in respect of earlier years is ₹ 359.33 (PY: ₹ 236.85) and related EPS is ₹ 4.60 (PY: ₹ 3.04)

Formulae for calculation of ratios are as follows:

- (a) Debt service coverage ratio = (Profit/(loss) before tax – Dividend income + Interest expenses) / (Interest expenses + Repayment of Long-term loans during the year)
For the purpose of calculation, loans having original maturity of more than 360 days are considered as Long-term loans.
- (b) Interest service coverage ratio** = (Profit/(loss) from ordinary activities before tax – Dividend income + Interest expenses – Interest income earned on surplus funds) / (Interest expenses – Interest income earned on surplus funds).
- (c) Debt equity ratio = (Total debt – Cash and cash equivalents) / (Total equity – Investments in subsidiaries)
- (d) Net worth = Equity share capital + Other equity
- (e) Current ratio = Current assets / Current liabilities
- (f) Current liabilities ratio = Current liabilities / Total liabilities
- (g) Long term debt to Working capital = Long term borrowings (including current portion of long-term borrowings) / Working capital
Working capital = Current assets (excluding Assets classified as held for sale) - Current liabilities (excluding current maturities of long term debt, interest accrued on borrowings).
- (h) Bad debts to Accounts receivable ratio = Bad debts / Trade receivables
- (i) Total debts to Total assets ratio = (Non-current borrowings + Current borrowings) / Total assets
- (j) Debtors turnover ratio (number of times) (annualized) = Revenue from operations / Average Trade receivables
- (k) Inventory turnover ratio (number of times) (annualized) = (Purchases of traded goods + Changes in inventories of traded goods) / Average Inventories
- (l) Operating margin (%) = (Profit before tax + Finance costs – Dividend income) / Revenue from operations
- (m) Net profit margin (%) = Net profit after tax excluding dividend income and tax expenses in respect of earlier years / Revenue from operations

** Since interest income has been obtained from surplus funds, the same has been adjusted with interest expense for interest service coverage ratio computation.

11. The Standalone and Consolidated financial results of the Company for the Quarter / Nine Months Ended December 31, 2021 have been filed with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are available in Company's website www.redingtongroup.com.

For Redington (India) Limited

Sd/-

**S V Krishnan
Whole-time Director and
Global Chief Financial Officer**

**Place : Chennai
Date : February 8, 2022**